

# THE KING'S COMMUNITY CHURCH HATFIELD TRUST

## Report and Accounts

Year ended 31 August 2016

**stewardship<sup>®</sup>**

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THE KING'S COMMUNITY CHURCH HATFIELD TRUST

FOR THE YEAR ENDED 31 AUGUST 2016

COMPANY INFORMATION

<b>Directors/Trustees</b>	R Everett A Mathes J Telford R Hickman
<b>Company Secretary</b>	David Martin
<b>Key staff</b>	David Rigby Dom Long
<b>Governing Document</b>	Memorandum and Articles of Association dated 24 August 2011
<b>Company Registration Number</b>	7751479
<b>Charity Registration Number</b>	1144204
<b>Registered Office</b>	Kennelwood House Kennelwood Lane Hatfield Hertfordshire AL10 0LG
<b>Independent Examiner</b>	Stephen Mathews FCA Stewardship 1 Lambs Passage London, EC1Y 8AB
<b>Bankers</b>	HSBC Bank CAF Bank

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# THE KING'S COMMUNITY CHURCH HATFIELD TRUST

## REPORT OF THE DIRECTORS FOR THE PERIOD ENDED 31st AUGUST 2016

The Directors have pleasure in submitting the Report and Accounts for the year to 31st August 2016.

### **Objects of the charity**

The Charity's objects ("Objects"), as set out in the Memorandum and Articles of Association, are for the public benefit:-

(a) to advance the Christian faith in accordance with the Statement of Beliefs appearing in the Schedule hereto in Hatfield, St Albans, and Welwyn Garden City, and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit, and to fulfil such other purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity;

(b) To advance education by such means as the Trustees may consider appropriate including (though not by way of limitation) by means of establishing operating or supporting any educational establishment or establishments in Hatfield, St Albans and Welwyn Garden City, and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit.

### **Structure, Governance and Management**

#### **Governing document**

The King's Community Church Hatfield Trust is a company limited by guarantee, incorporated on 24th August, 2011 and registered as a charity at the same time. The church previously operated as an unincorporated charity. The company was established by a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members (who are the Elders), are required to contribute an amount not exceeding £10.

#### **Appointment of responsible individuals and elders**

The Church is governed by its responsible individuals, who are appointed according to the Articles of Association. The individuals are closely involved in the church's operations and held several meetings during the year ended 31st August 2016.

Elders are recognised by the congregation for the spiritual direction of the Church and undertake its day to day management.

#### **Trustees**

The responsible individuals who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the period and up to the date of this report are set out on page 1.

### **Trustees' induction and training**

Responsible Individuals and Elders are closely involved in the church's operations prior to appointment and are appointed according to their ability to lead the church and the skills they bring to the post. Existing Responsible Individuals, Elders and new appointees have a good knowledge of the operation of the Church prior to appointment.

Existing Responsible Individuals and Elders have been involved in the establishment of the charitable company and are aware of the legal requirements from participation in this process. New appointees are supported in their posts by existing appointees. New appointees are also provided with copies of the Memorandum and Articles of Association, latest financial statements and guidance from the Charity Commission.

### **Review of Activities**

The Trustees confirm that they have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the Church's aim and objectives and in planning future activities.

The Church operates in conjunction with Newfrontiers.

### **Worship and Prayer**

All are welcome to attend our regular Sunday meetings, when activities and groups are provided for children and youth, with a crèche for babies.

### **Activities during the Year**

- o The church continued to provide Christian witness and support to people in Hatfield, St Albans and Welwyn Garden City.
- o The directors and employees remain the same. Younger men have been identified and continue to be trained as possible future elders.
- o Pastoral care and training for members continued through its mid-week Community Groups and Envision, a weekly meeting for the 18-30's. University students are encouraged to attend. The church was again represented at the University of Hertfordshire's Freshers Fair.
- o A Pastoral team has been established to bring support and prayer to others in the church as necessary.
- o An Alpha Course was run for those who are interested in the Christian faith.
- o Two church members have been on Catalyst Leadership training during the year. The church is in association with the worldwide Newfrontiers group of churches. Catalyst is a sub-group (Sphere) within Newfrontiers comprising about 80 churches.
- o A good representation of members attended the Newfrontiers Newday conference and the Catalyst Festival.
- o The church maintained its support to the local community via the Space project every month. This unfortunately had to end when the Space project was discontinued.
- o During the year, the church ran a Debt Counselling Service from its offices in central Hatfield. This was run under the wider national Advice UK (CMA 163) umbrella. Our Debt Counselling Service closed in December 2015.

- o Our mother and toddler group, Little Ones, continued to meet each week giving mothers a social outlet and mutual support. In March it moved from meeting in private houses to meeting in the Harrier Assembly hall, allowing it to be opened up to the wider community. Our craft social group, Knit and Natter, also continued to meet.
- o The church continued to hold the Half Century Club during the year, which provides a social outlet and mutual support for the over 50's. This attracts others in the community on a regular basis.
- o In July 2015 we started an initiative called 'Stepping Out' where church members reach out to the community on market days in Hatfield town centre. This is sometimes run jointly with another local church.
- o As part of the church mission, 'Live Lounge' evenings have been started in a local venue where the general public are invited to perform. These have proved popular and are continuing.
  
- o Another initiative undertaken during the year was 'Games in the Park', where families in the community came to enjoy fun games and activities ending with a picnic.
- o Dom Long, one of the elders, sits on several Hatfield Town Council community committees and the church actively supports the events they organised during the year.
- o The Welwyn/Hatfield Mayor invited the church to help her run the Mayor's Tea Party in a local village hall to raise money for the National Rheumatoid Arthritis Society. It was well received by the community and well supported. The Mayor also attended our community Christmas Carol Service.
- o The Welwyn/Hatfield Mayor requested that the church coordinated the annual Multi Faith service of prayer, which was attended by some 200 dignitaries and local people from the community.
- o The church supports overseas ministry with the Senior Pastor, David Rigby, continuing to cover Newfrontiers churches in the Greater Moscow region of Russia. He visits Russia several times a year, occasionally accompanied by a team from the church.
- o A church couple continued to help Trinity Central, a church plant in Vancouver which is now a church within Newfrontiers. Another couple are working with the Puerto Banus Christian Centre (The Wave) in Spain, which is hoping to become a Newfrontiers church.

In planning the activities the Directors have had regard to the guidance on public benefit issued by the Charity Commission.

### **Financial Review**

The Church's income for the year was £120,071 and expenditure £132,734. The church's budgetary control system continues to operate and budget holders have responsibility for managing their departmental budget.

### **Investment policy and returns**

The trustees have wide investment power. The church's investment policy is to invest the monies not immediately required for the primary purpose of the trust in, or upon, such investments as may be thought fit. This will be reviewed now the new Trust is in operation.

### **Reserves Policy**

The church holds restricted and unrestricted funds. Unrestricted funds are the church's 'cash flow' used for day to day income and expenditure. Our reserves policy is to ensure that we maintain a minimum balance of £10,000 in unrestricted funds and a maximum of £30,000 (three months expenditure) or more where specific projects are being planned for subsequent years. Should the balance of the account fall below the lower limit, the trustees would take action to restore to within the policy parameters.

At the end of January 2017, free cash reserves amounted to £23,221.17

### **Risk Statement**

The trustees have assessed the major risks to which the church is exposed, in particular those relating to the operations and finances of the church. The trustees are satisfied that systems are in place to mitigate their exposure to major risk. A new budgetary control system has been designed to commence from 01.09.16, monitored by the Elders and Trustees. The Church was able to meet its budget for 2015-2016.

### **Directors' Responsibilities**

Charity law requires Directors to prepare financial statements for each accounting year which give a true and fair view of the state of the charity and of its income and expenditure for the year.

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
4. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Act 2006.

The Directors also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

### **Approval**

This report was approved by the Directors on 5/3/2017 and signed on their behalf by:  
J Telford

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**

### **THE KING'S COMMUNITY CHURCH HATFIELD TRUST**

I have examined the accounts for the year ended 31 August 2016 on pages 7 to 12 following which have been prepared on the basis of the accounting policies set out on page 9.

#### **Respective Responsibilities of Directors/Trustees and Examiner**

The directors/trustees of the company are responsible for the preparation of accounts; they consider that the audit requirements under section 144 of the Charities Act 2011 do not apply but that an independent examination is needed. I have been appointed to conduct an Independent Examination required by section 145 of the Charities Act 2011 and to report in accordance with the regulations made under section 145 of that Act. It is my responsibility to examine the accounts, without performing an audit, and to report to the trustees.

Having satisfied myself that the company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (1) examine the accounts under section 145 of the Charities Act 2011;
- (2) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011;
- (3) state whether particular matters have come to my attention.

#### **Basis of Examiner's Statement**

This report is in respect of an examination carried out under section 145 of the Charities Act 2011, and in accordance with the general directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity, and a comparison of the accounts presented with those records. It also includes a review of the accounts and making such enquiries as are necessary for the purpose of this report. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### **Examiner's Statement**

Based on my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect, accounting records have not been kept in accordance with section 386 of the Companies Act 2006, or that the accounts presented do not accord with those records, or comply with the accounting requirements of section 396 of the Companies Act 2006. No matter has come to my notice in connection with my examination to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts.

Stephen Mathews FCA

For and on behalf of:  
Stewardship  
1 Lambs Passage  
London, EC1Y 8AB

14 March 2017

THE KING'S COMMUNITY CHURCH HATFIELD TRUST

Statement of Financial Activities

FOR THE YEAR ENDED 31 AUGUST 2016

Summary Income and Expenditure Account

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	112,707	3,057	115,764	131,234
Investment income		45	-	45	38
<i>Incoming resources from charitable activities</i>					
<i>Church activities</i>		3,094	-	3,094	12,550
<i>Other incoming resources</i>		1,168	-	1,168	-
Total Incoming Resources		117,014	3,057	120,071	143,821
<b>RESOURCES EXPENDED</b>					
Charitable activities	3	128,298	4,426	132,724	129,951
Total Resources Expended		128,298	4,426	132,724	129,951
<b>Net Movement in Funds</b>		(11,284)	(1,369)	(12,653)	13,870
Transfers between funds		(285)	285	-	-
Fund balances at 1 September 2015		26,809	23,212	50,021	36,151
<b>Fund balances at 31 August 2016</b>		15,240	22,128	37,368	50,021

Movements on reserves and all recognised gains and losses are shown above.

The notes on page 9-12 form part of these accounts.

THE KING'S COMMUNITY CHURCH HATFIELD TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Note	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
<b>CURRENT ASSETS</b>					
Debtors	5	6,002	-	6,002	9,032
Cash at bank	6	18,549	22,128	40,677	44,302
		<u>24,551</u>	<u>22,128</u>	<u>46,679</u>	<u>53,333</u>
<b>CURRENT LIABILITIES</b>					
Liabilities falling due within one year	7	9,311	-	9,311	3,312
Net Current Assets		<u>15,240</u>	<u>22,128</u>	<u>37,368</u>	<u>50,021</u>
<b>NET ASSETS</b>					
		<u>15,240</u>	<u>22,128</u>	<u>37,368</u>	<u>50,021</u>
<b>FUND BALANCES</b>					
Unrestricted funds	8				
General Funds		15,240	-	15,240	26,809
Restricted Funds	8	-	22,128	22,128	23,212
		<u>15,240</u>	<u>22,128</u>	<u>37,368</u>	<u>50,021</u>

*For the year ended 31 August 2016, the company was entitled to the exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.*

*Responsibilities of directors/trustees:*

- a. The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act - however, in accordance with Section 145 of the Charities Act 2011 the accounts have been examined by an independent examiner whose report forms part of this document.*
- b. The directors/trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.*

*These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.*

Approved by the Directors and signed on their behalf on the 5/3/2017 by:

J Telford

Company number: 7751479

Charity number: 1144204

The notes on page 9-12 form part of these accounts.

# THE KING'S COMMUNITY CHURCH HATFIELD TRUST

## Notes to the Accounts FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting Policies

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards and follow the FRSSE Statement of Recommended Practice: Accounting by Charities 2015. The following are the accounting policies which have been applied in dealing with material items:-

a) Donated and grant income:

Donated income and grants receivable are taken into account when received by the charity. Income received in circumstances where a claim for repayment of tax has been or will be made to HM Revenue & Customs is grossed up for the tax recoverable. Any amount of tax reclaimed from HM Revenue & Customs but not yet received is shown within the charity's debtors.

The charity has relied significantly upon volunteers in carrying out its activities during the year. In accordance with paragraph 6.19 of the SORP, the role of volunteers has not been recognised as income from donated services in the accounts.

b) Other income and expenditure:

Investment income is taken into account when receivable and expenditure, including irrecoverable VAT, when incurred by the charity, regardless of when payment is made. Grants payable are taken into account at the earlier of when they are paid or become constructive obligations. Grants for the support of missionaries are accounted for on the basis of support that relates to the financial year.

c) Funds:

Unrestricted funds are donations and other income received or generated for the objects of the charity without specified purpose and are available for purposes as directed by the trustees. Restricted funds are amounts received where the donor has specified the purpose for which it should be used.

d) Fixed assets and depreciation:

Fixed assets acquired for use by the charity are capitalised and depreciated over their estimated useful life unless they cost less than £750 when they are written off on purchase.

Depreciation periods are as follows:

Freehold land	Not depreciated
Freehold buildings	Over 50 years
Equipment	Between 3 and 7 years

e) Pension costs:

The company contributes to the personal pension schemes of certain of its employees. Pension premiums are charged as they are paid.

f) Taxation

The company is a registered charity and is exempt from taxation under the Income & Corporation Taxes Acts.

g) Cashflow statement

The company has taken advantage of the exemption provided by the Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

THE KING'S COMMUNITY CHURCH HATFIELD TRUST

Notes to the Accounts  
FOR THE YEAR ENDED 31 AUGUST 2016

2 Voluntary income	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Gifts, Offerings & donations	93,076	3,057	96,133	108,735
Tax recoverable	19,631	-	19,631	22,499
	<u>112,707</u>	<u>3,057</u>	<u>115,764</u>	<u>131,234</u>
3 Charitable activities	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<b>a Direct Charitable Costs</b>				
Employment expenses	63,042	-	63,042	62,940
Venue hire	33,887	-	33,887	28,980
Evangelism	5,853	-	5,853	6,076
Ministry expenses	2,387	-	2,387	1,858
Conferences & courses	4,836	-	4,836	12,883
Church activities	2,823	36	2,860	3,187
Pastoral care expenses	1,377	-	1,377	1,555
Sundry expenditure	397	-	397	530
Grants payable	9,026	4,389	13,416	7,865
	<u>123,629</u>	<u>4,426</u>	<u>128,055</u>	<u>125,874</u>
<b>b Support &amp; Administration</b>				
General church offices expenses	3,877	-	3,877	3,315
Accounts and examination	792	-	792	792
	<u>4,669</u>	<u>-</u>	<u>4,669</u>	<u>4,107</u>
<b>Combined charitable activity cost</b>	<u>128,298</u>	<u>4,426</u>	<u>132,724</u>	<u>129,981</u>

The church has a commitment to pay rent of £16,000 per year for its venue hire under a two year lease ending in 2017

THE KING'S COMMUNITY CHURCH HATFIELD TRUST

Notes to the Accounts  
FOR THE YEAR ENDED 31 AUGUST 2016

c Grants	Institutions £	Individuals £	2016 £	2015 £
Mission support	6,726	2,701	9,427	6,302
Relief of poverty	2,888	1,100	3,988	1,563
	9,614	3,801	13,416	7,865

The church supports missionaries in the UK and internationally. Where a particular missionary has been supported by the church for a number of years, strict compliance with the Charities' Statement of Recommended Practice (SORP) may regard some arrangements as constituting constructive obligations such that future years' support is accounted for in these accounts as a liability. Whilst the support has no final end date in some cases, the church officers assess missionary funding on an annual basis and are confident that the missionaries would not view their support as an open ended obligations by the church.

The main features of the grants made to institutions were:	2016	2015
Catalyst Network of Churches	£2,000	£3,805
Catalyst - refugee response	£1,194	-
Tearfund	£1,194	-

4 Staff & Trustees

	2016 £	2015 £
Gross wages, employers national insurance, & benefits in kind	59,343	60,756
Pension costs	3,699	2,184
Total staff costs	63,042	62,940

The church has two full time employees and three part-time employees. Most activities are carried out by volunteers. David Rigby is the full time leader and pastor of the church. In addition he is also responsible for the oversight of other Newfrontiers churches in the UK and in northern Russia. The Church has another full time Elder, Dom, and three part-time Administrators.

No staff received salaries at a rate of more than £60,000 per annum.

No remuneration was paid to any trustee during the year nor to any person connected to them.

5 Debtors and Prepayments

	Total 2016 £	Total 2015 £
Tax recoverable	3,485	7,382
Other Debtors	823	-
Prepayments	1,694	1,650
	6,002	9,032

6 Cash at Bank and in Hand

Bank operating accounts	19,525	23,195
Bank deposits	21,152	21,107
	40,677	44,302

THE KING'S COMMUNITY CHURCH HATFIELD TRUST

Notes to the Accounts  
FOR THE YEAR ENDED 31 AUGUST 2016

7 Creditors: liabilities falling due within one year

Trade Creditors	2,221	1,033
Accruals	5,780	2,280
Deferred Income	1,310	-
	<u>9,311</u>	<u>3,313</u>

8 Funds

The restricted funds represent amounts received for specific purposes and the movements in the year are as follows:

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers in the year £	Closing balance £
Building fund	16,689	-	-	-	16,689
Unemployment fund	4,356	-	(100)	-	4,256
Russia support fund	1,186	-	(1,478)	292	-
Church conference support fund	-	331	-	-	331
Spanish support fund	625	-	(211)	-	414
Mission trip fund	313	-	-	-	313
Leaders retreat fund	42	170	(212)	-	-
Refugee crisis fund	-	2,388	(2,388)	-	-
Little Ones fund	-	167	(36)	(7)	124
	<u>23,211</u>	<u>3,057</u>	<u>(4,426)</u>	<u>285</u>	<u>22,127</u>

The Building Fund will eventually help the Church to secure its own Church building.

The Unemployment Fund supports Church members who are out of work.

Russia support fund is for mission trip to Russia

Church conference support fund gifts are given to help those that cannot afford to go on the church conference.

Spanish support fund is for gifts received for a planned mission trip to Spain.

Mission trip fund is to support those who travel abroad on outreach ministry trips.

Refugee crisis fund is a special offering in response to the refugee crisis.

The assets and liabilities represented by the various funds are as follows:

	Fixed assets £	Bank & cash balances £	Other net assets £	Total £
Restricted funds	-	22,127	-	22,127
Unrestricted funds	-	18,550	(3,309)	15,241
	<u>-</u>	<u>40,677</u>	<u>(3,309)</u>	<u>37,368</u>

9 Members

Each member of the company commits to contribute if the charity is wound up an amount of £10.