

Charity registration Number: 1095786

CHALLENGE COMMUNITY CHURCH

Financial Statements

For the year ended 31 August 2016

CHALLENGE COMMUNITY CHURCH
Financial Statements
For the year ending 31 August 2016

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CHALLENGE COMMUNITY CHURCH

Trust Information

Status

Challenge Community Church, Hereford, is registered with the Charity Commissioners (No. 1095786) and constituted by a Deed of Trust dated 19 July 2002.

Trustees

The Charity is administered by the Trustees, who are at the time of signing this report:

Mr JGM Erwin	Mr IJ Cracknell
Mr SWJ Grisman	Mr PA Stuffins (resigned 21 March 2016)
Mr S Sully	Mr C Over
Mr FD Erwin (appointed 21 March 2016)	

Western Counties Trust are custodian trustees to the church premises at 40 Belmont Road, Hereford.

Elders

Mr JGM Erwin (resigned May 2016)
Mr S Sully
Mr C Over
Mr M Roberts
Mr FD Erwin

Church Office

40 Belmont Road
Hereford
HR2 7JW

Registered Office

131 St Peter's Close
Moreton-on-Lugg
Hereford
HR4 8DW

Bankers

Lloyds TSB
High Town
Hereford
HR1 2AE

CHALLENGE COMMUNITY CHURCH

Trustees Report

For the year ending 31 August 2016

The trustees submit their annual report and financial statements for the year ended 31 August 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (FRSSE 2015) 'Accounting and Reporting by Charities' in preparing their annual report. The financial statements have been prepared in accordance with the accounting policies set out on pages 11 and 12, and comply with the charity's governing documentation, applicable law and the requirements of the SORP.

Constitution

The charity is an unincorporated charity and is governed by its Trust Deed.

Object of the charity

To advance the Christian faith, in accordance with the Statement of Doctrines and Practices set out in the Schedule appended to the deed, mainly but not exclusively in the Hereford area.

Structure, governance and management

The charity is ultimately run by the Trustees. The Trustees have the authority to exercise their powers to further the objects of the charity. The Trustees meet at least once a year but delegate the day to day decision making on the running of the Church to the Elders of the Church, some of whom are also Trustees. The Elders meet formally twice a month to consider the management and pastoral needs of the fellowship.

At the end of April 2016 Mr Martin Erwin resigned as pastor and elder of the church to take up the role as CEO of Counties. Martin has made a significant contribution to the fellowship from its early days. The work he has done in recent years, since taking up the role of pastor, has especially been appreciated. Martin has been instrumental in many of the changes, the growth in numbers and scope of the work that we have seen at Challenge Community Church.

On 21 March 2016 the Trustees accepted the resignation of Mr Andrew Stuffins. The contribution he had made from the very beginnings of the charity was recognised with sincere thanks. On the same day the Trustees passed a resolution to appoint Mr Foster Erwin as a Trustee.

Every future Trustee shall be appointed by a resolution of Trustees passed at a special meeting. Training is available for Trustees as the need arises.

The Elders take responsibility for the management of risk and have set up a team to identify, assess and mitigate areas of risk.

Objectives and activities

The church meets every week at 40, Belmont Rd, Hereford. Our objective is to reach out to people in the surrounding community, witness for, teach about, and demonstrate the love of, Jesus Christ and trust and pray that He becomes their own personal saviour. This is undertaken through weekly meetings for teaching and worship; specific evangelistic and outreach events; The Storehouse Ministry (provision of foodstuffs to people in desperate need); jointly supporting a Christians Against Poverty worker; CAP Job Club; Koffee and Kids club; coffee mornings; and various children's ministries.

Gifts to external organisations and individuals are considered by the Elders from time to time on the basis of need and fulfilment of the charitable objectives. There are no upper or lower limits of support. No commitments have been made for long term support.

CHALLENGE COMMUNITY CHURCH

Trustees Report (continued)

For the year ending 31 August 2016

Related parties

The Trustees received no remuneration as a result of their office during the year. No Trustee, or other person related to the charity, apart from as detailed in note 16, had any personal interest in any contract or transaction entered into by the charity during the year.

Review of developments

The year has been one of significant change for the church, particularly in regard to personnel and leadership, yet God, the head of His church, has continued to bless us.

In February Martin Erwin informed the Elders that he would be applying for the role of CEO for Counties. He was duly appointed to the role in March and stood down as lead Elder of Challenge at the end of April.

Whilst we were initially a little shocked at the prospect of the man who was "Mr Challenge" to so many people within the fellowship, the local community and the wider city we recognised the role of Counties CEO was God's calling upon Martin and his family. That being the case we recognised it must also be God's will and purpose for Challenge.

After much prayerful reflection and discussion it was agreed that Steve Sully would 'step up' to the role of Lead Elder from 1st May on a voluntary basis with a review after 6 months. Following this review Steve was appointed as Pastor in January 2017 employed on a 15 hour per week contract.

Early in the year it was decided to appoint a Community Link Worker with the remit of 'Taking Challenge into the heart of the community and bringing the community to the heart of Challenge'. Four members of the church applied and after a day of interviews Heather Pyne was appointed in taking up the role on 1st September. Sadly, Heather was diagnosed with cancer just a few weeks later and was unable to fulfil her role from November although she still remains in post.

The church has continued to thrive and we have much to thank God for.

We have rejoiced as 11 people, aged from 10 to seventies declared their faith through baptism during the year after completing the Decisions course.

Our schools work continues to take us into the community with a weekly After School Club at Marlbrook attended by an average of 40 children attending. The contact is unashamedly gospel based with regular use of the CBN Superbook DVD series which the children love and engage with. We also lead regular assemblies at Blackmarston, a school for children who are either physically or emotionally challenged.

Every Friday in the school term our youth groups, Ignite and Boom, attract over 50 young people where they enjoy a varied programme including Christian teaching. A number of these children attended the Youth Trek residential camp in August where several made a commitment to Christ.

In March we put on a Holiday Bible Club over four mornings with songs, drama, crafts, teaching and refreshments. Over 60 children attended and several parents also stayed and engaged with the programme.

CHALLENGE COMMUNITY CHURCH
Trustees Report (continued)
For the year ending 31 August 2016

CAP (Christians Against Poverty) continues to be a core ministry of the church. At any one time, Bella Goode, our CAP Centre Manager has circa 35 'active' clients all working to becoming debt free. Such is the demand for the service that it can often be three months before new clients have their first meeting.

CAP Job Club, managed by Andy Goode, continues to meet every Wednesday equipping and supporting those who are long term unemployed with a good number securing employment throughout the year.

Funding for CAP is always challenging and we are grateful for the support of Christian Life Centre and the Diocese of Hereford both of whom gave generous gifts in support of this work. Andy and Bella organised a concert in May with Paul Jones, formerly of Manfred Mann, and his wife giving powerful testimony. Over 20 people returned cards with prayer requests that were followed up.

Our Storehouse ministry has provided much needed groceries to 18 individuals or families following referrals from local agencies, charities and schools.

For many months we have been in consultation with Putson Baptist Church about how Challenge may support them to grow and develop. Putson is a church of approximately 30 members, many of whom are elderly. It was suggested by Martin that the church consider employing Andy Goode as minister. Andy is well known to us at Challenge and we promised to provide support in whatever way was feasible. Andy was duly appointed in September.

One of the commitments made to Putson was to support them by providing musicians for Sunday worship. As a result two of our musicians felt called to transfer attendance to Putson to assist Andy in building up the work. They go with our blessing but their move, along with other factors has left Challenge very short of musicians at the year end.

New initiatives introduced during the year have included a six week marriage course, Touching Heaven (a service with an emphasis on healing) a Light Party on Halloween and Waiting on God, a weekly hour spent in silence as we seek to hear God's voice.

Touching Heaven has seen miraculous healing with one lady having to explain to her consultant why the bone that was bent on an earlier scan is no longer bent on her latest scan! Praise God.

We have also established a Pastoral Care Team and a Prayer Ministry Team both of which has brought blessing to the life and work of the fellowship.

We continue to build one another up through Sunday teaching, Life Groups, social events (summer BBQ, Firework party) monthly lunches and days of 'doing stuff' together such as building projects and maintenance.

Our Community Action Team has continued to tackle overgrown gardens and other practical needs with in the local area.

Plans for 2017 included an Elders day retreat in January, the establishment of Neighbourhood Chaplains door-to-door outreach, and the introduction of the CPAS Growing Leaders leadership development programme.

CHALLENGE COMMUNITY CHURCH
Trustees Report (continued)
For the year ending 31 August 2016

For all that He has done and all that He will do we praise and thank our awesome God.

Public benefit statement

Identifiable Benefits, related to the aims of the charity

Through the regular worship & prayer meetings, bible studies, children's clubs, social action programmes and personal visitation the Christian Faith is shared and people in the community helped. Individuals have become Christians, had their faith developed and lifestyles impacted. As part of community life families have been supported.

Beneficiaries

In addition to Church members, families, other regular attendees and friends anyone is welcome to attend appropriate events without restriction. We seek to be available to all in the community.

The Trustees consider that they have complied with their duties under the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

Reserves policy

It was agreed at the Trustees meeting on 14 October 2013 to aim to build up reserves in the General Fund equivalent to three months expenditure (approx. £14,400) and a base level of reserves of £5,000 (only necessary expenditure below base reserves). The Trustees review this policy from time to time and agree that it is still appropriate.

Reserves are currently higher than this as we had not budgeted for the departure of Martin Erwin during the year. The Trustees also anticipated employing the Community Link worker and were therefore keen to hold extra funds to smoothe the transition to meet this new commitment.

No limit has been put on the Restricted Funds (Building, Mission, CAP, CAP Job Club and Storehouse) as these are being held for a specific purpose and spent when the need arises.

Risk management policy

The operations team have reviewed and updated the risk management policies of the church; when finalised these are passed to the Elders for adoption. The policy is to review the risk assessments on a two year rotational basis.

The principle risks currently identified, and strategies for managing those risks are as follows:

- Adequate funds to meet commitments. Addressed through the preparation of an annual budget; regular monitoring of income and expenditure by treasurer; periodic review by Elders at finance meetings.
- Safeguarding vulnerable adults and children. Addressed through a Safeguarding Officer; Child Protection and Safeguarding policy kept up to date through review and being a member of CCPAS; training.
- Health and safety on church premises. Addressed through a member being tasked to monitor the condition of premises; fire drills; regular maintenance; promoting the need to consider health and safety during activities.

CHALLENGE COMMUNITY CHURCH
Trustees Report (continued)
For the year ending 31 August 2016

Results and financial review

Net incoming resources for the Church were a total of £24,956 for the year. This is made up of a £12,673 surplus on the General Fund, a £12,380 surplus with respect to the designated funds, and a £97 deficit with respect to restricted funds.

The General Fund received income of £54,127 which was a 9.7% increase on the previous year due to giving from new members. The General Fund running expenditure was £37,821 which was £7,553 lower than last year. The main reasons for this was were a £4,878 decrease in pastoral costs due to Martin Erwin leaving two thirds of the way through the year; a £1,979 decrease in direct evangelism costs due to not having the LIFE Exhibition this year; and a £1,170 decrease in utilities due to using a different gas and electric supplier. However, repairs and depreciation increased by £1,193 due to extra repairs.

The main transfers between funds were £3,000 from the General Fund to the CAP Fund and £1,216 from the General Fund to the CAP Job Club Fund to meet the costs of this project. £300 has been transferred from the General Fund to the Mission Fund as a gift to Project India. £1,000 given in the previous year to the Project Fund to meet the costs of new music equipment was transferred back to the General Fund to cover the relevant costs incurred in the current financial year.

The Designated Funds (see note 14) is mainly accounted for by the Project Fund which has a balance at the year end of £19,082. As mentioned in the previous paragraph £1,000 was transferred to the General Fund to cover the cost of music equipment. It was encouraging to receive £13,380 of gifts into this fund, a major part of this arose from a large gift from a member which the Elders wish to release to the General Fund over a three year period. There has been no change in the Computer Fund; the depreciation on this equipment has been covered by a transfer from the General Fund to maintain the Computer Fund balance at £1,630.

There were fixed asset additions during the year of £9,638 (per note 11). This included £5,307 of improvements to the building (creating a chair store, prayer room and a new office); £4,331 of equipment (baptistry, sound desk and a TV for the youth room).

The Restricted Funds showed incoming resources (received or transferred) of £36,151, which are shown in more detail in note 13. £11,555 was given or transferred to Mission Fund and was either passed on during the year, or shortly after the year end, to the mission works that the church supports (see note 7). A further £5,035 was granted to missions and those working for the Lord from the General Fund. The Storehouse Fund continues to be very active with income in the form of gifts of £634 and expenditure of £753, leaving a small surplus to carry into the following year of £226. These statements only reflect the financial gifts to the Storehouse Fund and how they were spent. It was not practical to value and record in these accounts the provisions that are given by members and passed on to those in need. The Building Fund received gifts of £4,556. The balance at the year end on the Building Fund stands at £442,114.

CAP Job Club received £250 of income during the year. The annual expenditure was £1,466 on this outreach, the resulting deficit has been covered by a £1,216 transfer from the General Fund.

CHALLENGE COMMUNITY CHURCH

Trustees Report (continued)

For the year ending 31 August 2016

The church employs Mrs B Goode on a part time basis to undertake the CAP work. Mr JGM Erwin was self-employed and received a fee for the services he provided to the fellowship until May 2016. All other roles in the church are fulfilled on a voluntary basis. We praise God for his spiritual, practical and financial provision in this last year.

The terms of the loan with Western Counties Trust are that interest is being charged at 3%, and loan repayments are being made of £100 per month. Loan interest charged to the SOFA this year was £271.

Western Counties Trust are Custodian Trustees of the church property at 40 Belmont Road.

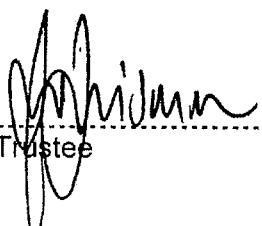
Statement of Trustees responsibilities

Charity law requires trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the profit and loss of the Charity for that period. In preparing these accounts, the Trustees are required to:


- Select suitable accounting policies and then apply them consistently.
- Make adjustments and estimates that are reasonable and prudent.
- Prepare the accounts on a going concern basis unless it is inappropriate to presume

The trustees are responsible for keeping proper accounting records which disclose with

Signed for and on behalf of the
Trustees of Challenge Community Church



Trustee



Date

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHALLENGE COMMUNITY CHURCH

I report on the accounts of the charity for the year ended 31 August 2016, which are set out on pages 9 to 19.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

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

Basis of the independent examiner's report

My examination was carried out 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 consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. 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.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Charities Act have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Independent Examiner

23rd February 2017
Date

Mr D Hill
Jalna, Chapel Lane
Bodenham Moor
Herefordshire
HR1 3HR

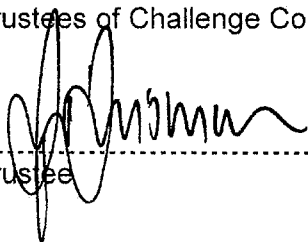
CHALLENGE COMMUNITY CHURCH
Statement Of Financial Activities
For the year ending 31 August 2016

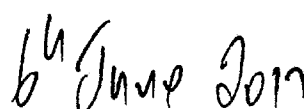
	Note	General Fund £	Designated Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Income from:						
Incoming resources from generated funds						
Voluntary income	2	48,893	13,380	15,567	77,840	64,807
Activities for generating funds	3	3,827	-	1,372	5,199	4,426
Investment income		8	-	-	8	11
Other incoming resources	4	1,399	-	14,506	15,905	26,798
Total income		54,127	13,380	31,445	98,952	96,042
Expenditure on:						
Costs of generating funds						
Charitable activities	5	32,786	117	24,685	57,588	64,129
Grants payable	7	5,035	-	11,373	16,408	13,904
Total expenditure		37,821	117	36,058	73,996	78,033
Net income/(expenditure) before transfers		16,306	13,263	(4,613)	24,956	18,009
Transfers between funds	8	(3,633)	(883)	4,516	-	-
Net movement on funds		12,673	12,380	(97)	24,956	18,009
Funds brought forward		11,381	8,332	440,666	460,379	442,370
Funds carried forward	13,14,15	24,054	20,712	440,569	485,335	460,379

CHALLENGE COMMUNITY CHURCH
Balance Sheet
As at 31 August 2016

	Note	2016 £	2015 £
Fixed assets	11	<u>451,986</u>	<u>448,981</u>
Current assets			
Current account		962	6,661
Deposit accounts		35,001	10,000
Storehouse petty cash		-	-
Ignite petty cash		326	336
Debtors		<u>5,313</u>	<u>4,808</u>
		<u>41,602</u>	<u>21,805</u>
Current liabilities			
Creditors		936	1,161
Western Counties Trust loan	12	<u>7,317</u>	<u>9,246</u>
		<u>8,253</u>	<u>10,407</u>
Net current assets		<u>33,349</u>	<u>11,398</u>
Net assets		<u><u>485,335</u></u>	<u><u>460,379</u></u>
Funds			
General	15	24,054	11,381
Storehouse	13	226	345
CAP	13	(1,969)	(2,109)
CAP Job Club	13	-	-
Mission	13	198	16
Building	13	442,114	442,414
Project	14	19,082	6,702
Computer	14	<u>1,630</u>	<u>1,630</u>
		<u><u>485,335</u></u>	<u><u>460,379</u></u>

Signed for and on behalf of the
Trustees of Challenge Community Church


.....
Trustee


.....
Date

CHALLENGE COMMUNITY CHURCH

Notes to the accounts

For the year ending 31 August 2016

1 Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (January 2015), the Statement of Recommended Practice Accounting and Reporting by Charities FRSSE 2015 and applicable accounting standards.

Fund accounting

The church maintains various types of funds as follows:

Restricted Funds

Restricted Funds represent gifts received for specific purposes. Challenge Community Church has five such funds.

- The Building Fund represents monies given for the acquisition and refurbishment of a building in which Challenge Community Church can run its activities.
- The Mission Fund represents monies given to support missionary works which is reviewed on an annual basis.
- The Storehouse Fund represents monies given to provide basic needs to people in the local community. The beneficiaries are brought to our attention by local social services.
- The CAP Fund represents monies given to support the Christians Against Poverty centre in Hereford. This project is run by Bella Goode, an employee of Challenge Community Church. The project is supported by other churches in Hereford.
- The CAP Job Club Fund currently represents monies used to fund work with the long term unemployed with a view to helping them find a job. The project is run by a members of this and other churches in Hereford and lead by Andy Goode.

Designated Funds

Designated Funds are amounts that have been put aside out of unrestricted funds at the discretion of the trustees. Challenge Community Church has two such funds.

- The Computer Fund ensures that funds are retained to provide for the replacement of this asset.
- The Project Fund has been set up to ring fence some larger one off gifts to the church. The Trustees wish these funds to be used for specific evangelistic projects that we would normally find difficult to fund from regular giving.

CHALLENGE COMMUNITY CHURCH
Notes to the accounts
For the year ending 31 August 2016

1 Accounting Policies (continued)

Unrestricted Funds

The General Fund represents unrestricted income that is expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Income

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt.

Voluntary Income

This is the principal source of income for the fellowship. Donated income without conditions attached, including that gifted under Gift Aid or Gijft Aid Small Donations Scheme, is 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 tax recoverable. Any amount of tax not reclaimed at the year end from HM Revenue & Customs is also included within debtors.

Investment and other income

Interest and other income is taken into account when receivable. Other income includes gifts from outside the fellowship towards the building project.

Expenditure

Expenditure is included on an accruals basis where it is directly related to the objects of the charity and comprise the following:

Grants payable

Grants payable represent donations and charitable grants, these are recognised as expenditure at the earlier of either when they are paid or of when they are committed to the recipient in the manner which is intended to be acted upon.

Other expenditure

Other expenditure is taken into account when incurred by the charity, regardless of when payment is made.

Depreciation

Depreciation is calculated to write off the cost, less estimated residual values of tangible fixed assets over their estimated useful lives to the charity. The annual depreciation rates are as follows:

Building costs	- not depreciated
Equipment	- 5 years straight line
Fixtures and fittings	- 10 years straight line

CHALLENGE COMMUNITY CHURCH
Notes to the accounts
For the year ending 31 August 2016

2 Voluntary income	General Fund	Designated Fund	Restricted Fund	2016	2015
	£	£	£	£	£
Tax effective giving	35,562	13,380	10,145	59,087	48,004
Other giving	4,853	-	4,426	9,279	8,160
Tax recovery	8,478	-	996	9,474	8,643
	<u>48,893</u>	<u>13,380</u>	<u>15,567</u>	<u>77,840</u>	<u>64,807</u>

3 Activities for generating funds	2016	2015
	£	£
General fund		
Marlbrook School gift to run After School Club	2,050	1,700
Building hire	110	970
Fun Day	233	228
Tuck at Ignite	<u>1,434</u>	<u>1,528</u>
	<u>3,827</u>	<u>4,426</u>
Restricted fund		
CAP fundraiser	<u>1,372</u>	<u>-</u>
	<u>5,199</u>	<u>4,426</u>

4 Other incoming resources	2016	2015
	£	£
General fund		
Sundry income	1,399	380
Restricted fund		
Gifts and grants to the CAP Fund from outside the fellowship	12,382	6,542
Gifts to the Building Fund from outside the fellowship	<u>2,124</u>	<u>19,876</u>
	<u>15,905</u>	<u>26,798</u>

CHALLENGE COMMUNITY CHURCH
Notes to the accounts
For the year ending 31 August 2016

5 Charitable activities	Direct costs	Support costs (note 6)	2016	2015
	£	£	£	£
General fund				
Church teaching and pastoral work	2,030	8,517	10,547	12,383
Evangelism	1,769	7,326	9,095	12,633
Youthwork	3,879	4,900	8,779	10,366
Community support	104	4,261	4,365	5,232
	<u>7,782</u>	<u>25,004</u>	<u>32,786</u>	<u>40,614</u>
Designated fund				
Computer Fund - depreciation	-	117	117	117
Restricted fund				
Christians Against Poverty costs	17,610	-	17,610	16,974
CAP Job Club costs	1,056	-	1,056	1,195
CAP Job Club - depreciation	-	410	410	410
Building Fund - depreciation	-	4,585	4,585	3,766
Building Fund - loan interest	-	271	271	283
Storehouse Ministry	753	-	753	770
	<u>19,419</u>	<u>5,266</u>	<u>24,685</u>	<u>23,398</u>
	<u>27,201</u>	<u>30,387</u>	<u>57,588</u>	<u>64,129</u>

6 Support costs	Teaching and pastoral work	Evange -lism	Youth -work	Community support	Total
	£	£	£	£	£
Pastoral costs	3,662	2,746	1,831	916	9,155
Repairs and depreciation	1,532	1,532	1,021	1,021	5,106
Utilities and insurance	1,776	1,776	1,184	1,183	5,919
Administration	813	813	542	544	2,712
Other	734	459	322	597	2,112
	<u>8,517</u>	<u>7,326</u>	<u>4,900</u>	<u>4,261</u>	<u>25,004</u>

CHALLENGE COMMUNITY CHURCH
Notes to the accounts
For the year ending 31 August 2016

7 Grants payable	General Fund	Designated Fund	Restricted Fund	2016	2015
	£	£	£	£	£
Aberystwyth CU	-	-	242	242	241
Counties	-	-	2,951	2,951	1,834
P Davies	-	-	-	-	270
C Cornish	-	-	322	322	-
Ear Aid Nepal	-	-	-	-	100
JGM Erwin	2,272	-	-	2,272	2,180
K Erwin - Hungary mission	100	-	-	100	-
Free a Dalit Child	180	-	-	180	180
C & M Hall	250	-	-	250	250
MJK	-	-	-	-	227
S Nathaniel/Project India	-	-	624	624	1,003
OM India	-	-	244	244	234
M & D Smalley	-	-	1,655	1,655	1,262
Gideons International	1,000	-	-	1,000	1,250
Gideons Local Branch	500	-	-	500	750
Three Counties Show	-	-	235	235	-
David Chilcott Fund	125	-	-	125	-
Boddenham Christian Fellowship	100	-	-	100	-
CAP (National)	-	-	-	-	-
J & E Thiabult/Sport et Foi	-	-	763	763	674
Vennture	-	-	4,337	4,337	3,449
Youth Trek	508	-	-	508	-
	5,035	-	11,373	16,408	13,904

8 Transfers between funds

£300 has been transferred from the General Fund to the Mission Fund to meet our commitment to Solomon Nathaniel for Project India.

£3,000 from the General Fund to the CAP Fund being Challenge Community Church's share of support for this ministry during the year.

£117 has been transferred from the General Fund to the Computer Fund to maintain the fund balance for future investment.

£1,216 has been transferred from the General Fund to the CAP Job Club Fund to cover expenditure in the year.

£1,000 has been transferred from the Project Fund to the General Fund being money given in the previous year to be used to fund music equipment.

CHALLENGE COMMUNITY CHURCH**Notes to the accounts****For the year ending 31 August 2016**

9 Staff costs and numbers	2016	2015
	£	£
Wages and salaries	11,097	11,000
Social security costs	-	-
	<u>11,097</u>	<u>11,000</u>

The average weekly number of employees during the year calculated on the basis of full time equivalents, was 0.5 (2015: 0.5). When calculated on the basis of average headcount the average was 1.0 (2015: 1.0).

10 Net income for the year	2016	2015
	£	£
<i>After charging:</i>		
Depreciation	<u>6,633</u>	<u>5,241</u>

No trustees received any remuneration during the year or in the previous year.

11 Fixed assets	Building costs	Fixtures & fittings	Equipment	Total
	£	£	£	£
Opening balance at 1 September 2015	422,469	19,480	7,032	448,981
Additions	-	5,307	4,331	9,638
	422,469	24,787	11,363	458,619
Depreciation	-	3,483	3,150	6,633
Closing balance at 31 August 2016	<u>422,469</u>	<u>21,304</u>	<u>8,213</u>	<u>451,986</u>

Western Counties Trust are Custodian Trustees for the church property whose address is 40 Belmont Road. The £422,469 building costs shown above represent the purchase and refurbishment costs of these premises and continues to be an asset of Challenge Community Church under this arrangement.

12 Loans	2016	2015
	£	£
Western Counties Trust loan	<u>7,317</u>	<u>9,246</u>

The terms of the loan have been agreed with the Western Counties Trust, interest is being charged at 3%, and loan repayments are being made of £100 per month.

CHALLENGE COMMUNITY CHURCH
Notes to the accounts
For the year ending 31 August 2016

13 Analysis of restricted funds

	Storehouse Fund £	CAP Fund £	CAP Job Club Fund £	Sub total £
Balance brought forward	345	(2,109)	-	(1,764)
Incoming resources	634	14,750	250	15,634
Resources expended	(753)	(17,610)	(1,466)	(19,829)
Transfers in	-	3,000	1,216	4,216
Balance carried forward	<u>226</u>	<u>(1,969)</u>	<u>-</u>	<u>(1,743)</u>

The CAP fund is overdrawn at the year end. Funds have not been transferred to zero this amount as since the year end new funds have been received to convert the balance to a positive funds position.

	Sub total as above £	Mission Fund £	Building Fund £	Total Restricted Funds £
Balance brought forward	(1,764)	16	442,414	440,666
Incoming resources	15,634	11,255	4,556	31,445
Resources expended	(19,829)	(11,373)	(4,856)	(36,058)
Transfers in	4,216	300	-	4,516
Balance carried forward	<u>(1,743)</u>	<u>198</u>	<u>442,114</u>	<u>440,569</u>

CHALLENGE COMMUNITY CHURCH
Notes to the accounts
For the year ending 31 August 2016

14 Analysis of designated funds

	Project Fund £	Computer Fund £	Total Designated Funds £
Balance brought forward	6,702	1,630	8,332
Incoming resources	13,380	-	13,380
Resources expended		(117)	(117)
Transfers (out)/in	(1,000)	117	(883)
Balance carried forward	<u>19,082</u>	<u>1,630</u>	<u>20,712</u>

15 Assets and liabilities representing each fund

	General Fund £	Designated Funds £	Restricted Funds £	Total Funds £
Fixed assets	4,086	117	447,783	451,986
Cash/(overdrawn)	15,772	20,595	(78)	36,289
Debtors	<u>4,467</u>	<u>-</u>	<u>846</u>	<u>5,313</u>
	24,325	20,712	448,551	493,588
Creditors	271	-	665	936
Loans	<u>-</u>	<u>-</u>	<u>7,317</u>	<u>7,317</u>
	<u>24,054</u>	<u>20,712</u>	<u>440,569</u>	<u>485,335</u>

16 Related party transactions

Mr JGM Erwin is Trustee of Challenge Community Church and was the pastor until April 2016. In return for the services that he provided to the fellowship, the church has given him financial support of £9,155. He also received grants of £2,272 as per note 7.

Elders and their spouses have claimed reimbursement, from time to time, for sundry expenditure incurred in relation to church activities.

Mr M Roberts became an Elder during the year; he is also a director of Robford Ltd which has provided its services to repair and improve the church over a number of years. During the year Robford Ltd was paid £5,150, on an arms length basis, to convert a room to an office and create a chair store.

During the year the gifts made to the charity by Trustees totalled £32,255.

CHALLENGE COMMUNITY CHURCH
Notes to the accounts
For the year ending 31 August 2016

17 Fund comparatives for the Statement of Financial Activities

	General Fund	Designated Funds	Restricted Funds	Total Funds 2015
	£	£	£	£
Income from:				
Incoming resources from generated funds				
Voluntary income	44,520	5,625	14,662	64,807
Activities for generating funds	4,426	-	-	4,426
Investment income	11	-	-	11
Other incoming resources	380	-	26,418	26,798
Total income	49,337	5,625	41,080	96,042
Expenditure on:				
Costs of generating funds				
Charitable activities	40,614	117	23,398	64,129
Grants payable	4,760	-	9,144	13,904
Total expenditure	45,374	117	32,542	78,033
Net income/(expenditure) before transfers	3,963	5,508	8,538	18,009
Transfers between funds	(1,847)	(2,883)	4,730	-
Net movement on funds	2,116	2,625	13,268	18,009
Funds brought forward	9,265	5,707	427,398	442,370
Funds carried forward	11,381	8,332	440,666	460,379