



2016/17

The K & J M Morgan Trust

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

Charity Registration No. 287472

THE K & J M MORGAN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K W Downton C E Gregory A Maffey E Hoeksma
Charity number	287472
Principal address	5 Greycaine Road Watford Hertfordshire WD24 7GP
Auditor	Summers Morgan First Floor, Sheraton House Lower Road Chorleywood Hertfordshire WD3 5LH
Bankers	Barclays Bank PLC 32 Clarendon Road Watford WD1 1LD Lloyds Bank 79, High Street Chesham Bucks HP5 1BE
Solicitors	Matthew Arnold & Baldwin 21 Station Road Watford Herts WD17 1HT

THE K & J M MORGAN TRUST

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Deed, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

The K & J M Morgan Trust was established by a charitable Trust Deed on 25th March 1983 and was registered as an unincorporated Charity with the Charity Commission on 27th July 1983, number 287472.

The Trustees who served during the year were:

K W Downton

C E Gregory

A Maffey

L Hoeksma

C Nicholls Retired 1 September 2016

Recruitment and appointment of new Trustees

New Trustees are appointed by the existing Trustees. Written submissions from eligible applicants are reviewed by the Trustees against the role description and specification of key criteria for a Trustee. All Trustees have been provided with a copy of the 'Trustee Information Pack' produced by the Change Up for Better Governance Project funded by the Home Office. All Trustees are required to attend a one day training course on Child Protection. Trustees receive regular updates from the Charity Commission's website and also from Watford & Three Rivers Trust, of which the Trust is a member organisation. Watford & Three Rivers Trust run training courses which are available for Trustees to attend. The Trust subscribes to the 'Governance' magazine, a copy of which is sent to each individual Trustee.

Organisational structure and decision making process

Teams of Trustees oversee different areas of responsibility. These areas are Finance, Health & Safety, Human Resources and Child Protection. These teams are authorised to make decisions within their specific areas of responsibility unless they consider it necessary to refer to the whole board. Expenditure of more than £1,000 has to be referred to the board for approval unless included in the previously approved budget. All staff positions are authorised by the whole board but recruitment of the person is delegated to the Executive Team. The day-to-day management of The K & J M Morgan Trust (Soul Survivor Watford) is delegated to the Executive Team and the staff team.

Details of other related parties and wider networks in which the charity is involved

The charity works closely with Soul Survivor Ltd, a charity which organises a number of Christian youth events in the UK and abroad as well as with Soul61, a charity that runs a 10 month leadership course and is a former activity of Soul Survivor Watford.

The charity also works closely with other Christian organisations in the area especially New Hope, Alternatives and Charis. The charity is a member of Christians Across Watford and Churches Together in North Watford.

Risk management

As part of the Trust's risk management process, the Trustees undertake annual risk assessments in liaison with the relevant key members of staff. The Trustees acknowledge their responsibility for the charity's system of internal control and for reviewing its effectiveness.

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The Trustees, through the executive team have set policies on risk and internal controls, which cover:

The responsibility of management to implement the Trustees' policies;
The responsibility of management to implement the procedures/controls approved by the Trustees;
Consideration of the types of risk that the charity faces;
Identifying the level of risks which they regard as acceptable.

The Trustees are satisfied that the systems in place are sufficient to mitigate exposure to the major risks.

Reserves

There were total reserves held at the balance sheet date of £1,554,890 (2016 - £1,400,885). Of these, £191,279 (2016 - £199,799) were restricted, £1,350,561 (2016 - £1,170,365) designated and £13,050 (2016 - £30,721) unrestricted. The Trustees have established a policy whereby free reserves held by the charity should be maintained at a minimum of 2 months of the operating budget. The Trustees are satisfied, after obtaining professional advice, that this level of reserves is acceptable. The Trustees will review minimum reserves policy in the next financial year.

Objectives and activities

The main objectives of the Trust as laid down in the Trust Deed are to advance the Christian Religion in the United Kingdom or overseas, the furtherance of religious or secular education, the relief of the poor and needy and the comfort of the sick and aged.

Advancing the Christian Religion in the UK

The Trust is responsible for Soul Survivor Watford (SSW); this is a missionary congregation reaching out to mainly young people, established in Watford, within the Church of England. Soul Survivor Watford became a 'Bishops Mission Order' within the St Albans Diocese in 2014.

The aim of this congregation is not only to teach the Christian faith and offer opportunities to worship, but also to demonstrate the gospel through serving the local community (further details and activities below).

The Trust was also responsible for The Hub Church in Hitchin which started in January 2010. The Hub's main aim is to reach out to local families in new and innovative ways. This became a separate and independent charity in November 2016.

Advancing the Christian religion overseas

Through Soul Survivor Watford people are encouraged to become involved with various projects overseas. A number of opportunities are provided each year for people to participate in projects overseas. Members of Soul Survivor Watford, as well as the Trust, also contribute to the support of a number of missionaries working around the world.

A group from Soul Survivor Watford went to LIV village, Durban, South Africa for two weeks in April 2016 to work with and support this charity which has set up homes for children who have been orphaned in and around Durban.

In May 2016 a team of people from the church went to the USA to preach and encourage five churches in Southern California.

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Furtherance of religious or secular education

Alpha courses or similar courses are run on a regular basis, where people are encouraged to come and explore the Christian faith and to ask any questions they may have. Regular courses teaching various aspects of the Christian faith are run throughout the year and are open to anyone. These courses have been held at Soul Survivor Watford.

Members of the youth team are involved with local secondary schools, aiding them in their religious education programmes and mentoring young people.

There were various other courses run by SSW including a communications course which is designed to help people in public speaking and preaching. Marriage courses, marriage preparation courses are regularly held to help couples prepare for marriage and to maintain a healthy relationship once married. Marriage Coaching was also introduced this year and a number of members of the congregation are now trained to coach married couples.

Relief of the poor and needy, and the comfort of the sick and aged

The Trust works with a number of local charities in Watford supporting those facing adversity:

New Hope: A homeless charity supporting those who are homeless in Watford. A number of members of the SSW congregation are directly involved and work with the charity.

Alternatives: A charity which works with teenage mothers. A number of members of SSW work with them and is directly supported by the Trust financially.

The Trust also supports Playskill which is a local charity working with children who have special needs and members of SSW are directly involved.

The Trust financially supports Charis, a local charity in Watford which offers support and assistance to anyone in Hertfordshire who is affected by human trafficking or sexual exploitation within the sex industry. The Trust provides a space each week for their 'Forte Bakery' project. Kevin Downton (Trustee) is now a trustee of Charis.

Collections of toiletries and baby products are given to Alternatives for use in the local community and the non-perishable food items are given to the Refugees Council, who distribute the goods to those in need in Watford.

The Trust continues to run CAP (Christians Against Poverty) Money Courses both at the church premises and in local community groups and schools.

A weekly 'Monday Morning Café' is run on a Monday, to provide a place for those who are lonely, facing adversity and need a place to meet other people. Support is given with computer skills and CV writing. Free WIFI is provided as well as a low cost meal for lunch.

The Trust is no longer a CAP Centre (Christians Against Poverty) but continues to run free CAP Money Coaching courses at the church and in the community, including local schools.

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FOR THE YEAR ENDED 31 MARCH 2017

Aims and Objectives for the year

The aims and objectives of 2016/17 were based around a strategy of 'Growing the family'. As part of the charitable objective to advance the Christian faith, Soul Survivor Watford aims to create a church community in which people feel part of the family and feel at home.

Aims for the year include:

- ❖ Growing the Family:
 - Implement and embed new pastoral structures / small group strategy;
 - To perform a review of current mission activities;
 - Review Children's Church (Soul Kids) provision and staffing;
 - Review of 4.30 & 7pm Services;
 - Review of space within Warehouse 5 for growing morning congregation;
 - Support 'The Hub' Hitchin in transitioning to an autonomous self-supporting charity.

Soul Survivor Watford Leadership Team

The leadership team of Soul Survivor Watford is as follows:

Mike Pilavachi – Senior Pastor
Andy Croft – Senior Pastor
Jonathan Stevens – Executive Pastor
Ruth Yule – Assistant Pastor
Liz Potter – Assistant Pastor
Bob Wallington – Assistant Pastor, (Youth 50% / Soul 61 Leadership 50%, funded by Soul 61 Trust)
Nicola Rolfe – Assistant Pastor
Ali Martin – Assistant Pastor
Taylor Greig – Assistant Pastor
Helen Rushton – Children's and Families Pastor
Juliet Johnson – Assistant Pastor
Anna Yule – Children's Worker
Tom Smith – Worship Pastor
Kathryn Maynard – Operations Manager

There are 12 pastors overseeing the work of the trust, only 5 of which are full time.

The joint Senior Pastors, Mike Pilavachi and Andy Croft oversee the strategy, vision and direction of the Trust.

Andy Croft, Senior Pastor and Jonathan Stevens, Executive Pastor oversee the day to day running of Trust as a whole.

The Assistant Pastors are responsible for overseeing and developing the following areas:

- ⇒ Evangelism and community outreach
- ⇒ The Hub church plant in Hitchin
- ⇒ Work with young people from 11 years to late teens
- ⇒ Work with children under 10 years
- ⇒ Services and communication/preaching skills
- ⇒ Pastoral Care and Connect Groups
- ⇒ Training of Connect Group Leaders
- ⇒ Oversight of the Soul61 students
- ⇒ Vision to action
- ⇒ Worship

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There is a team of young people helping to co-ordinate activities reaching out to young people in the local area, as well as encouraging those young people who are part of Soul Survivor Watford to learn more about their faith.

There is a team of volunteers within the church who support the running of a number of the activities that the Trust runs.

Significant Activities

Our premises

Soul Survivor Watford runs 3 services on a Sunday at 10:30am, 4.30pm & 7.00pm as well as regular Celebrations on a Saturday evening - all of which are open to anyone, but each has its own style and focus. We run a monthly 9am communion service.

- The 10:30 service is mainly aimed at families with children's and youth work provided. This service has grown 15% over the past year to an average of 430 adults, and 150 children to the age of 13.
- The 4.30pm service is mainly aimed at those in their 20-30's, Soul Kids provision was introduced into this service during the year, the plan is to develop this further in 2017/18. The 6.15 Café after the 4.30pm service continues to be a place for people from that congregation to build community with others – about 80 people stay each week.
- The 7.00pm service is an all age service, and also seeks to provide a resource for visitors and the wider church.
- The Celebrations are mainly aimed at the wider church and provides an opportunity for the Soul Survivor Watford congregation's to come together to serve other churches in the wider area. Over 1,100 young people attend each month.
- The monthly 9am service is more of an Anglican liturgical communion service. This service was paused in December 2016.



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During the year the 4.30pm and 7pm services were moved into No 7 Greycaine Road. Following the refurbishment of the building in the previous financial year, this space is more comfortable for a smaller worship gathering than the larger No 5. Since this change has been made the attendance of these services has increased.

During the year a number of changes were made to the main worship space in No 5 to increase capacity for the growing morning service and to improve the heating of the building during the winter months. The industrial heater which was present in the building was relocated outside, and ducting was installed to duct hot air into the space. Additional space was created by moving drapes within the building. These changes added an additional 200 seat capacity to the space. These changes have made space for additional growth in the morning services.

Following a flood in Warehouse 5, the carpets in the main auditorium were replaced in early 2017. The cost of which was covered by the Trust's insurance.

The benefits from the refurbishment of No 7 have continued to be realised during the year. The modern, vibrant facilities are used on a daily basis, and the building is at capacity much of the time. No7 is used predominantly for outreach into the local community, church family events and Soul Kids on Sundays.

Regular events in No7 include:

- 6.15pm Sunday Café after the 4.30pm service;
- Monthly Sunday lunch after the 10.30am service;
- Monday Morning Café – This weekly café is a welcoming environment for those who maybe alone and want to build some friendships, or need support with job searches;
- Youth events;
- Soul Tots – Parent and toddler group with up to 150 families from the local community each week;
- Weekly Connect groups;
- Outreach / mission events.

These facilities are used by a number of other charities including:

- Alternatives for fundraising events;
- Playskill, who provide support and training for children with special needs including physical disabilities;
- New Hope, which is a charity who reaches out to the homeless in Watford;
- Christians Against Poverty (CAP), who primarily help people with money problems;
- Soul61, a 10month leadership training course and one day conferences organised by Soul Survivor Ltd;
- Charis, for Baking Courses.

The premises are also used by other churches/organisations for special events, e.g. Christians Across Watford for their community events and annual Christmas hamper campaign.

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Activities related to advancing the Christian religion in the UK:

Naturally Supernatural

A three day conference was hosted in February 2017 for anyone interested in gaining a better understanding of Christian values and principles with 500 delegates coming from across the UK and various European countries. With the refurbished facilities we were able to provide catering for all the delegates attending.

Invite One

During the Year we continued to build upon our 'Invite One' mission & outreach strategy which was launched in the previous year. The aim of which was to encourage the church family to invite one friend or neighbour or family member to one event during a term. These events have mainly been hosted in our newly refurbished facilities. Some of the events we have run this year have included:

- DIY Christmas (Craft Night);
- Pub Quiz;
- Family Light Party;
- Christmas Ball – Winter Wonderland Ball;
- Alpha;
- Euro 2016 finals / England matches;
- Summer Nights – Weekly event during the summer months;
- Panto – Beauty & The Beast;
- External speakers to talk about managing stress and anxiety.

Pray first

The Church launched a prayer initiative in January 2017 called 'Pray First', to encourage and equip the congregation in their prayer life. Over 21 days there were a variety of different ways to pray focussing on various prayer needs.

Soul man

The men's ministry continued during the year, with about 50 men gathered on a semi-regular basis for teaching and to share life together. Various activities have been organized to build community.



Soul women

Soul women events have continued to run a number of successful events during the year. The numbers of women attending was around 100. Lots of topics such as anxiety and identity have been covered and very well received. The events draw people from both the congregation and other churches in and around Watford.

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Christmas panto – Beauty & the Beast

This year's panto 'Beauty & the Beast', was a great success, the cast of which were predominantly from the congregations. Over the 2 showings over 700 attended, many of which from the local community.

Summer fete

The church ran a summer fete in June for the local community. Over 500 people from the church and local community attended.



Activities related to advancing the Christian religion overseas:

Soul Missions

The work of Soul Missions continues with a number of overseas missionaries being supported both financially and through prayer. Prayer requests are communicated via Esource, our weekly newsletter.

In addition, a team of people from the church visited LIV Village in Durban South Africa in March 2016. The team flew to Durban and spent ten days working and serving in LIV Village, a charity set up to care for abandoned children. Attendees of the trip raised their own funding.

Our Senior Pastor Mike Pilavachi continues to travel regularly overseas to speak at churches and events. As in previous years a number of people from the church have attended these trips, including a trip to the USA in May 2016. All attendees raise their own funds to attend.

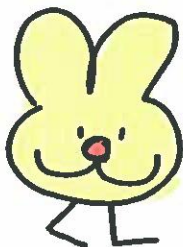


In September 2016 we hosted the LIV Choir from South Africa as part of their UK fundraising and awareness tour. As part of that they held a concert at our Warehouse.

Activities related to the furtherance of religious or secular education:

Communication

Communication courses called 'Loud and Clear' have continued to be run from the church buildings and have been open to members of the church who want to grow in public speaking.



Soul Tots

This group is run on a Wednesday morning. Over 150 families from the local area are represented, with new families joining us each week. This group provides an opportunity for people caring for young children to meet, make friends and support each other. A small donation from each family helps to cover the costs of the refreshments supplied, the purchase of new toys and the purchase of a Christmas present for each child.

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Soul Kids- Sunday mornings

Soul Kids and new families joining the church have been a key driver of growth for the church over the past year. To reflect this growth and the need to develop our children's and families programmes we created a new role and employed a Children's & Families Pastor, whose role is to develop the existing Soul Kids programmes and create new initiatives to

further reach out to families in both the immediate church family and local community. Soul Kids provides a stimulating and caring environment where children can form friendships, learn about the Christian faith and, ultimately, go deeper in that faith. Soul Kids is a place for children to listen, learn and enter into worship. It's a place for them to feel valued and to be themselves, be real with God and to lead a life that is relevant to their friends and the gospel.

130 children attend as a weekly average from Creche up to year 6. The volunteer team has continued to grow this year with an average of 30 helpers each week.

All those volunteering for children's work are routinely DBS checked and are asked to attend safeguarding training.

Energise family Café & Friday Night Thing

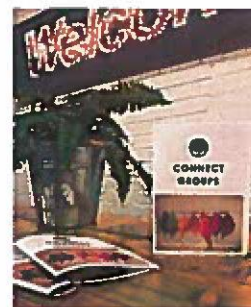


Energise Café & Friday Night Thing (formerly 'Beach Club') continue to run on a monthly basis and draw good attendance from both the church family and local community. Activities include: crafts, face painting, nail painting, an 'active play' zone for older children and a baby and toddler zone.

An optional donation from each family helps to cover the costs of food and refreshments and the hire and purchase of new toys.

Connect groups

Connect groups were relaunched in January 2016. Since then an average of 500 people have been in one of 40 different small groups. In a large church of 1000+ people Connect groups are a key place to feel part of the church family, and make 'the big feel small'. The slogan 'Connect groups are the place to connect with one another and to connect with God' is used to communicate the importance of being in a small group. The church calendar is based around 3 terms, and Connect groups follow this termly cycle. Connect groups are interest based and there is a wide range of groups from worship and bible study to running, Pilates, and crochet groups which run.



Marriage preparation course

This course is open to all couples who are engaged or just thinking about marriage. Couples from inside and outside the church attended the course during the year. An average 12-15 couples attended each course over the year.

Marriage course

The marriage course is run at points during the year, its purpose is to support and help married couples strengthen their relationship and life together.

Marriage coaching

Marriage coaching was launched in 2016 as an additional ministry to support married couples in the church to develop and grow in their relationships, improve communication in order to develop the skills and insights needed to build a healthy marriage that lasts a lifetime.

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Finding Freedom course

In January 2017 we launched our first 'Finding Freedom' course for men and women in the church family. The course explored restoration and wholeness and covered a number of areas including: family dynamics, handling emotions, dealing with conflict and examining addictive behaviour. Developing and learning the strategies and skills for living life more successfully were part of the programme. The course was fully booked.

Youth Work

The youth work programme in the church has continued to develop over the year under the leadership of Bob Wallington. The youth programmes are now distinctly divided into two groups:

Younger Youth: 11-13's - meet on Sunday mornings after the worship. This group has significantly increased over the year from 7 young people to regularly over 25-30 on a Sunday morning. There have been regular social events including Laser Tag & Night Hikes.

Older Youth: 13 – 18, continue to meet on a Tuesday in the refurbished warehouse. Kicking off with refreshments, games and activities before moving on to times of worship, bible based life teaching and prayer.

Football

As part of our youth outreach programme, the youth team have been running two weekly football events, one of which is held on the Meriden housing estate. These run on a Monday night, and a Wednesday afternoon. They are primarily attended by local young people. Funding was secured during the year to support the Wednesday football programme.

Activities relating to the relief of the poor and needy and the comfort of the sick and aged:

Money Courses

The church offers regular CAP Money courses, a three session budgeting course open to all whether in debt or not. We run youth courses for year 11s in a local school, and student courses. The majority of these courses are in the local community – schools, children's centres and New Hope Trust.

Monday Morning café

Our Monday Morning café continue to run and thrive with weekly attendance growing. The aim of this group is to provide a warm and welcoming environment for anyone in the community. There are volunteers on hand to help with CV's / job applications, or for people who just want to chat. Free Wi-Fi is available and a low cost lunch is provided at the end of the morning. The café now sees regular attendance of 30 – 40 people each week attending from a wide range of backgrounds. A number of these people now volunteer and help run the café.

Employability course

As an additional resource for people attending the Monday Morning Café, we ran a free employability course for those who are seeking to get back into regular employment.

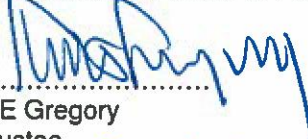
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Public benefit

The Trustees are aware of the Charity Commission's guidance on public benefit in "The advancement of religion for Public Benefit" and have regard to it in their administration of the Charity. The Trustees believe that by promoting the Christian faith it provides a benefit to the public by providing facilities for public worship, pastoral care and spiritual development, both for the existing church members and anyone who wishes to benefit from what the Charity offers, and also by promoting Christian values, and services by members of the church in and to their communities, to the benefit of individuals and society as a whole.

As we have focused on 'Growing the Family' this year, we have been excited and encouraged to see God's faithfulness and provision in so many areas. Our children's and youth programmes are growing and flourishing. Our Sunday attendance is growing, and more people are connecting into church through small groups. Our outreach programmes are now more focused. The finances of the church have continued to grow and again we have much to be grateful to God for, and look to his continued provision over the coming year.

On behalf of the board of Trustees


.....
C E Gregory
Trustee
Dated 18-1-2018

THE K & J M MORGAN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2017

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE K & J M MORGAN TRUST

We have audited the accounts of The K & J M Morgan Trust for the year ended 31 March 2017 set out on pages 15 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities set out on page 12, the Trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE K & J M MORGAN TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the accounts are not in agreement with the accounting records and returns; or
- adequate accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.


Nicholas Corden ACA (Senior Statutory Auditor)
for and on behalf of Summers Morgan

18/1/2018

Chartered Accountants
Statutory Auditor

First Floor, Sheraton House
Lower Road
Chorleywood
Hertfordshire
WD3 5LH

Summers Morgan is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE K & J M MORGAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted funds	Designated funds	Restricted funds	Total 2017	Total 2016
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	2	-	846,630	57,533	904,163	843,095
Charitable activities	3	-	69,136	-	69,136	72,439
Other trading activities	4	-	5,907	-	5,907	-
Investments	5	24	-	-	24	27
Other income	6	-	7,002	-	7,002	-
Total income		24	928,675	57,533	986,232	915,561
Expenditure on:						
Raising funds	7	-	4,073	-	4,073	-
Charitable activities	8	17,695	744,406	66,053	828,154	739,184
Other	13	-	-	-	-	1,016
Total resources expended		17,695	748,479	66,053	832,227	740,200
Net (expenditure)/income for the year/ Net movement in funds		(17,671)	180,196	(8,520)	154,005	175,361
Fund balances at 1 April 2016		30,721	1,170,365	199,799	1,400,885	1,225,524
Fund balances at 31 March 2017		13,050	1,350,561	191,279	1,554,890	1,400,885

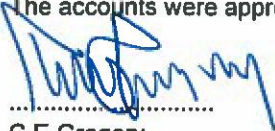
THE K & J M MORGAN TRUST

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	14		1,419,072		1,416,356
Current assets					
Stocks	15	582		1,664	
Debtors	16	55,971		45,878	
Cash at bank and in hand		404,479		281,200	
		461,032		328,742	
Creditors: amounts falling due within one year	18	(117,484)		(94,017)	
Net current assets			343,548		234,725
Total assets less current liabilities			1,762,620		1,651,081
Creditors: amounts falling due after more than one year	19		(207,730)		(250,196)
Net assets			1,554,890		1,400,885
Income funds					
Restricted funds	20		191,279		199,799
Designated funds	21		1,350,561		1,170,365
Unrestricted funds			13,050		30,721
			1,554,890		1,400,885

The accounts were approved by the Trustees on 18-1-18



C E Gregory
Trustee

THE K & J M MORGAN TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25		208,468		196,573
Investing activities					
Purchase of tangible fixed assets		(43,701)		(138,601)	
Interest received		24		27	
Net cash used in investing activities			(43,677)		(138,574)
Financing activities					
Repayment of bank loans		(41,512)		(70,420)	
Net cash used in financing activities			(41,512)		(70,420)
Net increase/(decrease) in cash and cash equivalents			123,279		(12,421)
Cash and cash equivalents at beginning of year			281,200		293,621
Cash and cash equivalents at end of year			404,479		281,200

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Charity information

The K & J M Morgan Trust is an unincorporated Charity registered with the Charity commission in England and Wales (number 287472); its principle address is detailed within the legal and administration section of the trustees report.

1.1 Accounting convention

The accounts have been prepared in accordance with the Trust's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Trust is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

- a) The Charity's general funds consist of funds which the charity may use for its purpose at its discretion.
- b) The Charity's designated funds are those where the Trustees have designated funds received from a particular source to be used in relation to a particular purpose. Details of these funds are set out in note 21.
- c) The Charity's restricted funds are those where the donor has imposed restrictions on the use of the funds. Details of these funds are given in the Trustees Annual Report and are set out in note 20.

1.4 Incoming resources

Income from fees is taken into account on an accruals basis. Collections and gifts are taken into account on a cash basis. Donations under gift aid, together with the associated income tax recovery are recognised as income when the donation is received.

Credit is taken for bank interest on an accruals basis.

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure, which includes irrecoverable VAT, is taken into account on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Governance costs comprise all costs relating to public accountability of the Trust and its compliance with regulation and good practice. These costs include costs relating to the statutory audit.

No salaries are allocated to governance costs as the vast majority of the work is carried out by the Trustees.

Grants are accounted for when paid.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

All of the Trust's fixed assets are used for charitable purposes and are included at cost. Items are only capitalised where the unit purchase price exceeds £500.

Depreciation on fixed assets is calculated at rates estimated to write off the cost over their expected useful lives at the following rates:-

Warehouses	2% Straight line basis
House	2% Straight line basis
Furniture, fixtures & equipment - warehouses	10% Straight line basis
Fixtures, fittings & equipment - offices	20% Straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Stocks

Stock is valued at the lower of cost and net realisable value.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.10 Employee benefits

The Trust operates a money purchase pension scheme. The contributions due in the year are charged to the Statement of Financial Activities as they fall due.

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.12 Tax Status

The K&JM Morgan Trust is a registered charity and therefore it is not assessable to income tax on any charitable funds within the scope of Section 505 of the Income and Corporation Taxes Act 1988.

2 Donations and legacies

	Designated funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	846,630	57,533	904,163	843,095
	<u>846,630</u>	<u>57,533</u>	<u>904,163</u>	<u>843,095</u>
For the year ended 31 March 2016	740,950	102,145		843,095
	<u>740,950</u>	<u>102,145</u>		<u>843,095</u>
Donations and gifts				
Soul Survivor Watford	820,231	60,870	881,101	839,470
The Hub	26,399	1,545	27,944	3,625
Other	-	(4,882)	(4,882)	-
	<u>846,630</u>	<u>57,533</u>	<u>904,163</u>	<u>843,095</u>

3 Charitable activities

	2017 £	2016 £
Sales within charitable activities	15,630	13,637
Ancillary trading income	6,788	6,004
Charitable rental income	-	1,156
Events & other income	46,718	51,642
	<u>69,136</u>	<u>72,439</u>

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

4 Other trading activities

	2017	2016
	£	£
Income from bar	5,907	-
	<u>5,907</u>	<u>-</u>

5 Investments

	2017	2016
	£	£
Interest receivable	24	27
	<u>24</u>	<u>27</u>

6 Other income

	2017	2016
	£	£
Rental income	7,002	-
	<u>7,002</u>	<u>-</u>

7 Raising funds

	2017	2016
	£	£
Purchase of bar stock	4,073	-
	<u>4,073</u>	<u>-</u>

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Charitable activities

	Soul Survivor Watford £	The Hub £	Total 2017 £	Total 2016 £
Staff costs	431,403	12,488	443,891	380,450
Depreciation and impairment	40,985	-	40,985	41,253
Events & outreach	28,728	3,011	31,739	33,507
Alpha & the noise	901	-	901	2,558
Congregation expenses	11,378	2,267	13,645	13,325
Schools, youth and children	16,236	-	16,236	15,741
Refreshments	16,295	-	16,295	23,154
Book shop	13,003	-	13,003	7,738
Office expense & IT	11,120	579	11,699	18,016
Telephone	5,545	-	5,545	5,289
Travel & courses	4,754	765	5,519	14,669
Equipment lease and repairs	7,022	-	7,022	5,152
House costs	2,490	-	2,490	2,490
Bank charges & mortgage interest	9,975	-	9,975	11,946
CAP	2,428	-	2,428	11,064
Charis	-	-	-	9,090
Warehouse and building running costs	69,063	720	69,783	56,460
	<u>671,326</u>	<u>19,830</u>	<u>691,156</u>	<u>651,902</u>
Grant funding of activities (see note 9)	110,283	9,020	119,303	73,860
Share of governance costs (see note 10)	17,695	-	17,695	13,422
	<u>799,304</u>	<u>28,850</u>	<u>828,154</u>	<u>739,184</u>
Analysis by fund				
Unrestricted funds	17,695	-	17,695	
Designated funds	716,789	27,617	744,406	
Restricted funds	64,820	1,233	66,053	
	<u>799,304</u>	<u>28,850</u>	<u>828,154</u>	
For the year ended 31 March 2016				
Unrestricted funds	13,421	-		13,421
Designated funds	568,585	34,773		603,358
Restricted funds	122,405	-		122,405
	<u>704,411</u>	<u>34,773</u>		<u>739,184</u>

Governance costs includes payments to the auditors of £5,610 (2016 - £4,920) for audit and £6,250 (2016 - £5,520) for accountancy.

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Grants payable

	Soul Survivor Watford £	The Hub £	Total £	2016 £
Grants to institutions:				
Soul 61	31,278	-	31,278	12,740
St Albans Diocese	15,000	330	15,330	9,000
Hub	5,702	5,234	10,936	-
Soul Action	7,088	2,384	9,472	2,400
Liv Village	7,879	-	7,879	6,890
Charis	7,910	-	7,910	-
Alternatives	6,000	-	6,000	4,500
Soul 61 Interns	4,850	-	4,850	-
New Hope	4,463	-	4,463	-
Soul 61 Central Asia	4,021	-	4,021	-
Just One	2,942	-	2,942	-
Other	3,990	596	4,586	13,852
	<u>101,124</u>	<u>8,543</u>	<u>109,667</u>	<u>49,382</u>
Grants to individuals	9,159	477	9,636	24,478
	<u>110,283</u>	<u>9,020</u>	<u>119,303</u>	<u>73,860</u>

10 Support costs

	Support costs £	Governance costs £	2017 £	2016 £
Audit fees	-	5,610	5,610	5,500
Accountancy	-	6,250	6,250	4,814
Legal and professional	-	5,835	5,835	3,108
	<u>-</u>	<u>17,695</u>	<u>17,695</u>	<u>13,422</u>
Analysed between Charitable activities	-	17,695	17,695	13,422

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Trustees

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any Trustee or to any persons known to be connected with any of them.

During the year, one Trustee claimed travel expenses of £87 (2016 - nil). No other Trustee's expenses have been incurred by Trustees directly or indirectly in the performance of their duties as trustees.

12 Employees

Number of employees

The average monthly number employees during the year was:

2017 Number	2016 Number
21	21

Employment costs

	2017 £	2016 £
Wages and salaries	387,571	324,077
Social security costs	25,576	25,495
Other pension costs	30,744	30,878
	443,891	380,450

There were no employees whose annual emoluments were £60,000 or more. Pension costs are allocated to activities in proportion to the related staffing costs incurred and to the appropriate designated fund.

The total paid to key management personnel, including pensions and benefits was £96,006 (2016 - £91,484). The charity recovered £14,580 (2016 - £19,259) of the salary from other partner organisations who utilise the key management personnel in their operations.

13 Other

	2017 £	2016 £
Loss on disposal of tangible fixed assets	-	1,016

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

14 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2016	1,597,549	401,904	1,999,453
Additions	355	43,346	43,701
Disposals	-	(519)	(519)
At 31 March 2017	1,597,904	444,731	2,042,635
Depreciation and impairment			
At 1 April 2016	243,851	339,246	583,097
Depreciation charged in the year	21,201	19,784	40,985
Eliminated in respect of disposals	-	(519)	(519)
At 31 March 2017	265,052	358,511	623,563
Carrying amount			
At 31 March 2017	1,332,852	86,220	1,419,072
At 31 March 2016	1,353,698	62,658	1,416,356

15 Stocks

	2017	2016
	£	£
Finished goods and goods for resale	582	1,664

The amount of stock expensed during the year was £5,797.

16 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	10,807	21,164
Other debtors	30,181	22,434
Prepayments and accrued income	14,983	2,280
	55,971	45,878

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

17 Loans and overdrafts

	2017 £	2016 £
Bank loans	249,732	291,244
Payable within one year	42,002	41,048
Payable after one year	207,730	250,196

A Mortgage of £590,000 was obtained from Barclays Bank PLC in October 2002 to assist in the purchase of the warehouse at 5 Greycaine Road, Watford, Herts which cost £738,000 freehold. This is a capital repayment loan, repayable over 20 years with no payments for the first six months. Interest is charged on the mortgage at a rate of 2.09% over the Barclays Bank PLC base rate.

The amount outstanding at 31st March 2017 was £249,732. The mortgage is secured over 3 properties owned by the Charity 5 & 7 Greycaine Road, Watford Herts and 68 Tudor Avenue, Watford, Herts. The properties are carried at £1,332,852 (2016 - £1,353,698) within the fixed assets.

18 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans	17	42,002	41,048
Deferred income		1,078	720
Trade creditors		38,963	10,619
Other creditors		10,440	9,996
Accruals and deferred income		25,001	31,634
		117,484	94,017

19 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans	17	207,730	250,196

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016	Movement in funds		Balance at 31 March 2017
	£	Incoming resources £	Resources expended £	£
Warehouse Appeal	1,385	-	(1,385)	-
Specific donations to individuals or institutions	39,239	42,233	(40,555)	40,917
2015 Building Fund	137,282	15,300	(24,113)	128,469
Durban Halfway House	18,340	-	-	18,340
Modello	3,553	-	-	3,553
	<u>199,799</u>	<u>57,533</u>	<u>(66,053)</u>	<u>191,279</u>

Warehouse Appeal: Funds raised to facilitate the purchase, ongoing maintenance and finance costs associated with the purchase of the warehouses. Since the initial purchase of the warehouses resources expended are a summary of the expenses on the running of the warehouses owned by the charity.

Specific donations to individuals or institutions: During the year the charity receives donations which are restricted to specific people or institutions which are in need. The funds are paid out to the intended recipient.

2015 Building fund: In early 2015 the charity raised funds to facilitate a refurbishment and upgrade of facilities within number 7 Greycaine Road. The charity purchased assets and completed improvements to the building, the funds spent represent depreciation of assets and costs of improvements.

Durban Halfway House: The charity raised funds to help set up a halfway house for the homeless street children in Durban, South Africa.

Modello: These funds were raised by a group of musicians to enable further worship projects in the town centre.

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2016 £	Movement in funds		Balance at 31 March 2017 £
		Incoming resources £	Resources expended £	
Soul Survivor Watford	1,169,147	902,276	(720,862)	1,350,561
The Hub	1,218	26,399	(27,617)	-
	<u>1,170,365</u>	<u>928,675</u>	<u>(748,479)</u>	<u>1,350,561</u>

Soul Survivor Watford: Funds are raised through charitable donations received from members of the congregation of the Soul Survivor Watford church. Funds are expended on the charitable activities carried out by the Soul Survivor Watford church.

The Hub: Funds are raised through charitable donations received from members of the congregation of the The Hub church. Funds are expended on the charitable activities carried out by the The Hub church. During the year, the Hub church became its own charitable entity under the name The Hub Trust (charity number 1168348). The balance of the remaining funds held by the Charity were donated to The Hub Trust.

22 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:				
Tangible assets	(4,882)	1,295,485	128,469	1,419,072
Current Assets	22,530	370,810	62,810	456,150
Creditors: amounts falling due within one year	(9,480)	(108,004)	-	(117,484)
Creditors: amounts falling due after more than one year	-	(207,730)	-	(207,730)
	<u>8,168</u>	<u>1,350,561</u>	<u>191,279</u>	<u>1,550,008</u>

Included in the current assets is £61,398 of cash that is not available for use by the Charity because it is restricted.

THE K & J M MORGAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

23 Operating lease commitments

At the reporting end date the Trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	4,519	4,591

During the year the Trust recognised £5,433 (2016 - £6,054) as an expense on lease payments.

24 Related party transactions

Aggregated donations received from the Trustees or related parties without conditions totalled £18,340 (2016 - £26,180).

During the year, grants to the value of £7,910 were made to Charis, an organisation of which K Downton became a trustee.

During the year, the Nicholls family received gifts to the value of £722 (2016 - nil). C Nicholls retired as trustee during the year and the gifts were given once she had retired as trustee. In addition, the spouses of C Gregory and K Downton received flowers to the value of £25 each (2016 - nil). K Downton received a refund on costs paid for the Durban trip of £300.

25 Cash generated from operations

	2017 £	2016 £
Surplus for the year	154,005	175,361
Adjustments for:		
Investment income recognised in profit or loss	(24)	(27)
(Gain)/loss on disposal of tangible fixed assets	-	1,016
Depreciation and impairment of tangible fixed assets	40,985	41,253
Movements in working capital:		
Decrease/(increase) in stocks	1,082	(1,664)
(Increase)/decrease in debtors	(10,093)	11,748
Increase/(decrease) in creditors	22,155	(31,834)
Increase in deferred income	358	720
Cash generated from operations	208,468	196,573