

REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2017  
FOR  
HANDCROFT CHAPEL

Averillo & Associates  
Chartered Accountants  
16 South End  
Croydon  
Surrey  
CR0 1DN

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2017**

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The trustees present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of 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).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims for the public benefit**

The charity is established for the advancement of the Christian religion both in South London and overseas, and secondarily for the relief of need, hardship and distress.

The Charity owns a place of worship where it provides Christian teaching both locally live and throughout the world via our website. This includes ministry to young people, counselling to members of the church and help with spiritual needs. There is a large library of written materials and videos for downloading. Missionary visits overseas are made periodically and aid granted to Christians in poorer countries. Occasionally help is given where there is a local need. All these activities are carried out to the benefit of the public.

**ACHIEVEMENT AND PERFORMANCE**

The trustees are satisfied that the charity has performed well this year and has delivered public benefit.

In 2012 the trustees sold the Chapel in West Croydon and with the aid of a £300,000 mortgage purchased, for £760,000, new premises in Purley. Work on the property was completed in 2016 at a total cost of £374,000 funded by reserves, donations and an additional mortgage of £150,000 agreed in 2016. The whole building was dedicated on 27th March 2016.

The congregation has remained roughly consistent at around 85 local members but with a continued increase in the overseas membership. As well as church services on Sundays and Wednesdays evenings, there are also regular youth services (usually on a Saturday), Sunday School, creche facility on Sundays and activities for young people. Missionary work to countries in Eastern Europe, East and West Africa and India has continued throughout this year.

Handcroft Chapel's social impact on the community has principally been via the regular Sunday and Wednesday Church services but the following services have also been provided this year: marriage counselling, relief to distressed families, youth events and sports. Poverty and hardship relief, the sponsoring of ministries for inter-church conferences, young people's drama groups have also had a social impact.

We continue via our website to offer live streaming of services to members unable to attend due to illness, disability or distance. The website is constantly updated with upcoming special church events, meetings and inter-church conferences. The online church library of sermons has continued to be widely used by the church membership.

**FINANCIAL REVIEW**

**Investment policy and objectives**

The trust deed authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

**Reserves policy**

It is the policy of the charity to maintain unrestricted funds at a level, which equates to approximately £15,000 unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs. Unrestricted funds are maintained at least at this level throughout the year.

There was a surplus of £23,816 in the year.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity was established by Pastor Kevin Blewett on 4 February 1996 and is constituted by a deed of trust, and was registered with the Charity Commission in September 2000.

**Recruitment and appointment of new trustees**

The trustees are appointed from the membership of the church on an annual basis in accordance with the constitution.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2017**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

1082686

**Principal address**

Handcroft Chapel  
Sylverdale Road  
Purley  
Surrey  
CR8 2DT

**Trustees**

R J McKie  
A Shepherd-Prince  
W W Chapman  
Dr M O King  
L Soosaipillai

**Independent examiner**

Peter Nellemose  
Averillo & Associates  
Chartered Accountants  
16 South End  
Croydon  
Surrey  
CR0 1DN

**Secretary**

M A Njoroge

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HANDCROFT CHAPEL

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2017

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Approved by order of the board of trustees on 29 January 2018 and signed on its behalf by:

A handwritten signature in blue ink, reading "R. J. McKie".

R J McKie - Trustee



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
HANDCROFT CHAPEL**

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I report on the accounts for the year ended 31 March 2017 set out on pages five to ten.

**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(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

It is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 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 Commission. 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 you as 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 statements 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 2011 Act; and
  - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Acthave 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.



Peter Nellemose  
Averillo & Associates  
Chartered Accountants  
16 South End  
Croydon  
Surrey  
CR0 1DN

29 January 2018

HANDCROFT CHAPEL

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted fund £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies		234,002	-	234,002	256,737
Investment income	2	<u>7</u>	<u>-</u>	<u>7</u>	<u>6</u>
<b>Total</b>		234,009	-	234,009	256,743
<b>EXPENDITURE ON</b>					
Other		<u>210,193</u>	<u>-</u>	<u>210,193</u>	<u>193,295</u>
<b>NET INCOME</b>		23,816	-	23,816	63,448
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		665,596	125,277	790,873	727,425
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>689,412</u></u>	<u><u>125,277</u></u>	<u><u>814,689</u></u>	<u><u>790,873</u></u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

## HANDCROFT CHAPEL

BALANCE SHEET  
AT 31 MARCH 2017

	Notes	Unrestricted fund £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	5	1,033,046	125,277	1,158,323	1,154,063
<b>CURRENT ASSETS</b>					
Debtors	6	29,202	-	29,202	12,672
Cash at bank and in hand		31,197	-	31,197	47,205
		<u>60,399</u>	<u>-</u>	<u>60,399</u>	<u>59,877</u>
<b>CREDITORS</b>					
Amounts falling due within one year	7	(20,527)	-	(20,527)	(20,582)
<b>NET CURRENT ASSETS</b>		<u>39,872</u>	<u>-</u>	<u>39,872</u>	<u>39,295</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,072,918	125,277	1,198,195	1,193,358
<b>CREDITORS</b>					
Amounts falling due after more than one year	8	(383,506)	-	(383,506)	(402,485)
<b>NET ASSETS</b>		<u>689,412</u>	<u>125,277</u>	<u>814,689</u>	<u>790,873</u>
<b>FUNDS</b>	10				
Unrestricted funds				689,412	665,596
Restricted funds: Building fund				<u>125,277</u>	<u>125,277</u>
<b>TOTAL FUNDS</b>				<u>814,689</u>	<u>790,873</u>

The financial statements were approved by the Board of Trustees on 29 January 2018 and were signed on its behalf by:



R J McKie -Trustee

**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- in accordance with the property
Fixtures and fittings	- 25% on cost
Equipment	- 25% on cost

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**2. INVESTMENT INCOME**

	2017	2016
	£	£
Deposit account interest	<u>7</u>	<u>6</u>

**3. TRUSTEES' REMUNERATION AND BENEFITS**

There was no trustee's remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**Trustees' expenses**

None were claimed.



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

## 4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	239,207	17,530	256,737
Investment income	6	-	6
<b>Total</b>	<b>239,213</b>	<b>17,530</b>	<b>256,743</b>
<b>EXPENDITURE ON</b>			
Other	193,295	-	193,295
<b>Total</b>	<b>193,295</b>	<b>-</b>	<b>193,295</b>
<b>NET INCOME</b>	<b>45,918</b>	<b>17,530</b>	<b>63,448</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	619,678	107,747	727,425
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>665,596</b>	<b>125,277</b>	<b>790,873</b>

## 5. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Equipment £	Totals £
<b>COST</b>				
At 1 April 2016	1,116,416	40,442	82,703	1,239,561
Additions	17,840	15,323	6,370	39,533
At 31 March 2017	1,134,256	55,765	89,073	1,279,094
<b>DEPRECIATION</b>				
At 1 April 2016	28,942	4,219	52,337	85,498
Charge for year	11,053	6,446	17,774	35,273
At 31 March 2017	39,995	10,665	70,111	120,771
<b>NET BOOK VALUE</b>				
At 31 March 2017	1,094,261	45,100	18,962	1,158,323
At 31 March 2016	1,087,474	36,223	30,366	1,154,063

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

## 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Other debtors	<u>29,202</u>	<u>12,672</u>

## 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 9)	16,590	14,771
Other creditors	<u>3,937</u>	<u>5,811</u>
	<u>20,527</u>	<u>20,582</u>

## 8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans (see note 9)	383,506	400,900
Other creditors	<u>-</u>	<u>1,585</u>
	<u>383,506</u>	<u>402,485</u>

## 9. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>16,590</u>	<u>14,771</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>-</u>	<u>1,585</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Mortgage	<u>383,506</u>	<u>400,900</u>

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

## 10. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
<b>Unrestricted funds</b>			
General fund	665,596	23,816	689,412
<b>Restricted funds</b>			
Building fund	125,277	-	125,277
<b>TOTAL FUNDS</b>	<u>790,873</u>	<u>23,816</u>	<u>814,689</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	234,009	(210,193)	23,816
<b>TOTAL FUNDS</b>	<u>234,009</u>	<u>(210,193)</u>	<u>23,816</u>

## 11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.