

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

Report and Accounts

Year ended 31 August 2017

stewardship[®]

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THE KING'S COMMUNITY CHURCH HATFIELD TRUST
FOR THE YEAR ENDED 31 AUGUST 2017
COMPANY INFORMATION

Directors/Trustees	R Everett A Mathes J Telford R Hickman (until 20 August 2017) C Shaw (from 20 August 2017)
Company Secretary	David Martin
Key staff	David Rigby - until Oct 2016 Dom Long
Governing Document	Memorandum and Articles of Association dated 24 August 2011
Company Registration Number	7751479
Charity Registration Number	1144204
Registered Office	Kennelwood House Kennelwood Lane Hatfield Hertfordshire AL10 0LG
Independent Examiner	Stephen Mathews FCA Stewardship 1 Lamb's Passage London EC1Y 8AB
Bankers	CAF Bank Ltd

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THE KING'S COMMUNITY CHURCH HATFIELD TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2017

The Directors have pleasure in submitting the Report and Accounts for the period from 1st September 2016 to 31st August 2017.

Objects of the charity

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

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

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

Structure, Governance and Management **Governing document**

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

Appointment of responsible individuals and elders

The Church is governed by its responsible individuals, who are appointed according to the Articles of Association. The individuals are closely involved in the church's operations and held several meetings during the year ended 31st August 2017.

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

Trustees

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

Trustees' induction and training

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

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

Review of Activities

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

The Church operates in conjunction with Newfrontiers.

Worship and Prayer

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

Activities during the Year

- o The church continued to provide Christian witness and support to people in Hatfield, St Albans and Welwyn Garden City.
- o The Directors and employees remain the same, with the exception that Christopher Shaw replaced Robert Hickman as a Director and David Rigby resigned as an employee, but remains an Elder.
- o Pastoral care and training for members is maintained through mid-week Community Groups, and the Pastoral Team continues to give care and prayer support to members as necessary.

- o Dom Long, now Lead Elder, continues to sit on several local community committees and the Church supported the events they organised during the year.
- o The church is in association with the worldwide Newfrontiers group of 1500 churches. We are part of Catalyst Sphere, a sub-group within Newfrontiers comprising about 80 churches.

- o Our parent and toddler group, Little Ones, continued to meet successfully each week at the Harrier Assembly Hall, giving parents and carers in the wider community a social outlet and mutual support. Our craft social group, Knit and Natter, also continued to meet attracting others from the local community.
- o As part of the church's mission, 'Live Lounge' evenings have been run periodically in a local venue, where the general public are invited to perform. These have proved popular and are continuing.

- o The church again contributed to the switching on event of the Town's Christmas lights, and members are also now involved in setting up a night shelter and foodbank in the Town, organised by local churches, which are due to go live shortly.
- o An Alpha Course continues to be run with another local church, for those who are interested in the Christian faith.
- o The church held a series of women's and men's meetings during the year, and continued to organise events for the Half Century Club, which provides a social outlet and mutual support for the over 50's from the church and wider community.
- o Regular teaching for young people takes place at the church and a group of young people attended the Newfrontiers Newday Conference.
- o The church supports overseas ministry with Elder David Rigby, continuing to cover Newfrontiers churches in the Greater Moscow region of Russia. He visits Russia several times a year, occasionally accompanied by a team from the church. John and Valerie Telford continue to work with the Puerto Banus Christian Centre ('The Wave') in Spain, and led a ministry team there in October. Other church members have served/are serving in China, the Ukraine, and South Africa.
- o The church has celebrated 20 years this year, with a number of activities including a family birthday party; a quiz night to raise money for a local homeless charity; a walk from St. Albans (where the church started) to Hatfield (where it now meets); and the creation of a recipe book.

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

Financial Review

The Church's income for the year was £135,543 and expenditure £123,481. The church's budgetary control system continues to operate and budget holders have responsibility for managing their departmental budget.

Investment policy and returns

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

Reserves Policy

The church holds unrestricted and restricted funds. Transfers are made from unrestricted to restricted funds in order to prevent restricted funds from going into deficit. Our overall policy for unrestricted funds is only to increase reserves above a minimum threshold necessary to operate the organisation (not more than 3 months expenditure) or where specific projects are being planned for subsequent years.

The free reserves at the year end were in the region of £25,000 which represents approximately 2.5 months of planned expenditure.

Risk Statement

The trustees have assessed the major risks to which the church is exposed, in particular those relating to the operations and finances of the church. The trustees are satisfied that systems are in place to mitigate their exposure to major risk. A new budgetary control system has been designed to commence from 01.09.17, monitored by the Elders and Trustees. The Church was able to meet its budget for 2016-2017.

Directors' Responsibilities

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

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

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

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps

Approval

This report was approved by the Directors on 25 March 2018 and signed on their behalf by:

J Telford

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
THE KING'S COMMUNITY CHURCH HATFIELD TRUST
(the Company)

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2017 on pages 7 to 13 following, which have been prepared on the basis of the accounting policies set out on page 9.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Stephen Mathews FCA

4 April 2018

For and on behalf of:
Stewardship
1 Lamb's Passage
London

THE KING'S COMMUNITY CHURCH HATFIELD TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017
SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	117,582	8,296	125,878	115,764
Investments		20	-	20	45
<i>Charitable activities</i>		8,742	-	8,742	3,094
<i>Other income and endowments</i>		903	-	903	1,168
Total income and endowments		127,247	8,296	135,543	120,071
EXPENDITURE ON					
Charitable activities	3	115,175	8,306	123,481	132,724
Total expenditure		115,175	8,306	123,481	132,724
Net gains/(losses) on investments		-	-	-	-
Net income/(expenditure)		12,072	(10)	12,061	(12,653)
Transfers between funds		(727)	727	-	-
		11,345	716	12,061	(12,653)
Net movement in funds		11,345	716	12,061	(12,653)
Reconciliation of funds:					
Total funds brought forward		15,240	22,128	37,368	50,021
Total funds carried forward		26,585	22,844	49,429	37,368

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

The notes on page 9-13 form part of these accounts.

THE KING'S COMMUNITY CHURCH HATFIELD TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2017 £	Total funds 2016 £
CURRENT ASSETS					
Debtors	5	7,291	-	7,291	6,002
Cash at bank	6	26,323	22,843	49,166	40,677
		<u>33,614</u>	<u>22,843</u>	<u>56,457</u>	<u>46,679</u>
CURRENT LIABILITIES					
Liabilities falling due within one year	7	7,028	-	7,028	9,311
Net Current Assets		<u>26,586</u>	<u>22,843</u>	<u>49,429</u>	<u>37,368</u>
NET ASSETS					
		<u>26,586</u>	<u>22,843</u>	<u>49,429</u>	<u>37,368</u>
FUND BALANCES					
Unrestricted funds	8				
General Funds		26,585		26,585	15,240
Designated funds		-		-	-
Restricted Funds	8		22,844	22,844	22,128
		<u>26,585</u>	<u>22,844</u>	<u>49,429</u>	<u>37,368</u>

For the year ended 31 August 2017 the company was entitled to the exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Responsibilities of directors/trustees:

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

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

Approved by the Directors and signed on their behalf on the 25 March 2018 by:

J Telford

Company number:

7751479

Charity number:

1144204

The notes on page 9-13 form part of these accounts.

THE KING'S COMMUNITY CHURCH HATFIELD TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting Policies

The accounts have been prepared under the historic cost convention, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014; and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The accounts have been prepared on the going concern basis, as there are no material uncertainties about the charity's ability to continue. Based on the adequacy of the charity's reserves as at the balance sheet date, along with their knowledge of the charity's ability to meet bills, payments and other liabilities as they fall due, the directors have a reasonable expectation that the charity has sufficient resources to continue in operational existence for the foreseeable future.

The following are the accounting policies which have been applied in dealing with material items:-

a) Donated and grant income:

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

The charity has relied significantly upon volunteers in carrying out its activities during the year. In accordance with paragraph 6.18 of the SORP, the role of volunteers has not been recognised as income from donated services in the accounts.

b) Other income and expenditure:

Investment income is taken into account when receivable and expenditure, including irrecoverable VAT, when incurred by the charity, regardless of when payment is made. Grants payable are taken into account at the earlier of when they are paid or become constructive obligations.

c) Funds:

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

d) Fixed assets and depreciation:

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

Depreciation periods are as follows:

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

e) Pension costs:

The company operates a defined contribution scheme for certain of its employees. Pension premiums are charged as they are paid.

f) Taxation

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

g) Cashflow statement

The company has taken advantage of the exemption provided by the FRS 102 SORP and has not prepared a Cash Flow Statement for the year.

THE KING'S COMMUNITY CHURCH HATFIELD TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

2	Voluntary income	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
		£	£	£	£
	General donations	96,508	7,251	103,759	96,133
	Grants	-	-	-	
	Tax recoverable	21,073	1,045	22,119	19,631
		117,582	8,296	125,878	115,764
3	Charitable activity	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
		£	£	£	£
a	Direct Charitable Costs				
	Employment expenses	51,968	-	51,968	63,042
	Venue hire	29,858	-	29,858	33,887
	Evangelism	4,719	-	4,719	5,853
	Ministry expenses	1,339	-	1,339	2,387
	Conferences & courses	3,408	-	3,408	4,836
	Church activities	3,582	1,696	5,277	2,860
	Church weekend away	7,383		7,383	-
	Pastoral care expenses	1,330	-	1,330	1,377
	Sundry expenditure	369	-	369	397
	Grants payable	7,374	6,610	13,985	13,416
		111,330	8,306	119,636	128,055
b	Support & Administration	£	£	£	£
	Governance costs	876	-	876	792
	General church offices expenses	2,969	-	2,969	3,877
		3,845	-	3,845	4,669
	Combined charitable activity cost	115,175	8,306	123,481	132,724
c	Grants	Institutions £	Individuals £	2017 £	2016 £
	Missionary support	12,075	920	12,995	9,427
	Relief of poverty	-	989	989	3,988
		12,075	1,909	13,985	13,416

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

The main features of the grants made to institutions were:	2017	2016
Catalyst Network of Churches	8,400	2,000
Catalyst - refugee response	-	1,194
Tearfund	-	1,194

THE KING'S COMMUNITY CHURCH HATFIELD TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

4 Staff & Trustees	2017	2016
	£	£
Gross wages, salaries & benefits in kind	50,089	59,343
Employer's National Insurance costs	-	-
Pension costs	1,879	3,699
Total staff costs	<u>51,968</u>	<u>63,042</u>

The church in the year had two full time employees and three part-time employees until October 2016 when one full time leader retired. Most activities are carried out by volunteers.

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

Remuneration payable to key management (excluding trustees) amounted to £33,959 in the year. Key management is considered to cover church leaders directly employed by the charity.

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

The total amount of donations funded by trustees [and connected parties], and other related parties, was £34,087.

No other transactions have taken place with related parties during the year.

Fees payable to Stewardship, other than for the annual accounts and independent examination, for consultancy services totalled £90.

5 Debtors and Prepayments	2017	2016
	£	£
Tax recoverable	3,886	3,485
Other Debtors	-	823
Prepayments	3,405	1,694
	<u>7,291</u>	<u>6,002</u>

6 Cash at Bank and in Hand		
Bank operating accounts	27,994	19,525
Bank deposits	21,173	21,152
Petty cash	-	-
	<u>49,166</u>	<u>40,677</u>

7 Creditors: liabilities falling due within one year		
Trade Creditors	826	2,221
Accruals	5,840	5,780
Deferred Income	362	1,310
	<u>7,028</u>	<u>9,311</u>

THE KING'S COMMUNITY CHURCH HATFIELD TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

8 Funds

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

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers in the year £	Closing balance £
Building fund	16,689	-	-		16,689
Unemployment fund	4,256	-	-		4,256
Russia support fund	-	1,250	-		1,250
Mission support fund	-				-
Church conference support fund	331	206	(538)		-
Spanish support fund	414	100	(514)		-
Mission trip fund	313	-	(60)		253
Leaders retreat fund	-				-
Herts Young Homeless	-	783	(610)		173
Little Ones fund	124	683	(584)		223
Catalyst offering	-	5,273	(6,000)	727	-
	<u>22,127</u>	<u>8,296</u>	<u>(8,306)</u>	<u>727</u>	<u>22,843</u>

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

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

Russia support fund is for mission trip to Russia

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

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

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

Herts Young Homeless fund is to support Herts Young Homeless Group, registered charity (1069498) which works with local homeless people.

Catalyst offering fund is for the support of the mission and humanitarian relief work of 'Catalyst' registered charity (1150242) and the churches within it's operational sphere.

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

	Fixed assets £	Bank & cash balances £	Other net assets £	Total £
Restricted funds	-	22,843		22,843
Unrestricted funds	-	26,323	263	26,586
	<u>-</u>	<u>49,166</u>	<u>263</u>	<u>49,429</u>

9 Lease Commitments

The charity has a lease on a property at Kennelwood House, Kennelwood Lane, Hatfield, AL10 0LG which runs until 31 March 2023 at a cost of £14,353.20 (incl VAT) per annum, with a break clause at 1 April 2020.

10 Events since the year end

None

11 Members

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

THE KING'S COMMUNITY CHURCH HATFIELD TRUST
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted Funds - General		Restricted Funds		Total Funds	Total Funds
		2017	2016	2017	2016	2017	2016
		£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM							
Donations and legacies	2	117,582	112,707	8,296	3,057	125,878	115,764
Investments		20	45			20	45
<i>Charitable activities</i>		8,742	3,094			8,742	3,094
<i>Other income and endowments</i>		903	1,168			903	1,168
Total income and endowments		127,247	117,014	8,296	3,057	135,543	120,071
EXPENDITURE ON							
Charitable activities	3	115,175	128,298	8,306	4,426	123,481	132,724
Total expenditure		115,175	128,298	8,306	4,426	123,481	132,724
Net gains/(losses) on investments		-	-	-	-	-	-
Net income/(expenditure)		12,072	(11,284)	(10)	(1,369)	12,061	(12,653)
Transfers between funds		(727)	(285)	727	285	-	-
		11,345	(11,569)	716	(1,084)	12,061	(12,653)
Net movement in funds		11,345	(11,569)	716	(1,084)	12,061	(12,653)
Reconciliation of funds:							
Total funds brought forward		15,240	26,809	22,128	23,212	37,368	50,021
Total funds carried forward		26,585	15,240	22,844	22,128	49,429	37,368

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