

Strangers Rest Mission

Report and Accounts

Year ended 30 September 2017

STRANGERS REST MISSION

CHARITY INFORMATION FOR THE YEAR ENDED 30 SEPTEMBER 2017

Trustee	The Evangelical Fellowship of Congregational Churches Trust Corporation Limited
Secretary	Anthony Harrison, EFCC, PO Box 34, Beverley, HU17 0YY
Management Committee	Mark Mullins (Minister) Ernie Amurao (Assistant Minister)
Governing Document	Trust Deed dated 5th October 1917 Scheme dated 18th September 1995
Charity Registration Number	209117
Principal Office	131 The Highway London, E1W 9BP
Independent Examiner	Neville Reid 19 Mills Grove London, E14 0RH
Bankers	Charities Aid Foundation National Westminster Bank

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STRANGERS REST MISSION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2017

The Trustees present their annual report and financial statements of the charity for the year ended 30 September 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity'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 published on 16 July 2014.

Objectives of the charity

- To maintain and keep the Trust premises in suitable and proper repair; and
- To permit the trust property to be used for the purpose of continuing thereon the mission work hitherto and at present carried on thereon; and
- To allow the trust property to be used for Evangelical Christian Mission work by persons holding the tenets set for in the Trust deed among the people of the district generally, or otherwise for the encouragement and furtherance of such objects and purposes as may be approved by the Trustees.

The Trustees have considered these objectives and believe that the Charity is fulfilling these objectives in its actions and activities.

The Trustees confirm that they have considered the Charity Commission's general guidance on public benefit and are of the opinion that this is achieved through the advancement of religion.

Governance

Throughout the year, the trust was administered by The Evangelical Fellowship of Congregational Churches Trust Corporation Limited (EFCC). EFCC assumed responsibility from the former trustee FIEC Ltd in September 2015, but the finances were only transferred to EFCC in February 2016.

At the date of signing this report the EFCC Trust Corporation board members are Rev. Gwynne Evans (Chairman), Mr Robert Neilson (Vice-Chairman), Rev. Jackie Brown, Rev. Bill Calder, Mr Kevin Davies, Rev. Matthew Rees, Mr Gilbert Stephenson and Mr Philip Williams.

The policy decisions of the charity rest with the Trustees. Representatives of the EFCC Trust Board make regular visits, and the EFCC office maintains regular contact by email and telephone.

The Trustees have delegated the operational management of the Mission to the local management committee consisting of Mark Mullins and Ernie Amurao.

Review of Activities

The church's objects are to glorify God through the proclamation of the Gospel of Jesus Christ to the inhabitants of Shadwell and wider afield, and to build up of those who are believers so that they may grow to maturity in their understanding and obedience to the Word of God. The church also supports missionaries working overseas and gives assistance to those who are in financial hardship. The policies adopted in furtherance of these objects are to preach the Word of God, to pray, and to encourage believers to build each other up. There has been no change in these during the year.

During the year the church held services of worship on Sunday mornings and evenings, pre-service prayer meetings on Sunday morning and evening, Sunday school for children under secondary school age on Sunday mornings, a Kids Club on Friday evenings during the week, prayer meetings on Monday, Thursday and Saturday mornings, Bible studies on Wednesday evenings, door to door visitation by the Church Evangelist during the week, occasionally accompanied by the pastor, and street witnessing by church members periodically on Sunday afternoons. Preaching on Sunday mornings and evenings was on a wide variety of texts of scripture as they were laid on the heart of the preacher.

Main activities during the year

Numbers at services remained at around the same level; an average of 30 people attended services each week on Sunday mornings and 10 on Sunday evenings. Numbers at midweek prayer meetings and Bible studies were usually between 6 and 8. The number of church members remained at around 15 during the year.

Various visitors have attended services. In July 2017 the church was joined by a Pakistani asylum seeker who has been living in the church premises since then. In December he was granted asylum by the Home Office. He has accompanied the Church Evangelist seeking to engage with Muslims in the community.

Existing believers have also been strengthened in their faith and helped to continue to serve God, some in spite of quite considerable trials. About 12 children came to the children's classes each week.

The English Classes continue to attract new people most weeks and has presented many opportunities for the Gospel. During the year the church changed its advertising on the website Gumtree to make it clear that its aim is to help people understand the Bible through teaching them English, so as to be transparent. This has reduced the numbers who have come, but has ensured that those who do come know that gospel content is included in the classes.

Since Christmas 2016 the focus of the Occasional Notes has been on the theme of the Trinity. This has been a much neglected subject in Christian circles in recent years.

The charity is grateful for the assistance of its volunteers in running the above activities.

Financial Review

Income from donations and gifts, excluding legacies, decreased by £3,733 and expenditure decreased by £3,085. The overall result for the year was a deficit of income over expenditure of £20,306, and a net reduction on the General Fund of £9,685.

Reserves Policy

The Charity holds significant financial reserves. It aims to maintain general reserves of at least £140,000 to meet future capital needs.

Risk Statement

The charity is not exposed to any major financial risk. The most significant area of uncertainty relates to the downward trend of reserves over the last few years, but the management committee is aware of support that will fund the work for the next 4–5 years without having to further erode reserves.

Responsibilities of the Trustees

The charity trustees are responsible for preparing the Trustees' annual report and 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 requires the charity trustees to prepare financial statements for each 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 of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the applicable 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 financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approval

This report was approved by the Trustees on 31 July 2018 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'G Evans', with a long horizontal stroke underneath.

G Evans, Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STRANGERS REST MISSION

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 September 2017.

Respective responsibilities of trustees and examiner

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

It is my responsibility:

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

Basis of independent examiner's statement

My examination was carried out in accordance with 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 the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement – Matter of concern identified

I have completed my examination. I have identified a matter of concern in my report because the local cash in hand was not being reconciled to the record of transactions, and it appears that a few low-value transactions were not recorded, as explained in Note 3 to the accounts. At the end of the four years which I examined together, SRM's local bank and cash balances at 30 September 2017 were £502 more than recorded in the local accounts. This means that, taking those four years together, £502 more income was banked without being recorded, than was paid out in that way. I concluded that there is no reason to suspect dishonesty on the part of the staff.

I confirm that no other matters have come to my attention that give me cause to believe that in any material respect:

- accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.



Neville Reid ACA

19 Mills Grove
Poplar
London E14 0RH

31 July 2018

STRANGERS REST MISSION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	Total Funds 2017 £	Total Funds 2016 £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	4	25,748	23,583
Charitable activities		707	1,192
Investments		302	492
Other		540	98
Total income and endowments		27,298	25,365
EXPENDITURE ON:			
Charitable activities	4	47,604	50,689
Total expenditure		47,604	50,689
Net income/(expenditure) before investment gains		(20,306)	(25,324)
Net gains on investments		621	-
Net movement in funds		(19,685)	(25,324)
Reconciliation of funds:			
Total funds brought forward	3	211,888	237,213
Total funds carried forward		192,203	211,888

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

The notes on page 8–12 form part of these accounts.

STRANGERS REST MISSION

BALANCE SHEET AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
CURRENT ASSETS			
Debtors	9	7,835	7,035
Cash at bank and in hand		197,018	216,593
		<u>204,853</u>	<u>223,628</u>
CREDITORS:			
Amounts falling due within one year	10	<u>12,651</u>	<u>11,740</u>
Net Current Assets		192,203	211,888
TOTAL NET ASSETS		<u>192,203</u>	<u>211,888</u>
FUNDS OF THE CHARITY			
Unrestricted funds:			
General funds		140,749	150,434
Designated funds	11	51,454	61,454
TOTAL FUNDS		<u>192,203</u>	<u>211,888</u>

Approved by the Trustees and signed on their behalf on 31 July 2018 by:



G Evans

Charity number: 209117

The notes on page 8–12 form part of these accounts.

STRANGERS REST MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Basis of Accounting

The accounts have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts have been prepared 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 (the Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant area of uncertainty relates to the downward trend of reserves over the last few years; this is addressed in the Trustees' report.

2 Accounting policies

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

a) Recognition of income:

Donations and legacies are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes legally entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

b) Tax reclaimed on donations and gifts:

Gift Aid receivable is included in income at the same time as the cash donations to which they relate, when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be unrestricted income unless the donor or the terms of the appeal have specified otherwise.

c) Settlement of insurance claims:

Insurance claims are only included in the SoFA when the general income recognition criteria are met, and are included as an item of other income in the SoFA.

d) Volunteer help:

The value of voluntary help received is not included in the accounts but is described in the Trustees' report.

e) Investment gains or losses:

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

f) Liability recognition:

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources, and the amount of the obligation can be measured with reasonable certainty.

g) Governance costs:

This includes the costs of preparation and examination of statutory accounts, the costs of trustee meetings, and any cost of legal advice to Trustees on governance or constitutional matters.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

h) Church property:

In so far as consecrated property is excluded from the statutory definition of "charity" by section 10(2)(c) of the Charities Act 2011, such assets are not capitalised in the financial statements. All expenditure on the building is charged to the SoFA in the year in which it is incurred.

i) 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. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are amounts received where the donor has specified the purpose for which it should be used; SRM currently has no restricted funds.

3 Analysis of income

	2017	2016
	£	£
Donations and legacies:		
Donations and gifts	12,367	17,051
Gift Aid	2,381	1,430
Legacies	11,000	5,102
	<u>25,748</u>	<u>23,583</u>
Charitable activities:		
Parking income	668	1,023
Printing income	39	169
	<u>707</u>	<u>1,192</u>
Income from investments:		
Interest and gains on investments	302	492
	<u>302</u>	<u>492</u>
Other income:		
Income received, not traced to source	540	98
	<u>540</u>	<u>98</u>
Total income	<u><u>27,298</u></u>	<u><u>25,365</u></u>

During the four years up to September 2017, local cash in hand was not being reconciled to the record of transactions, and it appears that a small volume of transactions were not recorded. Over those four years, SRM's local bank and cash balances increased by £502 more than the net income recorded in the local accounts. It has not proved possible to identify all of the unrecorded transactions, although it is apparent that it included some parking income that was banked without first being recorded. Based on the estimated petty cash in hand at each year end, the net movement of £502 has been allocated between financial years as follows:

	£
2013–2014: Net expenditure (added to Church administration)	(136)
2014–2015: Nil	-
2015–2016: Net income	98
2016–2017: Net income	540
Total untraced net income	<u><u>502</u></u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

4 Analysis of expenditure

	2017	2016
	£	£
a Direct Charitable Costs		
Staff costs	10,355	16,041
Pension paid	10,000	-
Building maintenance	7,046	7,163
Catering	68	452
Church car	1,943	1,333
Church flat	1,182	7,289
Cleaning	332	363
Evangelism	-	8
External Ministry Conferences	330	902
Gas, electricity & water	3,340	4,000
Internal events	1,077	117
Travel	1,047	2,173
Youth & children's work	653	56
Grants payable	1,430	2,315
	<u>38,803</u>	<u>42,211</u>
b Support & Administration		
Governance costs	4,306	4,449
Insurance	1,142	1,091
IT support	220	118
Telephone & internet	606	586
Other administration costs	2,527	2,234
	<u>8,801</u>	<u>8,478</u>
Total expenditure on charitable activities	<u><u>47,604</u></u>	<u><u>50,689</u></u>

	2017	2016
	£	£
5 Fees for examination of the accounts		
Independent examiner's fees	700	700
6 Paid employees	£	£
a) Staff costs		
Salaries and wages	10,355	16,041
Total staff costs	<u>10,355</u>	<u>16,041</u>

The charity has 2 permanent members of staff, and paid wages to 2 temporary staff (2016: 4).

The SORP requires additional disclosures of employee benefits of more than £60,000 per annum, but no employees received benefits above that level.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

b) Payments in retirement

Payments were also made in retirement to a former pastor as follows.
The full cost is allocated to the designated Retirement Fund.

	2017 £	2016 £
Pension payment	10,000	-
Total pension paid	<u>10,000</u>	<u>-</u>

7 Trustees

No remuneration was paid to any trustee during the year nor to any person connected to them.
The charity trustees were not paid nor received any other benefits from the charity in the year (2016: £nil), neither were they reimbursed expenses during the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).
The SORP requires disclosure of the aggregate amount of donations received from Trustees. No donations were received in the year from the corporate Trustee, or from members of its Board who act as Trustees. Material donations were received from a member of the local Management Committee, but the Trustees do not consider it necessary or desirable to disclose this amount.

8 Grants

	Grants to Institutions £	Grants to Individuals £	Total 2017 £	Total 2016 £
Gifts to visiting speakers and missionaries	350	960	1,310	1,665
Gifts to other ministries	-	120	120	650
	<u>350</u>	<u>1,080</u>	<u>1,430</u>	<u>2,315</u>

The institutional grants were £200 to Christian Compassion Ministries (2016: £150) and £150 to Trinitarian Bible Society. The remaining grants to institutions in the 2016 year were £150 to SASRA.

9 Debtors and prepayments

	2017 £	2016 £
Tax recoverable	5,347	2,966
Prepayments and accrued income	<u>2,489</u>	<u>4,069</u>
	<u>7,835</u>	<u>7,035</u>

10 Creditors: liabilities falling due within one year

Trade creditors	8,130	8,130
Accruals	<u>4,521</u>	<u>3,610</u>
	<u>12,651</u>	<u>11,740</u>

STRANGERS REST MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

11 Funds

The opening balances on funds brought forward have been restated from the original 2015 accounts signed on 18 August 2016 and the original 2016 accounts signed on 8 November 2016. The reasons are explained in restated accounts which are being issued for those years.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Movements in the year and the prior year for designated funds were as follows:

	Retirement Fund £	Reserve Fund £	Total designated funds £
Opening balance at 1 October 2015	48,033	13,421	61,454
Expenditure in 2015-2016	-	-	-
Closing balance at 30 September 2016	48,033	13,421	61,454
Expenditure in 2016-2017	(10,000)	-	(10,000)
Closing balance at 30 September 2017	38,033	13,421	51,454

The Retirement Fund is an unrestricted fund designated by the Trustees to provide payments in retirement to the Mission's former pastor, Gerald Daley. It is envisaged that this will be disbursed in annual lump sums between 2014 and 2020.

The Reserve Fund is an unrestricted fund designated by the Trustees to allow for future expenditure on any emergency or capital need that might arise.

Analysis of net assets between funds:

	General funds £	Designated funds £	Total 2017 £
Cash	145,564	51,454	197,018
Other net assets	(4,816)	-	(4,816)
	140,749	51,454	192,203

Analysis of net assets between funds – previous year:

	General funds £	Designated funds £	Total 2016 £
Cash	155,139	61,454	216,593
Other net assets	(4,705)	-	(4,705)
	150,434	61,454	211,888

STRANGERS REST MISSION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	General Fund		Designated Funds		Total Funds	
		2017	2016	2017	2016	2017	2016
		£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:							
Donations and legacies	3	25,748	23,583	-	-	25,748	23,583
Charitable activities		707	1,192	-	-	707	1,192
Investments		302	492	-	-	302	492
Other		540	98	-	-	540	98
Total income and endowments		27,298	25,365	-	-	27,298	25,365
EXPENDITURE ON:							
Charitable activities	4	37,604	50,689	10,000	-	47,604	50,689
Total expenditure		37,604	50,689	10,000	-	47,604	50,689
Net income/(expenditure) before investment gains		(10,306)	(25,324)	(10,000)	-	(20,306)	(25,324)
Net gains on investments		621	-	-	-	621	-
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(9,685)	(25,324)	(10,000)	-	(19,685)	(25,324)
Reconciliation of funds:							
Total funds brought forward		150,434	175,758	61,454	61,454	211,888	237,213
Total funds carried forward		140,749	150,434	51,454	61,454	192,203	211,888

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