

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2018
FOR
HANDCROFT CHAPEL

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

The trustees present their report with the financial statements of the charity for the year ended 31 March 2018. 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.

The congregation has remained roughly consistent in size at around 85 but there has been a continued increase in the overseas membership. As well as church services every Wednesday evening and on Sunday, there are also regular youth services (usually on either a Friday evening or Saturday). We have a thriving Sunday School and offer creche facilities as well as teaching and activities for young people.

This year, on the missionary front, we sent preachers out to Nigeria and S. Africa and repeatedly to India and countries in Eastern Europe. Lives have been changed and links with churches internationally have been both broadened and strengthened. In addition, significant financial help has been given to churches and ministries operating in all these countries and in the Congo (DRC) as well.

The bulk of our Hardship aid this year was given as a single large grant to help people in Puerto Rico, who were rendered homeless by Hurricane Irma, find shelter and rebuild their lives.

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, have also had a social impact.

The investment in our church building has been mainly related to upgrading our fire precautions and the heating system.

We have continued to invest in our IT services, updating, improving and expanding our range of equipment. Our website offers 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 heavily and widely used.

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 £26,865 in the year.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

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.

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

Approved by order of the board of trustees on 29 January 2019 and signed on its behalf by:



R J McKie - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HANDCROFT CHAPEL

Independent examiner's report to the trustees of Handcroft Chapel

I report to the charity trustees on my examination of the accounts of the Handcroft Chapel (the Trust) for the year ended 31 March 2018.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.



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

29 January 2019

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		218,471	-	218,471	234,002
Investment income	2	3	-	3	7
Total		218,474	-	218,474	234,009
EXPENDITURE ON					
Other		191,609	-	191,609	210,193
NET INCOME		26,865	-	26,865	23,816
RECONCILIATION OF FUNDS					
Total funds brought forward		689,412	125,277	814,689	790,873
TOTAL FUNDS CARRIED FORWARD		716,277	125,277	841,554	814,689

The notes form part of these financial statements

HANDCROFT CHAPEL

BALANCE SHEET
AT 31 MARCH 2018

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	5	1,011,977	125,277	1,137,254	1,158,323
CURRENT ASSETS					
Debtors	6	66,627	-	66,627	29,202
Cash at bank and in hand		23,317	-	23,317	31,197
		<u>89,944</u>	<u>-</u>	<u>89,944</u>	<u>60,399</u>
CREDITORS					
Amounts falling due within one year	7	(18,367)	-	(18,367)	(20,527)
NET CURRENT ASSETS		<u>71,577</u>	<u>-</u>	<u>71,577</u>	<u>39,872</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,083,554	125,277	1,208,831	1,198,195
CREDITORS					
Amounts falling due after more than one year	8	(367,277)	-	(367,277)	(383,506)
NET ASSETS		<u>716,277</u>	<u>125,277</u>	<u>841,554</u>	<u>814,689</u>
FUNDS	10				
Unrestricted funds				716,277	689,412
Restricted funds:					
Building fund				125,277	125,277
TOTAL FUNDS				<u>841,554</u>	<u>814,689</u>

The financial statements were approved by the Board of Trustees on 29 January 2019 and were signed on its behalf by:

R. J. McKie

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

	2018	2017
	£	£
Deposit account interest	<u>3</u>	<u>7</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustee's remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

None were claimed.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	234,002	-	234,002
Investment income	7	-	7
Total	234,009	-	234,009
 EXPENDITURE ON			
Other	210,193	-	210,193
Total	210,193	-	210,193
 NET INCOME	23,816	-	23,816
 RECONCILIATION OF FUNDS			
Total funds brought forward	665,596	125,277	790,873
 TOTAL FUNDS CARRIED FORWARD	689,412	125,277	814,689

5. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Equipment £	Totals £
COST				
At 1 April 2017	1,134,256	55,765	89,073	1,279,094
Additions	-	6,536	3,416	9,952
At 31 March 2018	1,134,256	62,301	92,489	1,289,046
 DEPRECIATION				
At 1 April 2017	39,995	10,665	70,111	120,771
Charge for year	10,943	7,914	12,164	31,021
At 31 March 2018	50,938	18,579	82,275	151,792
 NET BOOK VALUE				
At 31 March 2018	1,083,318	43,722	10,214	1,137,254
At 31 March 2017	1,094,261	45,100	18,962	1,158,323

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other debtors	<u>66,627</u>	<u>29,202</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 9)	16,591	16,590
Other creditors	<u>1,776</u>	<u>3,937</u>
	<u>18,367</u>	<u>20,527</u>

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

	2018	2017
	£	£
Bank loans (see note 9)	<u>367,277</u>	<u>383,506</u>

9. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>16,591</u>	<u>16,590</u>

Amounts falling due in more than five years:

Repayable by instalments:		
Mortgage	<u>367,277</u>	<u>383,506</u>

10. MOVEMENT IN FUNDS

	At 1.4.17	Net movement in funds	At 31.3.18
	£	£	£
Unrestricted funds			
General fund	689,412	26,865	716,277
Restricted funds			
Building fund	125,277	-	125,277
TOTAL FUNDS	<u>814,689</u>	<u>26,865</u>	<u>841,554</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

10. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	218,474	(191,609)	26,865
TOTAL FUNDS	<u>218,474</u>	<u>(191,609)</u>	<u>26,865</u>

Comparatives for movement in funds

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

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	234,009	(210,193)	23,816
TOTAL FUNDS	<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 2018.