

ST PAULS CHURCH WORCESTER

Accounts – 31st December 2018

ST PAULS CHURCH WORCESTER

(A company limited by guarantee and not having a share capital)

Charity number: 1159042
Company number: 08983424

Accounts – 31st December 2018

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ST PAULS CHURCH WORCESTER

**REPORT OF THE DIRECTORS
for the year ended 31st December 2018**

The Directors are pleased to present their annual report and financial statements of charitable company for the year ended 31st December 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 the Republic of Ireland (FRS 102) (effective 1st January 2015).

Reference and Administration Details

The charity's name is St Paul's Church Worcester.

Charity Registration Number: 1159042

Company Number: 08983424

Registered Office: St Paul's Church
St Paul's Street
Worcester
Worcestershire
WR1 2BH

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purposes of charity law. The Trustees and officers who served during the year and since the year end were as follows:

P J Turner
R M Swallow
C Stacey

The Church management is vested in these Trustees who comprise duly appointed or elected Leaders of the Church. The Chairman is Mr Robert Swallow and the other Officers are Mr P J Turner and Mr C Stacey.

Objectives and Activities

The main objects of the charity are:

- a) The advancement of the Christian Religion by the proclamation and furtherance of the Gospel of God concerning His Son Jesus Christ the Lord and the preaching and teaching of the Word of God by the Church in accordance with the Statement of Fundamental Truths of Assemblies of God in Great Britain and Ireland as approved by the General Council from time to time (the Statement).
- b) Such other charitable purposes as shall further the attainment of the above objects of the Church or any of them.
- c) The furtherance of the other charitable work of the Church consistently with the Statement.
- d) The furtherance of the work of Assemblies of God in Great Britain and Ireland and the promotion of the spiritual teaching and the maintenance of the Statement and the promotion of religious observances that manifest the Statement.
- e) Outreach into the community of the City of Worcester supporting and caring for those in need.

Achievements and Performance

In planning the activities of the charitable company the Trustees have considered the Commission's guidance on

REPORT OF THE DIRECTORS
for the year ended 31st December 2018 (Continued)

public benefit and in particular, the specific guidance on charities for the enhancement of religion. "Citycare" was set up in response a few years ago and this program has now grown to reach approximately 400 people in the local community. The Trustees plan to continue this work which is growing into further areas of Worcestershire, and in some instances working with other church groups and the Council. St Pauls has in the past supported the Redditch church, something which has now ended in April 2018.

The "Citycare" community work continues to develop relationships formed in the community and other areas of community work. In terms of community benefit we not only run some 14 Life Groups providing pastoral care to around 120 people, but also now help around 200 parents a week with our Little Oaks parents and toddlers group, 60 to 70 over 60's in the Young at Heart Luncheon and Activities Club and many more in the Accept friendship groups (working in four different towns) aimed at helping local people with mental health challenges, the TLG primary school pupil mentoring programme (now working in 4 schools), and the TEFAL language classes. It is the intention to continue to develop this work in the coming year.

The year has seen a steady growth and consolidation of our culture and work in line with our vision and values. We are continuing our plan to build up reserves for the property and to report against an annual budget to gauge how our finances are at any point in time. Despite the Senior Leader leaving the church in 2018, we are pleased that our excellent team has stepped up to the challenge and the Trustees are confident that the work he has done to establish the church will be carried forward. We have settled into a more collegiate style of team leadership, something that will be developed further over the next one or two years, and this is proving to be successful.

We are pleased to note that whilst our financial position is likely to always be a challenge, and despite the above changes in management, we have seen a steady improvement in our financial position. At the end of 2018 we replaced the old boilers at considerable expense, but are pleased to say we have witnessed significant contribution from the church to meet this need and that the monthly cash position still remains positive.

The Trustees have reaffirmed that our Advisory Board (comprising Mr Steve Uppal and Mr Peter Read) are still willing to continue in their role of advising and supporting the church in ministry and practical terms.

Our intent to stay linked to the AOG family and a number of visiting pastors and leaders from the AOG have visited St Paul's. This maintains an openness and accountability to the way in which our church is run. During 2018 we have joined other ministry leaders in churches of Worcester on a monthly basis and this has had positive benefits for us and for the City.

The Accept mental health friendship groups have multiplied and opportunities have developed into the wider Worcestershire catchment.

Our Life Groups (small groups meeting during the week to live life together) have continued to form the foundation of pastoral care ministry and this work is co-ordinated by two couples who actively assist in training and the more difficult pastoral issues.

Kidzone has been established as a community kids Friday night fun night and we have seen this grow and develop in recent times.

Our teenage programme has seen the start of a teenage drop in centre on Friday nights at a central position in the city. This work has been developed with two other churches in the city. We wait to see how this develops in the future.

We have carried out a variety of training events including Health & Safety, first aid, food hygiene, and Safeguarding and more is planned in 2019.

Financial Review

There was a surplus for the year in general funds of £16,059. Our general fund income from Tithes and Offerings

REPORT OF THE DIRECTORS
for the year ended 31st December 2018 (Continued)

(our principal source of funding) for the year was approximately £130,026 (including Gift Aid) compared to £127,645 for 2017 so there has been some increase in income. Income from Activities (General and Restricted) was somewhat lower at £37,669 for the year compared to £44,942 in 2017.

We have no fundraising activity as such; however our policy is that all events and functional areas of the church must break even on their activities.

As with any charity, there are items of expenditure which we have very limited control over i.e the insurances. However, we have a Budget in place and account activities are managed on the SAGE accounts system so that we have good monthly review and control processes in place.

The areas described as “Church Activities” includes Children, Youth and Citycare which form part of what we see as core purpose for our work and are areas we want to support and sustain wherever possible.

The building continues to be a concern regarding the liability for repair going forward and the Trustees have taken advice on this matter. Repairs will be carried out on a needs must basis and a plan is to be developed for the long term future.

We have no concerns about the viability of the charity and its functioning as such into the future.

This is the second set of accounts for this new charity.

Reserves Policy

The Building Reserve Account can only be expended by agreement of the Trustees.

The directors have examined the charity’s requirements for reserves taking account of the main risks to the organization. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between 2 and 3 months of expenditure. The directors consider that this should be £37,000 in general funds. The reserves are needed to meet the working capital requirement of the charity and the directors are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. Whilst income funds (which includes £8,905 designated for building repairs) stand at £29,145, £2,986 funds the fixed assets of the charity which leaves £26,159 as available working capital. The present level of the reserves available to the charity are therefore too low even including the building reserve but significantly higher than 2017. The trustees are intending to continue to increase the general reserves and provide an increased fund for building repairs and are continuing to address how this can be achieved.

Structure, Governance and Management

Governing Document

St Paul’s Church Worcester is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7th April 2014. It is registered as a charity with the Charity Commission. Members of the charitable company guarantee to contribute amounts not exceeding £1 to the assets of the charitable company in the event of winding up.

The Directors of this company are Mr Robert Swallow, Mr John Turner, and Mr C Stacey. The company number is 08983424.

Appointment of Trustees

The directors keep the composition of the board under review and will seek to appoint additional members with appropriate skills and expertise should the need arise. Interested parties are given details of the background of

REPORT OF THE DIRECTORS
for the year ended 31st December 2018 (Continued)

the charitable company in order to make them aware of current activities. It is likely that the Trustees will consider the appointment of a new Director in 2018 to share the workload.

This report has been prepared in accordance with the special provisions relating to companies subject to the Small Companies Regime within Part 15 of the Companies Act 2006.

Approved by the directors on 7th May 2019 and signed on its behalf by:-

Mr. R Swallow - Director

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees on my examination of the accounts of St Pauls Church Worcester (the charitable company) for the year ended 31st December 2018.

Responsibilities and Basis of Report

As the charity's trustees (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 charitable 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 charitable 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 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.

MDA Gyde FCA DChA
A J Carter & Co
Chartered Accountants

22b High Street
Witney
Oxon
OX28 6RB

12th June 2019

Statement of Financial Activities
(including an income and expenditure account)
for the year ended 31st December 2018

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£
Income from:					
Donations and legacies	3	130,026	32,369	162,395	147,805
Charitable activities	4	19,247	18,422	37,669	44,942
Other	5	1,154	-	1,154	3,037
Total incoming resources		<u>150,427</u>	<u>50,791</u>	<u>201,218</u>	<u>195,784</u>
Expenditure on:					
Raising funds		-	-	-	70
Charitable activities	6	134,368	58,118	192,486	197,063
Other		-	-	-	-
Total expenditure		<u>134,368</u>	<u>58,118</u>	<u>192,486</u>	<u>197,133</u>
Net income/(expenditure) and net movement in funds for the year		16,059	(7,327)	8,732	(1,349)
Transfer between funds		-	-	-	-
Net movement in funds		16,059	(7,327)	8,732	(1,349)
Reconciliation of funds					
Funds brought forward		13,086	17,870	30,956	32,305
Total funds carried forward		<u>£29,145</u>	<u>£10,543</u>	<u>£39,688</u>	<u>£30,956</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 8 to 13 form part of these financial statements

ST PAULS CHURCH WORCESTER

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**BALANCE SHEET
as at 31st December 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	2,986	3,983
Investments		-	-
Total fixed assets		<u>2,986</u>	<u>3,983</u>
Current assets			
Debtors	12	4,867	5,518
Cash at bank and in hand		<u>44,971</u>	<u>26,802</u>
Total current assets		<u>49,838</u>	<u>32,320</u>
Liabilities			
Creditors falling due within one year	13	<u>13,136</u>	<u>5,347</u>
Net current assets		<u>36,702</u>	<u>26,973</u>
Total assets less current liabilities		<u>39,688</u>	<u>30,956</u>
Creditors: falling due after more than 1 year		-	-
Provisions for liabilities			
Total net assets	14	<u><u>£39,688</u></u>	<u><u>£30,956</u></u>
The funds of the Charity			
Restricted income funds	15	<u>10,543</u>	<u>17,870</u>
Unrestricted income funds	15	<u>29,145</u>	<u>13,086</u>
Revaluation reserve		-	-
Total unrestricted funds		<u>29,145</u>	<u>13,086</u>
Total charity funds		<u><u>£39,688</u></u>	<u><u>£30,956</u></u>

For the year ended 31st December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors Responsibilities

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and

The directors acknowledge their responsibilities for complying with the requirements of the act with respect to the accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the special provisions relating to companies subject to the Small Companies Regime within part 15 of the Companies Act 2006.

These accounts were approved by the board of directors and authorised for issue on 7th May 2019 and are signed on their behalf by:

R Swallow – Director

The notes on pages 8 to 13 form part of these financial statements

NOTES TO THE ACCOUNTS
for the year ended 31st December 2018

1. **Accounting Policies**

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of Preparation**

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Reporting Financial Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1st January 2015) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) **Public Benefit Entity**

St Paul's Church Worcester meets the definition of a public benefit entity under FRS 102.

c) **Going Concern**

The Directors consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) **Income Recognition Policies**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income received in advance of a specific performance or provision of other specified service is deferred until the criteria for income recognition are met.

e) **Interest Receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

f) **Fund Accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for the particular areas of the Charity's work or for specific projects being undertaken by the Charity.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)

g) **Expenditure and Irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) **Tangible Fixed Assets**

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on the reducing balance basis as follows:

Asset Category	Annual Rate
Furniture and equipment	25% Reducing balance

i) **Debtors**

Trade and other debtors are recognised at the settlement amounts due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

j) **Cash at Bank and in Hand**

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) **Creditors and Provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. **Legal Status of the Charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. **Income from donations**

	2018	2017
	£	£
Gifts and donations	156,719	147,805
Grants	5,676	0
	<u>£162,395</u>	<u>£147,805</u>

Of the £162,395 received in 2018 £32,369 was restricted funds and £130,026 unrestricted funds.

(Of the £147,805 received in 2017 £20,160 was restricted funds and £127,645 unrestricted funds)

NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)

4. Income from charitable activities

	2018	2017
	£	£
Fusion	3,755	1,872
Kingdom Kids	721	830
CityCare	32,705	34,229
Romania	0	6,960
Lightbox Café	485	668
Other	3	383
	<u>£37,669</u>	<u>£44,942</u>

Of the £37,669 received in 2018 £18,422 was restricted funds and £19,247 unrestricted funds.
(Of the £44,942 received in 2017 £27,531 was restricted funds and £17,411 unrestricted funds.)

5. Income earned from other sources

	2018	2017
	£	£
Room hire	80	170
Other income	1,074	2,850
Interest	0	17
	<u>£1,154</u>	<u>£3,037</u>

6. Analysis of expenditure on charitable activities

	2018	2017
	Total	Total
	£	£
Salaries and remuneration	63,203	92,101
Gifts to mission	1,550	1,900
Ministry gifts	285	3,231
Travel	10	891
Insurance	5,930	6,032
Utilities	8,875	10,106
Property costs	40,819	11,077
Rent/Hire of premises	2,500	3,125
Office costs	7,780	8,424
Worship and resources	1,492	1,430
Conferences and training	894	1,700
Church activities	48,779	46,506
Sundry expenses	61	192
Accountancy	6,513	6,588
Legal and professional	935	901
Bank charges	813	482
Depreciation	997	1,327
Independent Examination	1,050	1,050
Total	<u>£192,486</u>	<u>£197,063</u>

Of the £192,486 expenditure in 2018, £134,368 was unrestricted and £58,118 restricted funds
(Of the £197,063 expenditure in 2017, £154,898 was unrestricted and £42,165 restricted funds.)

NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)

7. Net income/(expenditure) for the year

	2018	2017
<i>This is stated after charging:</i>	£	£
Depreciation	997	1,327
Independent examiner's fee	1,050	1,050
Accountancy services	<u>6,513</u>	<u>6,588</u>

8. Analysis of staff costs and trustee remuneration and expenses

	2018	2017
	£	£
Salaries and wages	60,642	88,260
Social security costs	1,789	3,841
Pension costs	<u>772</u>	<u>-</u>
	<u>£63,203</u>	<u>£92,101</u>

No employees had emoluments in excess of £60,000.

The following charity trustees received remuneration and work related expenses reimbursed in the year to 31 December 2018:

		2018	2017
		£	£
D Warren	Remuneration		36,657
	Reimbursed expenses		4,560
		<u>£0</u>	<u>£41,217</u>

Trustees donated £7,025 to the Charity

9. Staff numbers

The average monthly number of employees during the year was as follows:

2018	2017
Number	Number
<u>5.75</u>	<u>7.5</u>

10. Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

ST PAULS CHURCH WORCESTER

12.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)

11. Tangible fixed assets

	Furniture & equipment £	Total £
Cost:		
As at 1 January 2018	92,261	92,261
Additions	-	-
As at 31 December 2018	<u>92,261</u>	<u>92,261</u>
Depreciation:		
As at 1 January 2018	88,278	88,278
Charge for year	997	997
As at 31 December 2018	<u>89,275</u>	<u>89,275</u>
Net book value:		
As at 31 December 2018	<u>£2,986</u>	<u>£2,986</u>
As at 31 December 2017	<u>£3,983</u>	<u>£3,983</u>

12. Debtors

	2018 £	2017 £
Trade debtors	-	-
Prepayments and accrued income	-	-
Gift aid	4,867	5,518
	<u>£4,867</u>	<u>£5,518</u>

13. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	9,521	2,442
Accruals	3,615	2,905
	<u>£13,136</u>	<u>£5,347</u>

NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)

14. Analysis of net assets between funds

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	2,986	-	-	2,986
Cash at bank and in hand	25,523	8,905	10,543	44,971
Other net current assets/(liabilities)	(8,269)	-	-	(8,269)
Total	£20,240	£8,905	£10,543	£39,688

15. Analysis of charitable funds

Analysis of movements in restricted funds

	Balance 1.1.2018 £	Incoming resources £	Resources expended £	Funds 31.12.2018 £
Citycare	2,729	14,568	(13,383)	3,914
Building Fund	-	23,193	(25,193)	(2,000)
Redditch Life Central	6,673	2,351	(9,024)	-
Lightbox Café	270	6,161	(6,431)	-
General restricted	8,198	4,518	(4,087)	8,629
Total	£17,870	£50,791	£(58,118)	£10,543

Analysis of movements in unrestricted funds

	Balance 1.1.2018 £	Incoming resources £	Resources expended £	Funds 31.12.2018 £
General fund	(938)	150,427	(129,249)	20,240
Building fund	14,024	-	(5,119)	8,905
Total	£13,086	£150,427	£(134,368)	£29,145

Name of unrestricted fund

Description, nature and purposes of the fund

General fund
Building fund

The 'free reserves' after allowing for all designated funds.
In preparation for refurbishment works as necessary