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BETHANY CHRISTIAN CENTRE

(a company limited by guarantee without share capital)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 March 2019

Stephenson Coates Audit Limited
Chartered Accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

BETHANY CHRISTIAN CENTRE
(a company limited by guarantee without share capital)

REPORT OF THE DIRECTORS

The directors present their annual report and the financial statements for the year ended 31 March 2019.

Reference and administrative details

Company number	10409374
Charity number	1171176
Principal address	Bethany Christian Centre Hetton Road Houghton-le-Spring Tyne and Wear, DH5 8PF
Independent examiner	John Oswald BA FCA Stephenson Coates Audit Limited Chartered Accountants West 2, Asama Court Newcastle Business Park Newcastle upon Tyne, NE4 7YD
Bankers	Barclays Bank PLC Newcastle City Office Newcastle upon Tyne, NE1 4QL
Solicitors	Square One Law Anson House The Fleming Business Centre Burdon Terrace Jesmond Newcastle upon Tyne NE2 3AE

Directors

The directors who served during the year and up to the date of approval of this report were as follows:

S Anderson	
G Barber	
P J Gill	appointed 10 December 2018
D W Keith	appointed 10 December 2018
K Roberts	appointed 13 May 2019
Dr N Taylor	resigned 10 December 2018
D Wallace	

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REPORT OF THE DIRECTORS
(continued)

Structure, governance and management

Governing documents

Bethany Christian Centre is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 3 October 2016.

The charitable company was incorporated on 4 October 2016 (registration number 10409374) in order to provide a distinct legal entity to carry out the activities of Bethany Christian Centre which since 1995 had been undertaken through a charitable trust. The company was registered with the Charity Commission on 18 January 2017.

On 20 April 2017, the business of Bethany Christian Centre charitable trust (charity number 1060438) along with various associated assets and liabilities were transferred to the charitable company. On the same day, the charitable company entered into a lease of the property known as Bethany Christian Centre, Hetton Road, Houghton-le-Spring, DH5 8PF; the landlord for the purposes of the lease being the charitable company Bethany Christian Centre Property Trust (company registration number 10412204, charity number 1171231).

There are currently four members, each of whom agree to contribute £1 in the event of the charitable company winding up.

Appointment and retirement of directors

Appointment of directors is governed by the existing directors of the charitable company. New directors must declare their belief in and allegiance to the Statement of Beliefs set out in the Articles of Association. Directors are appointed for a term of three years, at the end of which they retire. Retiring directors are eligible for reappointment for two further terms, each of three years.

Director induction and training

Newly appointed directors will be from the existing leadership of the Church. New directors are furnished with a copy of the governing documents and a copy of the Charity Commission's guidance 'The Essential Trustee: What you need to know.'

Organisation

The directors meet regularly to review the activities of the Church. The leadership of the Church (which include the directors) meet monthly and all meetings are minuted. Day to day activities are controlled by the Church administrator.

Risk management

The directors have identified risks and taken steps to mitigate them:

- Risks to buildings and contents are insured.
- Public liability risks are insured.
- A child protection policy is in place, including vetting procedures.
- The fire safety risk has been assessed. Detection and fire fighting equipment is maintained to current standards. An evacuation policy is in place with designated responsibilities. All those involved were offered training during the period.

A member of staff is charged with health and safety and risk assessing.

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REPORT OF THE DIRECTORS
(continued)

Objectives and activities

The Church operates from premises at Hetton Road, Houghton-le-Spring, Tyne and Wear. Church membership is voluntary and free.

The aims of the charitable company set out in the objects clause of the Articles of Association are:-

- a) To advance the Christian Faith, in accordance with the Statement of Beliefs;
- b) The relief of persons who are in conditions of need, hardship or distress or who are aged or sick;
- c) To promote and fulfil such other charitable purposes as the directors may from time to time think fit.

These aims are pursued in the Houghton-le-Spring area and in such other parts of the United Kingdom or the World as the directors may from time to time think fit.

In setting our objectives and planning our activities, the directors have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The main objectives for the year were to continue to run and develop the established ministries, while also looking out for new opportunities to serve our community. In doing so, we sought to get younger people involved as volunteers in undertaking these activities. The recruitment of a new full time pastor was a specific objective of the year.

The strategies adopted to achieve the charity's objectives include running a series of courses aimed at Christians and non Christians alike to help them find Christian faith and grow in it. We have a range of ministries running continually focusing on the differing needs of individuals involved in the Church. We aim to develop individuals into positions of leadership to make this all happen.

Achievements and performance

Wade Thompson of Vital Church Ministries has continued to act as our Intentional Interim Pastor. He will step down as soon as a new pastor is appointed. A recruitment process for a new lead pastor commenced in July 2018, utilising the services of Vanderbloemen (web site address: Vanderbloemen.com), a church staff recruitment company based in Chicago USA. They advertised worldwide and had over a 140 applicants for the vacancy, 40 of whom were from UK based applicants. This list of candidates was narrowed down to 5 and interviewing and further discussions with these candidates took place during January and February 2019. We finally invited Jason Mayhall to be our new lead pastor, just after our financial year end. Jason and his family are from Cincinnati, Ohio, USA. Jason has worked in several churches in the USA and in particular has experience of working in a large church environment bringing a large church mentality to our Church. He has subsequently visited the Church with his wife and family and has accepted our invitation to be our lead pastor. Work to obtain Visa sponsorship status with the Home Office was commenced and granted on 7 May 2019. This enables Jason to apply for a work visa for the UK.

Much of the work of Vital Church Ministries, Wade Thompson in particular has been to help the Church implement new governance documentation and a Church members' handbook. We call this work 'Policy Governance' which gives clear guidelines on how Church affairs should be conducted by its leadership and the expectations of its membership.

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REPORT OF THE DIRECTORS
(*continued*)

Achievements and performance (*continued*)

As reported last year, the Church appointed two part time youth workers, Graham Cleland and Naomi Evans, to work with both the young people of the Church and the young people of the community. Both workers have made a significant impact on the Church's youth work and in particular to the young people at the local senior Academy school. One of our existing staff members, Ian Blair, has also been appointed a governor at a local primary school which helps the Church support some of our local schools.

Our 'Christians Against Poverty', CAP Centre (Registered Charity Number 1097217 and Company Registered Number 4655175) run by Jemma McDougall, plus a team of Church volunteers has had another busy year. The relationship with various agencies in the town is very strong and they continue to refer prospective clients who need help with their financial difficulties to us.

Our food bank has also had another busy year with 254 (204 in 2018) food parcels distributed during the past 12 months. In addition, a further 105 hampers were given out at Christmas to our CAP clients and other needy people known to the Church. Again, these numbers are up on last year and on average each parcel is made up of over £20 worth of goods. Without the support of the Church membership keeping our food bank topped up with items of food and cash donations which enables us to buy food items, we could not carry out this work. We also receive donations of food from other churches in the town as well as individuals, which is again much appreciated.

The Church's relationship with Safe Families for Children (a volunteer organisation) continues and grows (registered charity No.1150405). Safe Families for Children offers support to families in crisis by providing a safe and friendly temporary home to children, befriending and supporting struggling parents and access to useful goods and services, delivered by an increasing number of volunteers nationally from all the major church denominations and traditions.

The Church for a number of years has held a children's club during the Easter School holidays. On average over 120 children attended this event which is held between 9.30am and 12.30 pm. The club attracts children from both the Church and the community and is incredibly well organised by a team of over 40 volunteers.

The breadth of work carried out by the Church can only be accomplished by having such an active and supportive membership. The Church has a very active 'Senior Citizen club' which we call the 'CAMEO Club' (Come and meet each other) where on average 90 senior citizens attend the club between 9.30am and 1.30pm each Tuesday. The work is again aimed at the elderly Church membership and folks in the community. A large committed team of volunteers put on this activity.

Another important work of the Church is our Mother and Toddler Group which meets each Wednesday. Approximately 140 children attend this activity along with parents, grandparents or guardians which means the Church is incredibly busy that morning. Every room in the Church has some sort of children's activity going on, from the new born babies to children ready for nursery.

During the past year, Dr Norman Taylor has stepped down as a Church leader which encompasses the role of company director and charity trustee. Two new church leaders were appointed in December 2019, Peter Gill and David Keith, both of whom are long standing members of the Church and bring a vast amount of experience to the Church leadership. After the year end, Kenneth Roberts has also been appointed a director/trustee of the cgaritable company.

Membership numbers have fallen slightly during the year, currently to around the 220 mark. The leadership are extremely grateful to the Church membership for all their support, by giving their time, finances and prayers for the work carried out at this Church.

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REPORT OF THE DIRECTORS
(continued)

Financial review

Giving from members increased during the year, including a number of large one off gifts. Although the Church accounts show a surplus of only £12,344 for the year, we consider this to be a very satisfactory result in the light of fees paid to both to Vital Church Ministries, for Wade Thompson's fees and those of the organisation for support services rendered, and also for Vanderbloemen fees for the pastor search process undertaken on our behalf.

The Church continues to set aside funds for any future major building refurbishment. Two percent of our members giving is set aside for this purpose and to date we have just under £9,000 in this provision. Church cash reserves remain healthy but costs incurred with the appointment of our new pastor may reduce this figure during the coming year.

The Church will be renting a property for our new pastor near the Church to give him time to get his children settled into their schools and find a suitable house which they intend buy themselves.

We are grateful to the membership for their financial support, knowing that their finances are, like ours, under pressure from rising utilities and other costs.

Investment and reserves policies

Surplus funds are held in interest bearing accounts which allow quick access to the funds should the need arise. A review of returns is periodically undertaken to ensure a competitive return and maximum security of our funds.

The directors seek to maintain free reserves at around £60,000, to provide working capital for the activities of the Church and also to provide cover for unforeseen changes in income. At the end of the year, free reserves were £112,965 (2018: £91,346).

Plans for future

Many of the activities outlined above will continue during this next year. We also anticipate our new pastor taking up his role in the Church from 1 August 2019. There will be a period of transition when he takes up his appointment, but because the activities of the Church are so well established we do not anticipate any significant alterations to Church activities. The key focus for the next 12 months will be getting our new pastor and his family settled into the Church and the area.

Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

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REPORT OF THE DIRECTORS
(continued)

Statement of directors' responsibilities in relation to the financial statements *(continued)*

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the directors on and signed on their behalf by:

S Anderson
Director

REPORT OF THE INDEPENDENT EXAMINER TO THE DIRECTORS OF BETHANY CHRISTIAN CENTRE

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2019, which are set out on pages 8 to 13.

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 report

I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales.

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 accounting 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.

John Oswald BA FCA
Stephenson Coates Limited
Chartered accountants
West 2 Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

BETHANY CHRISTIAN CENTRE
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STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2019

	Unrestricted funds	Restricted funds	Total	2018 Total
INCOME FROM				
Donations and legacies:				
Church members	200,116	27,503	227,619	191,808
Gift aid tax recoverable	40,948	5,815	46,763	36,196
Grants	2,492	-	2,492	250
	<u>243,556</u>	<u>33,318</u>	<u>276,874</u>	<u>228,254</u>
Charitable activities:				
Use of facilities donations	4,062	-	4,062	7,320
Ministries	6,381	-	6,381	2,480
Miscellaneous	<u>144</u>	<u>-</u>	<u>144</u>	<u>520</u>
	<u>10,587</u>	<u>-</u>	<u>10,587</u>	<u>10,320</u>
Investment income:				
Interest receivable	<u>575</u>	<u>-</u>	<u>575</u>	<u>803</u>
Other :				
Assets transferred from charitable trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,840</u>
Total	<u>254,718</u>	<u>33,318</u>	<u>288,036</u>	<u>366,217</u>
EXPENDITURE ON				
Charitable activities:				
Evangelism	25,826	7,096	32,922	38,744
Gifts and missionary support	12,639	14,673	27,312	29,622
Staff costs (note 2)	119,716	12,556	115,655	94,017
Premises and office costs	72,189	-	88,806	64,420
Independent examiner's fee	1,748	-	1,748	1,620
Depreciation	<u>9,249</u>	<u>-</u>	<u>9,249</u>	<u>8,741</u>
Total	<u>241,367</u>	<u>34,325</u>	<u>275,692</u>	<u>237,164</u>
Net income	13,351	(1,007)	12,344	129,053
Funds brought forward	<u>127,854</u>	<u>1,199</u>	<u>129,053</u>	<u>-</u>
Funds carried forward	<u>£141,205</u>	<u>£192</u>	<u>£141,397</u>	<u>£129,053</u>

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BALANCE SHEET
at 31 March 2019

	<i>Note</i>	2019	2018
FIXED ASSETS			
Tangible fixed assets	3	28,240	36,508
CURRENT ASSETS			
Sundry debtors	4	9,912	7,312
UKET deposit		101,244	85,707
Bank accounts		20,010	8,781
Cash in hand		<u>407</u>	<u>446</u>
		131,573	102,246
CREDITORS: amounts falling due within one year	5	<u>18,416</u>	<u>9,701</u>
NET CURRENT ASSETS		113,157	92,545
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£141,397</u>	<u>£129,053</u>
FUNDS			
Unrestricted funds		141,205	127,854
Restricted funds	7	192	1,199
		<u>£141,397</u>	<u>£129,053</u>

In approving these financial statements (which include the notes on pages 9 to 12) as directors of the charitable company, we hereby confirm:

(a) that for the period stated above the charitable company was entitled to the exemption conferred by Section 477 of the Companies Act 2006;

(b) that no notice has been deposited at the registered office of the charitable company pursuant to Section 476 requesting that an audit be conducted for the year ended 31 March 2019 and

(c) that we acknowledge our responsibilities for:

- ensuring that the charitable company keeps accounting records which comply with Section 386, and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small entities regime of Financial Reporting Standard 102.

These financial statements were approved by the directors on signed on their behalf by:

S Anderson
Director

Company registration number: 10409374

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements of the charitable company have been prepared under the historical cost convention and in accordance with the 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, the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice applicable to smaller entities. The charitable company is a public benefit entity as defined by FRS102.

The financial accounts are prepared in Sterling (£), which is the functional currency of the charitable company.

1.2 Going concern

The directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

1.3 Fund accounting

Unrestricted funds are those available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are those that are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Designated funds are earmarked by the directors for particular purposes.

1.4 Income

Giving - Collections are recognised when received by or on behalf of the Church. Planned giving under Gift Aid is recognised only when received. Income tax recoverable on Gift Aid donations is recognised when the income is recognised. Grants and legacies are accounted for as soon as the Church is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the Church is certain.

Investment income – Interest entitlements are accounted for as they accrue.

1.5 Expenditure

Charitable activities – The cost of charitable activities represents the cost of undertaking the charity's objectives. All expenditure is accounted for on an accruals basis. 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. Value added tax is not recoverable by the charitable company and as such it is included in the relevant costs in the Statement of Financial Activities.

1.6 Tangible fixed assets

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Fixtures and fittings	20% straight line basis
Equipment	20% straight line basis
Computer equipment	33⅓% straight line basis

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

1.7 Impairment of fixed assets

Fixtures, fittings and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in the Statement of Financial Activities.

1.8 Debtors and creditors due within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses from impairment are recognised in expenditure.

1.9 Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

1.10 Pension costs

The charity operates defined contribution pension schemes for its staff. The schemes and their assets are held by independent managers. The pension charge in the financial statements represents contributions due from the charity for the period.

1.11 Voluntary assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

2. Staff costs

No remuneration was paid to directors in the year, nor were any expenses reimbursed to them. For the purposes of FRS102, the directors are considered to be key management personnel.

Staff costs in the period comprised:

	2019	2018
	£	£
Wages and salaries	70,041	49,711
Ministry fees	38,817	40,000
Social security costs	893	482
Pensions contributions	5,904	3,824
Recruitment expenses	<u>16,617</u>	<u>-</u>
	132,272	94,017
	<u> </u>	<u> </u>

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

Employees	<u>5</u>	<u>3</u>
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No employee received remuneration amounting to more than £60,000 in either period.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019 (continued)

3 Tangible fixed assets

	Fixtures & fittings £	Equipment £	Computer equipment £	Total £
Cost:				
At 1 April 2018	8,949	28,387	7,913	45,249
Additions	-	981	-	981
Disposals	-	-	-	-
	<hr/>			
At 31 March 2019	8,949	29,368	7,913	46,230
	<hr/>			
Depreciation:				
At 1 April 2018	3,172	4,456	1,113	8,741
Charge for year	2,469	5,490	1,290	9,249
Disposals	-	-	-	-
	<hr/>			
At 31 March 2019	5,641	9,946	2,403	17,990
	<hr/>			
Net book amount:				
At 31 March 2019	3,308	19,422	5,510	28,240
	<hr/> <hr/>			
At 31 March 2018	5,777	23,931	6,800	36,508
	<hr/> <hr/>			

All fixed assets are used for charitable purposes.

4 Debtors

	2019 £	2018 £
Due within one year:		
Gift aid tax recoverable	6,007	3,670
Interest receivable	181	169
Prepayments	<u>3,724</u>	<u>3,473</u>
	9,912	7,312
	<hr/>	<hr/>

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Accrued expenditure	9,436	5,599
Building maintenance provision	<u>8,980</u>	<u>4,102</u>
	18,416	9,701
	<hr/>	<hr/>

BETHANY CHRISTIAN CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019 (continued)

6 Related party disclosures

No person connected with the directors has been paid or is payable remuneration or other benefits from the funds of the charity.

7 Restricted funds

	At 1	Movement		At 31
	April	Income	Expenditure	March
	2018			2019
	£	£	£	£
Mission gifts	0	14,673	-14,673	0
CAP gifts	0	15,819	-15,819	0
Food bank cash donations	1,199	2,826	-3,833	192
	<hr/>	<hr/>	<hr/>	<hr/>
	1,199	33,318	-34,324	192
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Restricted funds are held as current assets.