

# **Connect Church UK**

Registered Charity no. 1133824

Company No. 07003576

## **Annual Report and Financial Statements**

for the year ended 31 March 2019

Connect Church UK

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## ANNUAL REPORT 2019

The Board of Vision Protectors presents its trustees' report for the year ended 31 March 2019.

### Reference and Administrative Information

Charity Name: Connect Church UK Charity

registration number: 1133824

Company registration number: 07003576

Registered Office: Unit 3 The Square  
111 Broad St  
Birmingham  
B15 1AS

#### Board of Vision Protectors (Charity Trustees & Company Directors)

Pastor Kirk McAtear Senior Minister/Chair Pastor

Tracee McAtear Executive Minister

Mr Vernon Dore

Mr Simon Lakin

Mrs Stefanie Lakin

Mr Bradford Ricketts

Mr Andreas Stylianou

#### Banking services:

Lloyds Bank, 9-11 Poplar Rd, Solihull B91 3AN.

The Charity Bank Ltd, Fosse House, 182 High St, Tonbridge, Kent, TN9 1BE.

Kingdom Bank, Ruddington Fields Business Park, Mere Way, Ruddington, Nottingham, NG11 6JS.

Big Issue Invest, 113-115 Fonthill Road, Finsbury Park, London N4 3HH.

#### Independent Examiner:

Rev'd Alan Clements, 15 Carleton Road, Great Knowley, Chorley, PR6 8TQ, MA, ACIB, FCIE.

#### Solicitors:

Gowling WLG (UK) LLP, Two Snowhill, Birmingham, B4 6WR



# Structure, Management and Governance

## Governing Document

The church is a charitable company limited by guarantee, incorporated on 28 August 2009 and registered as a charity on 27 January 2010. The company was established under a Memorandum of Association and amended by special resolution(s) dated 05/02/2013 which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Although Connect Church UK is an autonomous charity, since the church's commencement in 1940 it has had fellowship status with the Assemblies of God Great Britain (AoG GB), and abides by the Constitution of AoG GB, has accepted the AoG GB Statement of Faith, contributes financially to AoG GB and ensures that the Senior Minister has AoG GB Ministerial Status.

## Recruitment and Appointment of Vision Protectors

The directors of the company are also charity trustees for the purposes of charity law and are known in Connect Church UK as Vision Protectors. Under the requirements of the Memorandum and Articles of Association the Vision Protectors are identified by the Senior Minister and, after an application process, are appointed by the Vision Protectors at the Annual General Meeting. The directors are not required to retire by rotation. It is considered that all the Vision Protectors and any others who could be understood to be 'managers' in the activities of the charity are deemed to be 'fit and proper' persons under the terms of the Finance Act 2010. Trustee training is available for any new Vision Protector or those continuing to serve as a Vision Protector as part of our regular meetings as well as the occasional stand-alone training course.

In the last year, all 7 of the Vision Protectors continued their duties from the previous year. All Vision Protectors are aware of the Charity Commission's guidance on public benefit in their publication 'The Advancement of Religion for Public Benefit' and have regard to it in their administration and activities of Connect Church UK.

Most of the Vision Protectors give their time voluntarily and receive no benefits from the church. Kirk McAtear received £35,756.28 remuneration (Gross) and Tracee McAtear received £15,446.76 remuneration (Gross). Stefanie Lakin commenced employment in September 2018 as the Children's Coordinator after filling the vacancy in a voluntary capacity. Stefanie received £3,687.37 remuneration (Gross).

Following Stefanie's employment, it came to the attention of the Vision Protectors that, as Stefanie and her spouse Simon Lakin were Vision Protectors, her employment resulted in a breach, albeit accidental, of the memorandum of association of Connect Church UK as the majority of directors received remuneration directly or indirectly without the consent of the Charity Commission. On such consent being sought the Charity Commission suggested Connect Church UK input the intermediary measure of suspending any further payments to Stefanie and take action to appoint additional non conflicted trustees who can make the decision to appoint Stefanie as the Children's Coordinator.

Connect Church UK acted on the Charity Commission's suggestions and suspended all further payments to Stefanie and, in April 2019, appointed two new additional directors and trustees of Connect Church UK. With effect from such appointment, the majority of Connect Church UK's directors and trustees did not receive remuneration directly or indirectly from Connect Church UK.

In April 2019 the non conflicted directors and trustees of Connect Church UK considered and discussed the previous appointment of Stefanie as Children's Coordinator of, and her employment by, Connect Church UK and resolved such appointment and employment from September 2018 be approved and ratified and that all suspended payments from the date of Stefanie's employment be paid to her.

The Board of Vision Protectors met 8 times in the 2018/2019 financial year of the company. The Vision Protectors are responsible for the various ministries and operations of the church, and make regular reports at the meetings so that issues may be highlighted and discussed. A sub-committee, called the Management Team, of staff and skilled lay members of various professional backgrounds from the church is led by the Executive Minister and their research and recommendations informs the Board of Vision Protectors. A salary sub-committee of two Vision Protectors and two from the Management Team, all non-paid volunteers, formed and recommended the salaries of the staff for the 2019/20 budget.

### Risk Assessment

Connect Church UK recognizes that in relation to 'Risk Assessment', risk is defined as 'the threat of any action or event which will adversely affect an organization's ability to achieve its objectives and execute its strategies'. It also accepts that the term 'risk' can include any circumstances that may, or do, have an adverse effect, and is wider than financial matters. 'Risks' relate not only to the negative consequences of a threat, but also to the impact of not taking advantage of opportunities.

Connect Church UK recognizes it requires a practical Health and Safety Policy for any building and surrounding grounds it owns or rents in pursuit of its activities. This is reviewed on a regular basis. An Accident Book is maintained.

The contents and obligations of the Equality Act 2010 and the 2011 General Data Protection Regulation are known and complied with to the best of the church's ability. The Vision Protectors are aware of their responsibilities in respect of the Regulatory Reform (Fire Safety) Order 2005 and its requirement to carry out a fire assessment to identify any possible dangers and risks, to take action to minimize the risks and to create a plan to deal with any emergencies, and also to write up and keep a record of its findings and to review its assessment annually. The Vision Protectors have appointed Matthew Hopley to be the responsible person to put these matters into operation.

There is a Protection Policy in place in respect of children and vulnerable adults. Checks have been and are made with the Disclosure and Barring Service (formerly the CRB) in respect of persons dealing regularly with young people and vulnerable adults. The Vision Protectors appointed officer for this is Louison Ricketts. Whilst it is impossible to eliminate all risks and their consequences, efforts are constantly made to minimize such occurrences. The safeguarding policy was last revised and approved in February 2018 by the Vision Protectors and implemented where applicable in the various ministries of the church. Vision Protectors are kept informed on matters affecting the church, such as health and safety, disability discrimination legislation and child protection.



# Objectives and Activities

## Purposes and Aims

Connect Church UK's purposes as set out in the objects contained in the company's memorandum of association are:

- (a) to advance the Christian faith in accordance with the Statement in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit;
- (b) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support in such parts of the United Kingdom or the world as the directors from time to time think fit; and
- (c) to advance education in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit.

The aim of Connect Church is, *'To connect people into a world transforming relationship with Jesus Christ.'*

When planning our activities for the year, the Board of Vision Protectors gave consideration to the Charity Commission's guidance on public benefit and, in particular, the specific guidance to charities concerned with the advancement of religion.

Our mission as a church is:

- *That we would connect with God in personal **worship***
- *That we would connect to a community of people in relationship and **love***
- *That we would connect to our purpose through **serving**.*

This mission will be accomplished through providing the following public benefits:

## Worship

- Regular public worship open to all.

## Love

- People are encouraged to build relationship and community through a variety of small groups offered in locations across the city. The small groups are formed based on: geographical location, generation, gender, general interest or personal growth.
- Pastoral work including supporting the sick and bereaved facilitated by clergy, staff and lay members.

## Serve

- to support other charities in Birmingham in practical ways.
- to engage with our local community to encourage better relationships amongst our neighbours.
- to partner with similar churches/charities abroad to learn from and support their works.

# Review of the Year - Achievements and Performance

The Board of Vision Protectors is satisfied with its achievements against objectives set out in the previous section. As a church we are growing in expression and influence in our community and beyond. The following section provides some highlights of activity and performance.

## WORSHIP

- **11am worship** - Connect Church UK continued to hire the Legends Lounge in St Andrews Football Stadium for our Sunday morning service. A dedicated team of staff and volunteers setup and packed down the equipment required to facilitate a full worship band, as well as serving morning tea before the service every week. On average 130 adults and young people attended the main Sunday service each week.
- **Connect Kids** – Our children’s ministry continue to run two programs in the function rooms while the Sunday morning service was taking place. ‘Bright Sparks’ is a program for nursery aged children and ‘Allstars’ is the program for primary school aged students. The children are checked in before the service by their parents, then join the main service for the initial singing and worship. The children leave the service with the childrens’ leaders for their programs. At times the children contribute to the main Sunday service with musical items, dances, dramas and readings especially for special occasions like their Presentation Sunday and Christmas. On average 23 children attended the programs each week. During the summer some of the children attended the Ultimate Kids Camp in Cotswolds for a week accompanied by their leaders and parents. Connect Church sponsored a family who had experienced a difficult year to attend.

Connect Kids also extended their activities to run two Community events – one a Light Party in Wyndcliffe Primary School as a Halloween alternative, and a Slime Party held at St Andrews BCFC. Children from the local community as well as the regular children attended both events and had a lot of fun!



- **Sunday Evenings** – Sunday nights were used to facilitate smaller intentional leadership meetings on a four-week basis. The four-week rotation includes a Vision Protectors’ meeting, a meeting of all the Core Team leaders (Department Heads), a meeting of the Male Leaders one week, then a meeting of the Female Leaders for input and training the following week.
- **Special Events** – We continued to craft special services in order to highlight significant dates in the church calendar such as Easter and Christmas. This year we celebrated our first Global Missions Sunday, where people came dressed in clothing to represent one of the 20 countries that congregants from the church originate from. We also held a special Centenary Remembrance Sunday service, to mark the end of World War 1, with the children contributing photos of themselves with giant red Poppies to mark their gratitude. The services were interactive, featuring a



variety of creative arts which were moving and accessed by the regular attenders and many visitors. Baptism services took place several times throughout the year, outside the stadium in a portable spa set up for the occasion surrounded by friends, families and supporters from the church congregation.





- **New Church Building** – the new ‘Home and Hub’ Church auditorium construction progressed slowly throughout the year. Delays due to weather, building material shortages and internal issues within the building company itself, meant that the building was not completed when expected in mid- 2018. The congregation have been incredibly patient, gracious and generous throughout the whole process, and we have tried to involve them when safe and practical as the building has taken shape. Congregation members wrote their favourite prayers and bible verses on the foundation blocks before the cement floor slab was poured, and we celebrated communion in the building shell on New Year’s Day 19. We now anticipating that the building should be completed in early 2020.



## LOVE

- **Connect groups** –Our Connect Groups are formed based either on geographical location, generation, gender, general interest or personal growth. During this year there were 15 connect groups running over the course of the year, with up to 85 people per month engaged in these groups.
- **Thursday night Training Hub** – We continued to offer the Discipleship Pathway training courses which include The Alpha course, and Freedom in Christ where foundational doctrines are taught in a friendly, warm environment where discussion and questions are encouraged. Three new courses were launched during this year that were written or compiled by staff or lay leaders including How to Read the Bible for All its Worth, SHAPE and Entrust. The courses were well received and attended and usually were facilitated at the Dolphin House location.
- **Pastoral work**- the visiting of the housebound, sick and bereaved continued to be facilitated by the pastors and the lay members of the Love Team led by the Pastoral Care Coordinator.
- **Boost (Mens events) and Bloom (Womens events)**- both groups ran events throughout the year to encourage people to further form friendships beyond Sundays. Events took place in various locations across the city and included breakfasts, barbeques, afternoon teas as well as a camp for the men.





## SERVE

- **Engage local community** –Connect Church UK continued to find ways to be active and involved in the local community outside of Sunday services this year. One of the highlights was the Engage Christmas Appeal, where £3,443 was donated to ‘makeover’ the homes of two families in need, identified by Wyndcliffe Primary School. The Engage Coordinator met with the families in their homes to assess their needs then organized the purchase of furniture, appliances, accessories and even a holiday to Drayton Manor. The families were incredibly surprised and grateful for the donations.

The Engage team began monthly community litter picks and clean ups of the neighbouring streets to the new church building location.



- Schools: As already mentioned, we continued to build upon the partnership with Wyndcliffe Primary school. We continue to support the school where requested and ran a Holiday club during the Summer in the school.
- Youth: the Friday night youth program, ‘Elevate Youth’, was run in various locations through the year including the Gallery Church in Digbeth.
- Chaplaincy: the Senior Minister continued as the team chaplain to Birmingham City Football Club. One of the highlights was two of the players were baptized in our services.



**Partnerships abroad** – while Connect Church UK is committed to serving our local community we also continue to reach out abroad to both help and be trained further in ministry. Partnerships with other churches and charities has been an effective strategy to enable this.

- Compassion: the people of Connect Church UK directly sponsored 81 children in 20 Compassion projects mainly located in Haiti.
- Open Doors: the partnership with Open Doors UK continued this year. Connect Kids and the Bloom women were involved in campaigns to raise awareness and support persecuted Christians.
- Czech Republic: The Senior Minister returned to speak at the Youth Conference, Kristfest and Kristfest Young as well as the new Kristfest Family Conference along with a team of 3 from Connect Church UK. We continue to provide training and mentoring of pastors and their teams both in the Czech Republic, in the UK when they visit and via web based communication media.
- Trinity Church Singapore: The Lead Pastor Dominic Yeo as well as his team continued to mentor the leadership through visits to the UK and sponsoring Kirk and Tracee to attend their Pastors’ Conference in Singapore. During the year Trinity donated £15,000 to the new building project. They continue to be a great sounding board of advice and source of encouragement.

## Financial review

This has been a year of financial growth and progress for Connect Church UK. We received £403,258 in income and incurred £290,617 in expenses. In accordance with the finance policy a reserve fund was maintained with the goal of saving towards 3 months' expenses. At the end of the financial year there was £75,846 in the reserves bank accounts, which well surpassed the goal of £72,654.

Most of Connect Church UK's income is giving from the congregation, and in the past year the general donations increased from £163,622 to £165,338 before gift aid. This is an increase of 1%, and the level of giving is very encouraging considering the high levels of donations to the new building project. Administratively we are fastidious with the counting process and recording of donations in order to claim from the Gift Aid Small Donations scheme, as well as claim gift aid separately for the general and vision funds.

Giving towards the new building project on 150 Coventry Rd continued to be strong this financial year. £141,323 in vision donations was pledged for the 12 months in March 2018 by the congregation and friends of Connect Church UK. By the end of the pledge year (1 Mar 18 – 28 Feb 19) we had received £134,753 again exceeding the previous year's vision donations. The fulfilment rate was 95%. After the gift aid was claimed the total vision funds received for this financial year (1 Apr 18- 31 Mar 19) were £127,685, up 7% from the previous year. Additional vision income was derived from bank interest totaling £276 for the year. An additional £14,550 was fundraised and donated to the restricted Fitout Fundraiser fund, specifically to finance the internal fitting out of the building after handover by RJR Corporation. At the end of the financial year there was £23,042 in this fund. Surplus vision funds are lodged in the Vision Bank Account (4002) until the funds are required at the end of the new church building project.

Of the total £403,258 income received by Connect Church UK this year £89,848 was donated in total by the Vision Protectors and related parties before gift aid was claimed. No expenses were paid to the Vision Protectors. Payments in the course of employment are included in note 2 of the accounts.

The largest expense for Connect Church UK are the staff salaries (Senior Minister, Executive Minister, Pastoral Care Coordinator, Venue & Volunteer Coordinator, Worship & Media Minister and Children's Coordinator), which totaled £105,932. The salaries are funded entirely from the resources of Connect Church UK. Pension funds for the staff were paid to the People's Pension, defined contribution pension scheme to meet CCUK pension obligations.

The next largest item are the mortgage interest repayments to the Charity Bank and to Big Issue Invest. The mortgage interest repaid totaled £42,374. The third largest expenditure for the year was rent of facilities for Sunday services and midweek. The cost to Connect Church UK in rent was £28,152 for the year. The church continued to use the 2<sup>nd</sup> floor of the office unit at the Square, 111 Broad St, B15 1AS a donated facility from Centric Community Projects Ltd as an administration base. The value of this donation is £55,575 for the year. The second floor is used for administration, while the ground floor is used for the storage of furniture and items for the new building or that are used occasionally in our activities.

The 2018-19 budget was redrafted each quarter to reflect the delays experienced in the building project. The budget for the next year was set and approved by the Vision Protectors in February 2019. Due to the unknown exact costs of the new building, the mortgage and the costs to run the new building, the new budget was again crafted on a lot of assumptions and best guesses. The new budget assumes a slight increase in income, a mortgage of £1,200,000 and a surplus of £35,000 approximately. We face the challenge of increasing mortgage repayments as the building program has overrun its original completion date of Jun 2018, as well as sustaining donors' interest in the vision fund, plus keeping the running costs within reach, while continuing to run the services and expand the programs of Connect Church UK.

## Plans for the Future

In 2019/20 we intend to continue to develop and expand the ministry of Connect Church UK through our core mission. The strategy is to maintain, develop, review and build on the initiatives we have already described. Although the construction of the new Home and Hub is an important development, strategically we have chosen to focus the church congregation on staying on mission in living out their faith and values in the community and the world and using the resources we have at hand while we look forward to the completion of the building. After experiencing the unknowns of Brexit and the ever-moving political landscape as well as our own setbacks and delays as a church, the theme for 2019 is 'Certain'. This year we are encouraging the church to navigate the storms and variables of life with the unchanging foundations of faith.

## Statement of the responsibilities of the Board of Vision Protectors

The Board of Vision Protectors is responsible for preparing the Annual report and financial statements in accordance with applicable law and United Kingdom generally accepted accounting practice.

Charity law requires the trustees to prepare a statement of financial activities and statement of assets and liabilities for each financial year, which gives a true and fair view of the state of affairs of the church and of its financial activities for that year and adequately distinguishes any material special trust or other restricted fund of the church. In preparing those financial statements the Board of Vision Protectors is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable accounting standards, subject to the material departures disclosed and explained in the financial statements
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the church will continue to operate.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure the financial statements comply with the Charities Act 2011. We also have a responsibility to safeguard the assets of the church and to take reasonable steps to detect fraud or other irregularities and to provide reasonable assurances that:

- The church is operating efficiently and effectively
- Its assets are safeguarded against unauthorized use or disposition
- Proper records are kept and financial information used within the church or for publication is reliable
- The church complies with relevant laws and regulations.

### Independent Examiner

The Board of Vision Protectors intend to ask the existing examiners to undertake the independent examination of the Church in the following year.

### Approval

This report was approved by the Board of Vision Protectors of Connect Church UK and signed on its behalf, by Pastor Kirk McAtear, Senior Minister.

Signed:



Date:

15/9/2019

## Independent Examiner's Report to the Trustees of Connect Church UK

I report on the accounts of the company for the year ended 31<sup>st</sup> March 2019, which are set out on pages 13 to 22 of this Report.

### Respective responsibilities of trustees and examiner.

The trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

### Basis of the independent examiner's report.

My examination was carried out in accordance with the 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 you as 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.

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with accounting records, comply with the accounting requirements of section 386 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed Alex A Clements

Date 26th September 2019

Fellow of the Association of Charity Independent Examiners.

Address 15 Carleton Road, Great Knowley, Chorley PR6 8TQ.

## Statement of Financial Activities

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income	196,600	10,520	132,904	—	340,025	324,195
Investment income	57	109	166	—	333	267
Incoming resources from charitable activities	933	3,443	—	—	4,376	3,919
Other incoming resources	58,523	—	—	—	58,523	105,365
<b>Total income</b>	<b>256,113</b>	<b>14,074</b>	<b>133,070</b>	<b>—</b>	<b>403,258</b>	<b>433,747</b>
<b>Resources used</b>						
Cost of generating funds						
Cost of generating voluntary income	129	—	—	—	129	57
Investment management costs	73	16,633	25,850	—	42,557	19,479
Charitable activities	240,065	7,865	—	—	247,931	293,678
<b>Total expenditure</b>	<b>240,267</b>	<b>24,498</b>	<b>25,850</b>	<b>—</b>	<b>290,617</b>	<b>313,215</b>
<b>Net income / (expenditure) resources before transfer</b>	<b>15,845</b>	<b>(10,424)</b>	<b>107,220</b>	<b>—</b>	<b>112,640</b>	<b>120,531</b>
<b>Transfers</b>						
Gross transfers between funds - in	—	2,011	75	—	2,086	214,457
Gross transfers between funds - out	(2,086)	—	—	—	(2,086)	(214,457)
<b>Other recognised gains / losses</b>						
Gains / losses on investment assets	—	—	—	—	—	—
Gains on revaluation, fixed assets, charity's own use	—	—	—	—	—	—
<b>Net movement in funds</b>	<b>13,758</b>	<b>(8,413)</b>	<b>107,295</b>	<b>—</b>	<b>112,640</b>	<b>120,531</b>
<b>Total funds brought forward</b>	<b>76,758</b>	<b>564,966</b>	<b>247,090</b>	<b>—</b>	<b>888,815</b>	<b>768,283</b>
<b>Total funds carried forward</b>	<b>90,517</b>	<b>556,552</b>	<b>354,386</b>	<b>—</b>	<b>1,001,456</b>	<b>888,815</b>
<b>Represented by</b>						
<b>Unrestricted</b>						
General fund	90,517	—	—	—	90,517	76,758
<b>Designated</b>						
Engage Projects	—	292	—	—	292	25
Kids Ministry	—	690	—	—	690	206
Synergy (Seniors Ministry)	—	221	—	—	221	724
Vision	—	555,231	—	—	555,231	563,741
Youth Ministry	—	117	—	—	117	269
<b>Restricted</b>						
Agency collection	—	—	—	—	—	—
Fitout Fundraiser	—	—	23,042	—	23,042	8,493
Vision	—	—	331,343	—	331,343	238,597

*Detailed comparative data for the prior year is in Note 6 on p.22*

## Balance sheet

Class and code	Description	This year	Last year
<b>Fixed assets</b>			
3001	New building	1,549,993	1,265,913
3010	Church equipment	9,462	11,551
3020	Motor vehicles	393	491
3030	Computers	3,560	1,074
	<b>Total Fixed assets</b>	<b>1,563,410</b>	<b>1,279,031</b>
<b>Current assets</b>			
4000	General Bank Account 28472760	20,837	64,789
4002	Vision fund account 47463068	260,630	174,304
4003	Reserve Fund Account 57408768	44,295	41,770
4005	Charity Bank D90 Account 01/D90/605762/0	30,334	30,168
4010	Deposit account - Kingdom bank	1,217	1,182
4100	Bread4BusinessFloat	50	10
4102	Sen Pastor Exp Prepaid Card	72	77
4103	Exec Pastor Exp Prepaid Card	108	78
4104	Pastoral Coord Exp Prepaid Card	60	48
4105	Venue Coord Exp Prepaid Card	102	50
4106	Childrens Coord Exp Prepaid Card	54	27
4107	Worship Coord Exp Prepaid Card	54	60
4108	Past Assist Exp Prepaid Card	50	44
4109	Silver Linings Prepaid Card	85	71
4110	Catering Exp Prepaid Card	82	—
Z05	Accounts Receivable	9,499	6,952
	<b>Total Current assets</b>	<b>367,534</b>	<b>319,637</b>
<b>Liabilities</b>			
6105	Big Issue - Working Capital Loan	96,941	98,540
6110	Charity Bank Mortgage	820,115	550,671
6699	Agency collections	5,303	1,782
Z04	Accounts Payable	7,128	58,859
	<b>Total Liabilities</b>	<b>929,488</b>	<b>709,853</b>
	<b>Net Asset surplus(deficit)</b>	<b>1,001,456</b>	<b>888,815</b>
<b>Reserves</b>			
	Excess / (deficit) to date	112,640	473,274
Z01	Starting balances	888,815	415,540
Z02	Gains/(losses) on investment assets	—	—
	<b>Total Reserves</b>	<b>1,001,456</b>	<b>888,815</b>
	<b>Represented by funds</b>		
	Unrestricted	90,517	76,758
	Designated	556,552	564,966
	Restricted	354,386	247,090
	Endowment	—	—
	<b>Total</b>	<b>1,001,456</b>	<b>888,815</b>

For the year ended March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

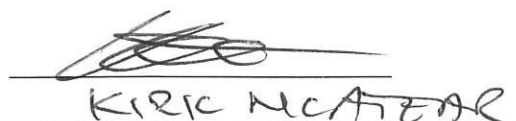
The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

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

Signed on behalf of the Board:

Print Name:

  
KIRK McATEER



## Statement of assets and liabilities

	This year	Last year
<b>Tangible assets</b>		
<b>New building</b>		
Vision (Designated) -	555,457	555,457
Vision (Restricted) -	994,536	710,456
	<b>1,549,993</b>	<b>1,265,913</b>
<b>Church equipment</b>		
Vision (Designated) -	20	738
General fund (Unrestricted) -	9,442	10,812
	<b>9,462</b>	<b>11,551</b>
<b>Motor vehicles</b>		
Vision (Designated) -	393	491
	<b>393</b>	<b>491</b>
<b>Computers</b>		
General fund (Unrestricted) -	3,110	1,074
Kids Ministry (Designated) -	449	—
	<b>3,560</b>	<b>1,074</b>
<b>Total for Tangible assets</b>	<b>1,563,410</b>	<b>1,279,031</b>
<b>Cash at bank and in hand</b>		
<b>General Bank Account 28472760</b>		
Engage Projects (Designated) -	355	25
Vision (Designated) -	14,779	1,192
Vision (Restricted) -	(18,552)	52,761
General fund (Unrestricted) -	18,903	8,047
Synergy (Seniors Ministry) (Designated) -	21	653
Kids Ministry (Designated) -	234	206
Youth Ministry (Designated) -	63	224
Agency collection (Restricted) -	5,032	1,678
	<b>20,837</b>	<b>64,789</b>
<b>Vision fund account 47463068</b>		
Fitout Fundraiser (Restricted) -	23,042	8,493
Vision (Designated) -	66,167	89,047
Vision (Restricted) -	171,212	77,011
General fund (Unrestricted) -	208	(247)
	<b>260,630</b>	<b>174,304</b>
<b>Reserve Fund Account 57408768</b>		
Vision (Designated) -	15,354	15,354
General fund (Unrestricted) -	28,941	26,416
	<b>44,295</b>	<b>41,770</b>
<b>Charity Bank D90 Account 01/D90/605762/0</b>		
Vision (Restricted) -	166	—
General fund (Unrestricted) -	30,168	30,168
	<b>30,334</b>	<b>30,168</b>
<b>Deposit account - Kingdom bank</b>		
General fund (Unrestricted) -	1,217	1,182
	<b>1,217</b>	<b>1,182</b>
<b>Bread4BusinessFloat</b>		
Engage Projects (Designated) -	14	—
General fund (Unrestricted) -	35	10
	<b>50</b>	<b>10</b>
<b>Sen Pastor Exp Prepaid Card</b>		
General fund (Unrestricted) -	72	77
	<b>72</b>	<b>77</b>

<b>Exec Pastor Exp Prepaid Card</b>		
General fund (Unrestricted) -	123	78
Agency collection (Restricted) -	(14)	—
	<b>108</b>	<b>78</b>
<b>Pastoral Coord Exp Prepaid Card</b>		
General fund (Unrestricted) -	60	58
Agency collection (Restricted) -	—	(10)
	<b>60</b>	<b>48</b>
<b>Venue Coord Exp Prepaid Card</b>		
Engage Projects (Designated) -	(77)	—
General fund (Unrestricted) -	184	50
Agency collection (Restricted) -	(4)	—
	<b>102</b>	<b>50</b>
<b>Childrens Coord Exp Prepaid Card</b>		
General fund (Unrestricted) -	49	27
Agency collection (Restricted) -	4	—
	<b>54</b>	<b>27</b>
<b>Worship Coord Exp Prepaid Card</b>		
General fund (Unrestricted) -	58	73
Agency collection (Restricted) -	(3)	(12)
	<b>54</b>	<b>60</b>
<b>Past Assist Exp Prepaid Card</b>		
General fund (Unrestricted) -	(4)	—
Youth Ministry (Designated) -	54	44
	<b>50</b>	<b>44</b>
<b>Silver Linings Prepaid Card</b>		
Synergy (Seniors Ministry) (Designated) -	85	71
	<b>85</b>	<b>71</b>
<b>Catering Exp Prepaid Card</b>		
General fund (Unrestricted) -	82	—
	<b>82</b>	<b>—</b>
<b>Total for Cash at bank and in hand</b>	<b>358,035</b>	<b>312,684</b>
<b>Debtors</b>		
<b>Accounts Receivable</b>		
Vision (Restricted) -	4,096	2,710
General fund (Unrestricted) -	4,993	4,114
Synergy (Seniors Ministry) (Designated) -	114	—
Kids Ministry (Designated) -	6	—
Agency collection (Restricted) -	289	126
	<b>9,499</b>	<b>6,952</b>
<b>Total for Debtors</b>	<b>9,499</b>	<b>6,952</b>
<b>Agency accounts</b>		
<b>Agency collections</b>		
Agency collection (Restricted) -	(5,303)	(1,782)
	<b>(5,303)</b>	<b>(1,782)</b>
<b>Total for Agency accounts</b>	<b>(5,303)</b>	<b>(1,782)</b>
<b>Creditors: Amounts falling due after more than one year</b>		
<b>Big Issue - Working Capital Loan</b>		
Vision (Designated) -	(96,941)	(98,540)
	<b>(96,941)</b>	<b>(98,540)</b>
<b>Charity Bank Mortgage</b>		
Vision (Restricted) -	(820,115)	(550,671)
	<b>(820,115)</b>	<b>(550,671)</b>
<b>Total for Creditors: Amounts falling due after more than one year</b>	<b>(917,056)</b>	<b>(649,211)</b>
<b>Creditors: Amounts falling due in one year</b>		
<b>Accounts Payable</b>		
Vision (Restricted) -	—	(53,671)
General fund (Unrestricted) -	(7,128)	(5,187)
<b>Total for Creditors: Amounts falling due in one year</b>	<b>(7,128)</b>	<b>(58,859)</b>
<b>Grand total</b>	<b>1,001,456</b>	<b>888,815</b>

## Fund movement by type

		Opening	Incoming	Outgoing	Transfers	Gains/losses	Closing
<b>Eng - Engage Projects</b>							
Designated		25	3,443	3,176	—	—	292
<b>Sub-total for Eng</b>		<b>25</b>	<b>3,443</b>	<b>3,176</b>	<b>—</b>	<b>—</b>	<b>292</b>
<b>FOF - Fitout Fundraiser</b>							
Restricted		8,493	14,549	—	—	—	23,042
<b>Sub-total for FOF</b>		<b>8,493</b>	<b>14,549</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>23,042</b>
<b>Vision - Vision</b>							
Designated		563,741	9,439	17,949	—	—	555,231
Restricted		238,597	118,520	25,850	75	—	331,343
<b>Sub-total for Vision</b>		<b>802,338</b>	<b>127,960</b>	<b>43,800</b>	<b>75</b>	<b>—</b>	<b>886,574</b>
<b>General - General fund</b>							
Unrestricted		76,758	256,113	240,267	(2,086)	—	90,517
<b>Sub-total for General</b>		<b>76,758</b>	<b>256,113</b>	<b>240,267</b>	<b>(2,086)</b>	<b>—</b>	<b>90,517</b>
<b>Syn - Synergy (Seniors Min)</b>							
Designated		724	738	1,241	—	—	221
<b>Sub-total for Syn</b>		<b>724</b>	<b>738</b>	<b>1,241</b>	<b>—</b>	<b>—</b>	<b>221</b>
<b>Kids - Kids Ministry</b>							
Designated		206	243	1,770	2,011	—	690
<b>Sub-total for Kids</b>		<b>206</b>	<b>243</b>	<b>1,770</b>	<b>2,011</b>	<b>—</b>	<b>690</b>
<b>Youth - Youth Ministry</b>							
Designated		269	208	360	—	—	117
<b>Sub-total for Youth</b>		<b>269</b>	<b>208</b>	<b>360</b>	<b>—</b>	<b>—</b>	<b>117</b>
<b>Grand total</b>		<b>888,815</b>	<b>403,258</b>	<b>290,617</b>	<b>—</b>	<b>—</b>	<b>1,001,456</b>

## Analysis of income and expenditure

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u> <u>This year</u>	<u>Last year</u>
<b>Incoming resources from generated funds - Voluntary income</b>						
1000 - Church giving	39,308	—	—	—	39,308	43,508
1001 - Church giving - Gift Aid-able	118,005	—	25	—	118,030	111,957
1002 - Church giving – GASDS	8,000	—	—	—	8,000	8,157
1003 - Church giving - gift aid tax reclaimed	31,286	23	—	—	31,309	30,081
1004 - Synergy donations	—	738	—	—	738	801
1005 - Connect Kids donations	—	220	—	—	220	295
1006 - Elevate Youth donations	—	208	—	—	208	681
1010 - Vision donations	—	—	79,311	—	79,311	83,949
1011 - Vision Donations - Gift Aid-able	—	—	50,910	—	50,910	36,002
1060 - Vision - Gift Aid reclaimed	—	9,330	2,657	—	11,987	8,759
Total	196,600	10,520	132,904	—	340,025	324,195
<b>Incoming resources from generated funds - Investment income</b>						
1200 - Interest received -General	57	—	—	—	57	214
1201 - Interest Received – Vision	—	109	166	—	276	53
Total	57	109	166	—	333	267
<b>Incoming resources from charitable activities</b>						
1351 - New building - car park donations	—	—	—	—	—	2,500
1400 - Other income – miscellaneous	933	3,443	—	—	4,376	1,419
Total	933	3,443	—	—	4,376	3,919
<b>Other incoming resources</b>						
1360 - Asset Revaluation gain/loss	—	—	—	—	—	—
1365 - Asset disposals gain/loss	—	—	—	—	—	—
1410 - Donated services and facilities	58,523	—	—	—	58,523	105,365
Total	58,523	—	—	—	58,523	105,365
<b>INCOME TOTAL</b>	<b>256,113</b>	<b>14,074</b>	<b>133,070</b>	<b>—</b>	<b>403,258</b>	<b>433,747</b>

## EXPENDITURE

### Cost of generating funds - Cost of generating voluntary income

2000 – Publicity	129	—	—	—	129	57
Total	129	—	—	—	129	57

### Cost of generating funds - Investment management costs

2200 - Bank charges – general	73	—	—	—	73	79
2250 - Mortgage interest	—	16,633	25,740	—	42,374	19,319
2251 - Bank charges – building	—	—	110	—	110	80
Total	73	16,633	25,850	—	42,557	19,479

### Charitable activities

2304 – Insurance	957	—	—	—	957	1,303
2310 - Office Expenses	2,467	—	—	—	2,467	2,799
2311 – Telephone	796	—	—	—	796	1,174
2320 - Church vehicles	1,926	—	—	—	1,926	1,924
2321 - Guest Speakers	1,318	—	—	—	1,318	3,361
2322 – Training	951	—	—	—	951	926
2323 - Staff Training	2,231	—	—	—	2,231	2,352
2325 - Elevate Youth Ministry	404	359	—	—	764	625
2326 - Connect Kids Ministry	1,206	1,770	—	—	2,977	847
2327 - Synergy costs	—	1,179	—	—	1,179	1,337
2328 - Special events	2,062	—	—	—	2,062	3,708
2329 - Sunday services – tech	385	—	—	—	385	205
2330 - Pastoral care	1,149	62	—	—	1,211	885
2331 - Catering/hospitality	2,374	—	—	—	2,374	2,878
2332 - Missions support	1,200	—	—	—	1,200	1,200
2334 - Missions expenses -Global	2,062	500	—	—	2,562	1,172
2339 - Mission Expenses – Engage	338	3,176	—	—	3,514	717
2350 - Staff expenses	4,144	1	—	—	4,146	3,453
2360 - Gross Salaries	105,932	—	—	—	105,932	103,104
2361 - Employer's NI	5,112	—	—	—	5,112	4,692
2362 – Pension	3,873	—	—	—	3,873	3,771
2370 - Computing Expenses	2,489	—	—	—	2,489	2,317
2371 - Sunday Services – worship	1,093	—	—	—	1,093	1,072
2400 - Legal/professional fees	6,373	—	—	—	6,373	56,463
2410 - Office Storage	58,523	—	—	—	58,523	56,707
2500 – Sundries	119	—	—	—	119	162
2501 – Rentals	28,152	—	—	—	28,152	30,805
2599 – Depreciation	2,417	816	—	—	3,233	3,707
Total	240,065	7,865	—	—	247,931	293,678

<b>EXPENDITURE TOTAL</b>	<b>240,267</b>	<b>24,498</b>	<b>25,850</b>	<b>—</b>	<b>290,617</b>	<b>313,215</b>
<b>GRAND TOTAL</b>	<b>15,845</b>	<b>(10,424)</b>	<b>107,220</b>	<b>—</b>	<b>112,640</b>	<b>120,531</b>

## Connect Church UK

### Notes to the Accounts For the year ended 31 March 2019

#### 1. Accounting Policies

- a) The accounts have been prepared in accordance with applicable accounting standards and follow the recommendations in Statement of Recommended Practice: Accounting by Charities (SORP) 2015 and the FRS102 accounting standard.
- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received including gifts in kind that are capable of valuation. Donations arising under Gift Aid and Deeds of Covenant together with the tax recoverable thereon, are accounted for when received and provision made for tax unclaimed at the year end. Resources expended in the accounts in the period in which they are incurred and include attributable VAT which cannot be recovered.
- c) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets certain criteria is identified in the relevant fund. Designated funds are funds which have been allocated by the trustees for identifiable future expenditure. Unrestricted funds are donations and other income received or generated for the objects of the church without further specified purpose and are available as general funds

#### Undesignated and Designated Funds:

General Fund – the principal operating fund covering the cost of ministry, support for Christian missions, church activities, rentals and administration, with income mainly coming from regular giving by members of the congregation (plus gift aid where applicable).

Vision (Des) – some income earned from bank interest has been designated towards the construction costs of the new building.

Synergy - is the fund for the donations and costs, including room rental of the Connect Group for senior congregants.

Kids – is the fund for the donations and costs for the Connect Kid's ministry.

Youth - is the fund for the donations and costs for the Elevate Youth & Thrive ministry.

Engage – a new fund for donations towards the cost of Engage projects.

#### Restricted Funds:

Vision – donations made towards the vision of the church, which at this time is principally the building of the new facility on 150 Coventry Rd.

Fitout Fundraiser – a new fund for donations made specifically to the fitout and furnishing of the building after construction by the builders.

- d) Fixed assets are for use by the church in fulfilling its objects and are capitalized and depreciated. Depreciation is provided at rates appropriate to reduce book values to estimated residual values over the useful lives of the assets concerned. Land or Buildings includes construction and professional fees associated with the new building. Depreciation will commence once the buildings are commissioned. Land and buildings are then revalued periodically to reflect their net realisable value. All other assets are depreciated at 20% using the straight-line balance basis. The fixed assets were reallocated according to the fund consolidation outlined in c) and depreciated accordingly. Items of equipment valued at less than £150 are written off on purchase.
- e) The independent examiner was paid £400 for the examination of the 2017/18 accounts.



## 2. Employee Benefits

- Staff leave provision is aligned to the financial year. As a consequence there is no leave to accrue.
- The church paid £3,873 (2018 £3,771) in pension contributions. In particular the pension contributions for the three trustees were £1787.76 for Kirk McAtear, £463.44 for Tracee McAtear and £110.61 for Stefanie Lakin, as part of their employment as ministers. Connect Church UK is an employer participating in a workplace pension scheme operated by B&CE Peoples Pension with Auto-Enrolment commencing on 1 April 2016. The independent nature of this scheme means that the church is unaware of the value of this pension plan.
- No employee earned over £60,000. Payments to key members of the management team totaled £31,537.08. Two trustees, Kirk McAtear and Tracee McAtear, are employed as ministers, while Stefanie Lakin is employed as the Childrens Coordinator and are paid a total of £54,890.41 in these positions.
- No sums were reimbursed to the Trustees for their work as Trustees.

## 3. Capital and Loan Commitments

The Church owns the freehold on land (Currently valued at £500,000) adjoining Dart Street and Coventry Road ("150 Coventry Rd") in Birmingham and is in the process of building a 1006m<sup>2</sup> building as its base to support the activities that deliver its three-fold vision concerning Worship, Love and Serving.

The building will be delivered by a fixed price JCT contract with RJR Ltd costing £1,385,600. The building and land has been valued at £1,500,000 on completion. The contracts for the construction and finance were completed on 5 July 2017. Loan facilities have been arranged with Charity Bank Ltd ("CBL") (£975,000), Big Issue Invest Ltd ("BILL") (£125,000) and Big Issue Access Ltd ("BIAL") (£100,000). The CBL facility has been drawn down to make stage payments to RJR Ltd and the BILL and BIAL facilities will be drawn down on exchange and completion of the facility documents and fund the initial payments under the JCT contract. The balance of £183,000 will be funded from the accumulated reserves of the Church. The trustees obtained an independent opinion from Hampton Holland Associates Limited regarding the suitability and sustainability of the loans in accordance with s124(2) of Charities Act 2011 prior to entering into the loan agreement.

The principal terms of the loans are:

Lender	Amount	% Rate	Term	Comments
Charity Bank	£975,000	Base+3.25%	25 years	Superior Debt
Big Issue Invest Ltd	£125,000	Base+8.75%	7 years	Repayments based on 25 years with refinancing at year 8
Big Issue Access Ltd	£100,000	Base+8.75%	7 years	Repayments based on 25 years with refinancing at year 8

The CBL and BILL loans hold security in the form of charges over the land and buildings, bank account and debenture over all other net assets of the Church. At the end of the financial year the full Working Capital loan £100,000 had been drawn down as well as £854,848 of the Charity Bank facility. A total of £42,374 (2018 £19,319) had been repaid in interest to the two loans and £1599.22 (2018 £1459.60) repaid in capital to Big Issue Invest Ltd and £14,635.98 repaid in capital to the Charity Bank.

Loans may be repaid in whole or part earlier subject to conditions (such as minimum amounts, periods of notice and fees (up to 2%).

There is retention payment of 4% held back for 1 year whilst snagging issues and building operations are normalized.

## 4. Related Parties

Connect Church is affiliated to the Assemblies of God, Great Britain. The church contributed £3801.15 to the Assemblies of God this year. This expenditure is contained in line 2400 Legal/Professional fees.

## 5. GASDS

£8000 was claimed under HMRC's small donations scheme and received on 24 January 2019.

6. Comparative Date for SoFA.

FRS102 requires the comparative data of the prior year to be shown for each column of the SoFA. The comparative data for income and expenditure is shown below:

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds
<b>Income</b>					
Incoming resources from generated funds					
Voluntary income	193,708	35,401	95,084	—	324,195
Investment income	214	53	—	—	267
Incoming resources from charitable activities	1,061	2,758	100	—	3,919
Other incoming resources	105,365	—	—	—	105,365
<b>Total income</b>	<b>300,350</b>	<b>38,213</b>	<b>95,184</b>	<b>—</b>	<b>433,747</b>
<b>Expenditure</b>					
Cost of generating funds					
Cost of generating voluntary income	57	—	—	—	57
Investment management costs	79	18,316	1,083	—	19,479
Charitable activities	288,967	4,694	16	—	293,678
<b>Total expenditure</b>	<b>289,104</b>	<b>23,010</b>	<b>1,100</b>	<b>—</b>	<b>313,215</b>
<b>Net income / (expenditure) resources before transfer</b>	<b>11,245</b>	<b>15,202</b>	<b>94,084</b>	<b>—</b>	<b>120,531</b>
<b>Transfers</b>					
Gross transfers between funds - in	100,494	100,000	13,962	—	214,457
Gross transfers between funds - out	(100,494)	(100,000)	(13,962)	—	(214,457)
<b>Other recognised gains / losses</b>					
Gains / losses on investment assets	—	—	—	—	—
Gains on revaluation, fixed assets, charity's own use	—	—	—	—	—
<b>Net movement in funds</b>	<b>11,245</b>	<b>15,202</b>	<b>94,084</b>	<b>—</b>	<b>120,531</b>
<b>Total funds brought forward</b>	<b>65,513</b>	<b>549,763</b>	<b>153,006</b>	<b>—</b>	<b>768,283</b>
<b>Total funds carried forward</b>	<b>76,758</b>	<b>564,966</b>	<b>247,090</b>	<b>—</b>	<b>888,815</b>