

**Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31st March 2020**

The Church mainly meets at Addison Centre, Kempston

The Church's office address is :

229 Bedford Road, Kempston, Bedford MK42 8DA

www.graceinthecommunity.com

telephone:01234 851508

Charity Registration Number: 1180195

Company Registration Number: 11595189

Contents of the Financial Statements for the Year Ended 31st March 2020

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**Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31 March 2020
Charity Information**

Bankers: National Westminster Bank
81 High Street
Bedford
Bedfordshire
MK40 1YN

Independent Examiner: A Di Lorenzo (FCA)
Haines Watts
First Floor, Woburn Court
2 Railton Road
Woburn Road Industrial Estate
Kempston
Bedfordshire
MK42 7PN

Legal Advisors: Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

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**Annual Report of the Trustees of
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For the year ended 31 March 2020**

Constitutional Documents

Grace Community Church Bedford was formerly known as Kempston Evangelical Church .It was founded as Bedford Evangelical Church in 1972. The Church moved to Kempston, became Kempston Evangelical Church and then started meeting in Hastingsbury School in 1989. The Church's basis of faith and practice is set out in two documents entitled 'This we believe' and 'This we do'. We have also produced a booklet 'Visitor Information' which provides an overview of the church and its involvement in the community.

In April 2009 the Church became a registered Charity and then on 28th September 2018, became a private company limited by guarantee (Company Number 11595189). This company was also registered with the Charity Commission on 5th October 2018 (Charity Number 1180195). Up to 31st March 2019 the company remained dormant. On 1st April 2019, by an agreement between the two charities, all the assets, liabilities and employees of the Church were transferred from the old charity to the new charitable limited company. Since that date, the old charity has become dormant. Where shown, the comparative data refers to the former charity.

Objects of the Church

The Church exists to promote the Christian faith – the good news of what God has done for us - in its immediate community of Kempston and Bedford and also in the whole world through links with other similar churches and organisations. The Church meets regularly to worship God for who He is, and to thank Him for all He has done for us. We have always had a strong emphasis upon teaching the Bible and our leaders are committed to explaining the Bible in a way that is contemporary, accurate and relevant. We usually meet twice on a Sunday and in a number of home groups during the week. We want our meetings to be accessible, helpful and clear.

Believing the good news of Jesus not only restores our broken relationship with God, but enables us to have better relationships with each other. We want to model this in our love and commitment to one another within the church family, but also to express God's love and care within our general community. Church members in all kinds of personal and individual ways are fully involved in this, but the Church as a group is also committed to helping people. This service will take many forms but particularly the care of the poor, needy and vulnerable.

**Annual Report of the Trustees of
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For the year ended 31 March 2020**

Trustees

The Church is led by a team of officers who are also Trustees. The officers who served during the year ended 31 March 2020, except where noted, were:

- *R.J Evans – elder and full time employee (re-appointed 6 January 2020)
S.Rowell – elder and full time employee
M.Salter – elder and full time employee (resigned 6 January 2020)
- *J.Putt – elder and full time employee
- *C Atkinson – elder and part time employee
R.Cooper – elder and volunteer
N.Pestell – elder and volunteer
C.Almond – elder and volunteer
- *M.Anderson – deacon and volunteer
M.Crisp – deacon and volunteer
C.Evans – elder and volunteer (resigned 6 January 2020)
- *N.Redman – deacon and volunteer
A. White - elder and volunteer (appointed 6 January 2020)

*These Trustees resigned as both Trustees and Directors of the new charitable company on 29th April 2019.

Appointment of Officers and Trustees

The Church believes that officers of the Church, Elders and Deacons, are chosen by God for their role in the Church and that these roles are recognised by the Church as a whole. Therefore, the officers must be members of the Church and are appointed by the other members of the Church at meetings arranged for this purpose. The officers are usually appointed for an indefinite term.

From time to time, officers move away from the church and, therefore resign from their leadership role. Other changes to officers will be decided by the members of the Church at meetings arranged for that purpose. Under the Articles and Memorandum of Association, certain officers may be appointed as Trustees and Directors.

**Annual Report of the Trustees of
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For the year ended 31 March 2020**

Payments to Trustees during the year

Ray Evans, Simon Rowell, Jon Putt and Martin Salter are employed by the Church as full-time Elders and were also Trustees during, at least part of the year. Chris Atkinson was employed on a part-time basis and is also an Elder. The Elders' remuneration is fixed each year by a Remuneration Committee of the Church. The Elders who are also employees cannot be members of and do not attend the Remuneration Committee meeting at which their remuneration is fixed. None of the other Trustees of the Church received any remuneration from the Church during the year.

Other employees

The Church employed 2 full-time (2019 – 2) and 7 (2019 – 6) other part-time employees who were not Trustees during the year. These employees were involved in the care of the vulnerable and needy and administration. The Trustees and employees of the Church incur certain costs on behalf of the Church which are reimbursed to them. These amounted to £7,143 (2019- £7,924) during the year and were mainly for training and travel.

Reserves policies

The Church has two reserves to help meet its most urgent future needs – a building fund to meet the potential costs of moving or developing premises as God increases the size of the Church. This reserve had an initial target of £100,000. At 31 March 2020, it amounted to £64,429 (2019 - £64,429). The second reserve is a general fund to provide funds to increase personnel as the Church grows and also for any unplanned drop in income or increase in expenses. This reserve amounted to £94,826 (2019 - £106,149) and will continue to be used to help pay for the increases in compensation as the Church grows and needs to appoint new personnel. Because of the COVID19 pandemic just before the end of the financial year, the Church expects to use the reserve to offset a fall in its donations. In addition, in response to COVID-19 it established a reserve to help needy people in its community. Donations into this reserve were mainly received after the year end.

Training Fund

During 2009, the Church created a Training Fund with a view to helping to train men and women interested in working in churches. The trainees would most likely leave Grace after two years of training and move on to other churches needing leaders. Since the fund was created 12 people have been trained through this fund. During the year, the Church spent £13,888 and received donations of £14,500 leaving a balance of £12,736 at 31 March 2020 (2019 - £12,124). One person will continue to be trained from this fund in 2020/21 since the Church has received pledges of sufficient financial support.

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For the year ended 31 March 2020**

Investment policy

The Church does not have long term surplus funds and so any bank balances held in excess of working capital needs are invested in bank deposit accounts and no investment policy has been established.

Tithe policy

The Church aims to support other organisations and individuals as part of its mission to make known the good news about Jesus Christ throughout the world. It therefore, sets aside an amount (currently 10% of its income) to be granted to others who support its objects and aims. These organisations and individuals are identified by the members of the Church and then approved by the Trustees. During the year £49,256 was paid out of the tithe funds. The balance in the fund at 31 March 2020 was £45,811 (2019 - £50,646). The funds have been distributed in the normal way after the yearend.

Approved by the Trustees on *3rd August 2020*

Signed on behalf of the Trustees



C. Almond

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2020
Statement of Financial Activities

	2020										2019	
	Notes	General	Designated	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	Totals	Totals
		Unrestricted Funds	Tithe Funds	Training Funds	Building Funds	Africa Fund	Masumbuko Fund	Needy Persons Funds	Other Funds			
Donations received:		£	£	£	£	£	£	£	£	£	£	£
Ordinary		36,740	-	2,000	-	1,842	1,514	2,011	1,233	45,340	-	
Gift Aid		407,296	-	12,500	-	1,719	394	3,433	1,669	427,011	-	
Other income		33,587	-	-	-	-	-	-	-	33,587	-	
Total income		477,623	-	14,500	-	3,561	1,908	5,444	2,902	505,938	-	
Expenses												
Direct Charitable Expenditure:												
Employee costs	2	306,812	-	13,421	-	-	-	-	-	320,233	-	
Elders & deacons costs incl. training	3	6,676	-	467	-	-	-	-	-	7,143	-	
Members & Visitors Costs		7,205	-	-	-	-	-	-	-	7,205	-	
Facilities & catering costs		47,621	-	-	-	-	-	-	-	47,621	-	
Costs of other outreach events		37,338	-	-	-	-	-	-	-	37,338	-	
Publicity & communications		15,820	-	-	-	-	-	-	-	15,820	-	
Donations & grants		8,200	49,256	-	-	2,399	1,923	5,837	3,358	70,973	-	
Support costs:												
Equipment, insurance & depreciation		5,109	-	-	-	-	-	-	-	5,109	-	
Professional fees & subscriptions	4	9,514	-	-	-	-	-	-	-	9,514	-	
Miscellaneous		230	-	-	-	-	-	-	-	230	-	
Total Expenses		444,575	49,256	13,888	-	2,399	1,923	5,837	3,358	521,186	-	
Surplus (deficit) before transfers between funds		33,098	(49,256)	612	-	1,162	(15)	(393)	(457)	(15,248)	-	
Transfers between funds:												
Transfers in		-	44,421	-	-	-	-	-	-	44,421	-	
Transfers out		(44,421)	-	-	-	-	-	-	-	(44,421)	-	
Total Transfers		(44,421)	44,421	-	-	-	-	-	-	-	-	
Surplus (deficit) after transfers between funds		(11,323)	(4,835)	612	-	1,162	(15)	(393)	(457)	(15,248)	-	
Balance at 1 April 2019		-	-	-	-	-	-	-	-	-	-	
Reserves transferred from Grace Church		106,149	50,646	12,124	64,429	-	15	2,339	539	236,241	-	
Balance at 31 March 2020		94,826	45,811	12,736	64,429	1,162	-	1,946	82	220,993	-	

Grace Community Church Bedford
 Financial Statements for the year ended 31 March 2020
 Balance Sheet as at 31 March 2020

Fixed Assets for use in direct charitable activities

	2020		2019
	Fixed Assets £	Total £	Total £
Transfer of Assets from Grace Church 1 April 2019	45,049	45,049	-
Additions	5,007	5,007	-
Cost of Assets 31 March 2020	50,056	50,056	-
Transfer of Depreciation from Grace Church 1 April 2019	42,470	42,470	-
Charge for year	2,873	2,873	-
Depreciation 31 March 2020	45,343	45,343	-
Net Book Value 31 March 2020	4,713	4,713	-
Net Book Value 1 April 2019	-	-	-

	General Fund £	Tithe Fund £	Building Fund £	Training Fund £	Africa Fund £	Other Funds £	Total £	Total £
<u>Monetary Assets - Cash and Bank Accounts</u>								
Cash at bank and in hand	71,642	45,811	64,429	12,736	1,162	2,028	197,808	-
	71,642	45,811	64,429	12,736	1,162	2,028	197,808	-
<u>Other Monetary Assets</u>								
Income Tax Recoverable - Gift Aids	21,515	-	-	-	-	-	21,515	-
Loans Outstanding	7,185	-	-	-	-	-	7,185	-
	28,700	-	-	-	-	-	28,700	-
<u>Liabilities - due within one year</u>								
Accruals	10,229	-	-	-	-	-	10,229	-
Total Liabilities	10,229	-	-	-	-	-	10,229	-
Net Current Assets	90,113	45,811	64,429	12,736	1,162	2,028	216,279	-
Total Assets less current liabilities	94,826	45,811	64,429	12,736	1,162	2,028	220,993	-
<u>Income Funds</u>								
Unrestricted Funds							94,826	-
Tithe Fund - Designated							45,811	-
Restricted Funds							80,356	-
Total Funds							220,993	-

Approved by the Trustees on 3rd August 2020

Signed on behalf of the Trustees



C. Almond

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2020
Notes to the financial statements

1. Accounting Policies

Tangible fixed assets

Grace Community Church is a charity registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are stated on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

Potential Impact of COVID-19

The trustees have considered the potential impact of Covid-19 to the charity. They believe that there will be an impact on its activities during the financial year to 31st March 2021. The charity carries out a significant amount of its work at events/gatherings which have been hit significantly as a result of the imposed lockdown by the UK government including measures in place for social distancing, closure of places of worship and limits on public gatherings. These have reduced the costs of the charity. Worship has still continued during the pandemic via online services and donations still continue to come in from the generous Grace community, but a small drop in gifts has been noted. This is being monitored closely on a regular basis by the Trustees and if necessary, reserves will be used to cover any deficit.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write each asset over its estimated useful life.

Office equipment - 25% straight line

2. Employee compensation costs

	2020	2019
	£	£
Salaries	266,911	-
Employer's National Insurance	20,255	-
Employer's pension contributions	33,067	-
	<u>320,233</u>	<u>-</u>

Grace Community Church Bedford
 Financial Statements for the year ended 31 March 2020
 Notes to the financial statements (continued)

3. Elders & deacons costs including training	2020	2019
	£	£
Travel costs	2,411	-
Phone costs	87	-
Training costs	750	-
General costs	2,848	-
Income replacement scheme	555	-
Elders' book allowance	492	-
	<u><u>7,143</u></u>	<u><u>-</u></u>

4. Professional fees & subscriptions	2020	2019
	£	£
Subscriptions	4,583	-
Accountancy	2,551	-
Payroll fees	1,140	-
Other professional fees	1,240	-
	<u><u>9,514</u></u>	<u><u>-</u></u>

5. Major restricted funds and designated funds

The expenses paid out of the various funds are explained below:

Designated Tithe funds

The church sets aside 10% of its donation income to be used to help other organisations and individuals in fulfilling the mission of the church. These include activities to spread the gospel in the UK and overseas as well as justice support in helping those involved with poverty relief and development. The use of the tithes is usually decided on an annual basis. The balance in the fund at 31st March 2020 was £45,811 (2019: £50,646). The funds have been distributed in the normal way after the end of the financial year.

Restricted building funds

In 2014, the Church launched an appeal of 100 for £1,000 to establish a fund to help plan a possible building project/development at the premises of where the gatherings take place. This reserve had an initial target of £100,000. At 31st March 2020, it amounted to £64,429 (2019: £64,429).

Restricted training funds

The training funds, set up in 2009 are restricted income received to be used by the church in training apprentices and associate pastors employed by the Church. The training costs include compensation, course fees, related travel and materials. Since the fund was created 12 people have been trained. At 31st March 2020, there was a balance of £12,736 (2019: £12,124).

**Independent Examiner's Report to the Trustees on the
Unaudited Accounts of Grace Community Church
For the year ended 31st March 2020**

I report on the accounts of the charitable company for the period ended 31st March 2020, which are set out on pages 6 to 10.

Responsibilities and basis of report

As described on page 3 the trustees, (who are also the directors of Grace Community Church for the purpose of company law), are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants (England & Wales).

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:

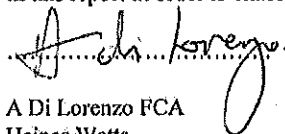
- examine the accounts under section 145 of the 2011 Act;
- to follow procedures laid down in the general Directions given by the Charity Commissioners
- to state whether particular matters have come to my attention and under section 145(5)(b) of the 2011 Act; and

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 that in any material respect:

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 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.



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Date: 6/03/2020