

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

SKYLARK CHURCH

(A company limited by guarantee)

CHARITY REGISTRATION NUMBER 1109961

COMPANY REGISTRATION NUMBER: 05442866

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**SKYLARK CHURCH
REFERENCE AND ADMINISTRATIVE DETAILS**

WORKING NAME	Skylark Church
CHARITY REGISTRATION NUMBER	1109961
COMPANY NUMBER	05442866
START OF FINANCIAL YEAR	1st April 2020
END OF FINANCIAL YEAR	31st March 2021
	John Grayston
	Peter Sims
	Nicola Sims
	Charles Kemp
	Wendy Ward
	Wayne Bishop

The existing directors appoint any new directors, following the provisions laid out in the Articles of Association.

LEGAL STATUS	Company Limited by Guarantee
GOVERNING INSTRUMENT	Registered as a Company on 4th May 2005 and as a charity on 10th June 2005.

OBJECTS

The advance of the Christian faith in Essex and other parts of the United Kingdom or the World as the Directors may from time to time think fit and other such purposes which are exclusively charitable according to the law in England and Wales and are connected with the charitable work of the Charity.

REGISTERED AND MAIN ADDRESS	Unit 4 Hanbury Way Chelmsford Essex CM1 3AE
BANKERS	HSBC 99 High Street Chelmsford CM1 1EQ
INDEPENDENT EXAMINERS	Fisher Michael Chartered Accountants & Registered Auditors The Old Grange Lordship Road Writtle Chelmsford Essex, CM1 3WT
LENDERS	Kingdom Bank Ruddington Fields Business Park Mere Way Ruddington Nottingham, NG11 6JS

**SKYLARK CHURCH
INDEPENDENT EXAMINERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

I report on the accounts of the company for the year ended 31 March 2021, which are set out on pages 8 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales (ICAEW).

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:

- to follow the procedures laid down in the general directions given to me 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 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 examiners statements


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 the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; and
- that the accounts have not been prepared in accordance with the Charities SORP (FRS 102)

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.


Andrea Kaley
for and on behalf of Fisher Michael
Registered Auditors and Chartered Accountants
The Old Grange
Warren Estate
Writtle
Chelmsford
Essex, CM1 3WT

Date: 10 December 2021

**SKYLARK CHURCH
DIRECTORS REPORT
FOR THE YEAR ENDED 31ST MARCH 2021**

The Board of Trustees, who are also directors of the Company for the purpose of the Companies Act 2006, present their annual report and financial statements of the Charity for the year ended 31 March 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (FRS 102) (effective 1 January 2015).

Structure, Governance and Management

The Memorandum and Articles of Association administered by a Board of Directors govern the Centre. During the year these Directors were:

John Grayston
Charles Kemp
Peter Sims
Nicola Sims
Wendy Ward
Wayne Bishop

Other Officers of the Centre are:

Secretary: Lesley Kemp
Administrator: Eddie Lawless
Treasurer: Marcus Ward

Organisational structure and appointment of trustees

Newly appointed directors are provided with an informal induction to the charity and mentoring by established directors.

The company endeavours to maintain a balance of skills and expertise when seeking new or replacement directors. New directors undergo an induction process which involves meeting with directors and senior trust staff and are provided with an information pack detailing their responsibilities, governance, financial and other information relating to the structure and operation of the company. All directors are invited to attend a range of training events relating to both governance issues and specific areas of the charity's work.

The Board is constituted with a number of directors to bring a blend of different experience and capacities to make good judgement and contributions. New directors may be recruited from leaders within the church, key personnel of Skylark International, members of others churches in the locality or Christians in the local business community. Following proposal by one of the existing directors, new directors are appointed after review by the whole board, and are subject to induction training and continuous involvement in viewing the activities of the charity and understanding of its objectives.

The directors present the attached financial statements for the year ended 31st March 2021.

Activities, Achievements and Performance

When reviewing the aims and objectives of the centre and when planning future activities, we have referred to the guidance contained in the Charity Commission's general guidance on public benefit.

The aims of the Centre are to advance the Christian faith, to further Christian education, to relieve persons in need and to provide facilities for the community. During the year the church has continued to grow and flourish in many areas of its operation.

Towards advancing the Christian faith, the introduction of online services has allowed us to reach new believers from a far wider area, both via social media and our website as well as running an online Alpha Course, and through online childrens and youth ministry as well as distribution of food parcels and vouchers to those in greater financial hardship due to the Covid-19 pandemic. We were able to hold two large drive-in outdoor Carol services for our congregation and local community which were well attended, and we continue to meet on Zoom fortnightly for Live Worship as well as produce regular "soundbite" short devotionals to encourage the congregation throughout the week.

SKYLARK CHURCH
DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

Activities, Achievements and Performance (continued)

We are engaging in overseas mission, drawing on the resources and experience of several congregational members. We continue to support the overseas mission of Cherish Uganda and partnered with Big Love Charity to help fund food boxes in Romania however Covid-19 travel restrictions meant we had to cancel our Romania Mission Trip. We were once again able to send over a donation to benefit the schools work and youth clubs that are run by teams residing there.

Towards furthering Christian education, Life Groups are the principle mid-week meetings for Church and continue to meet virtually, providing a smaller forum with emphasis on detailed study based on the previous week's sermon and enable the congregation to grow together in their education. The groups are flexible in style and content, to cater for a wide range of needs and new groups have grown steadily throughout the year and have been added to especially due to the use of Zoom allowing for greater accessibility and from a wider geographical area. Skylark Teach has continued virtually to offer greater depth of Bible teaching across a half-day session on a variety of topics.

Within this framework, one group, DNA, exists for the benefit of new members, to give them an overview of the various events and ministries happening within the church and also to find out our core vision and values and this continues to happen virtually as well.

The senior generation is served by a fortnightly praise CD which is recorded and sent to their homes, along with a message recorded by a member of the Church, to allow those who are less able to access our online services to continue to engage with Church. Our deaf congregation also continued to meet monthly via zoom with roughly 25 attendees.

Skylark Kids has also been required to move online. Weekly resources are being made available to children and families to follow along with the online Sunday services, and Boys and Girls specific online group are being run via Zoom to help children to remain engaged and connected with Church and one another. We were also able to run a virtual Parenting for Faith course to help equip parents and carers. There remains over 190 children on our register at present.

Skylark Youth continues to meet outdoors in bubbles of fifteen, as well as a weekly online Zoom meetings, to allow socialising and encouragement of our youth, and has also been attended by a number of youths from our wider community.

Kintsugi Hope groups have continued to run online, facilitating peer mental health support during what has been an exceptionally difficult year. Whilst much of the schools and toddlers ministry has had to temporarily halt due to Covid-19, we continue to do welfare check-ins on residents in Duke's Orchard, a local care home.

For those who are in financial need, the church gives gifts to members and others locally on an ad-hoc basis in response to known circumstances. Meals are also delivered to people who have had new babies, moved house, are unwell to mental or physical sickness or just having a difficult time. This year we have provided a greatly increased giving to both members and those made known to us by schools and other local organisations, in response to the Covid-19 pandemic, through pre-paid food vouchers as well as food parcels and smaller gift offerings to the more elderly within our community who have been rendered housebound due to isolation

The church's pastoral and counselling services have been able to continue online, with our team of counsellors providing telephone and zoom counselling, for which demand has greatly increased due to the pandemic. We were also able to run an online marriage course to help people invest into their marital health.

Given it's previous success we were also able to run a popular online recovery course to assist those struggling with different types of addictions.

SKYLARK CHURCH
DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

Activities, Achievements and Performance (continued)

This year we have increased our work alongside Tesco to regularly distribute food to those in need, including some Afghan refugee families, Safer Places Women's Refuge and to Chess, a Chelmsford local homeless charity, along with our food parcels and vouchers in response to the Covid-19 pandemic. We still maintain our support of Lighthouse Centre, an independent charity responding to need in the area of crisis pregnancy and loss. We also continue to support Redeeming Our Communities, a national initiative aimed at improving social and community cohesion.

The church is in healthy relationship with Skylark International, (formerly CGI), an organisation currently overseeing 16 churches in the UK and overseas as well as other Christian ministries. The church draws support, encouragement, inspiration from Skylark International and is pleased to give a minimum of 10% of its offering to it to help facilitate the work of our wider movement.

Despite the covid-19 pandemic, the church remains dependent on volunteers for a great number of its activities. It is impossible to gauge the financial benefits of such acts of service, but the spiritual returns are exponentially greater. Without the volunteers the church would not be able to function at its current level of output and the directors wish to take this opportunity to express their heartfelt thanks to all who have given freely of their time, talents, resources and energy.

Future Plans

Since taking ownership of the building in Hanbury Road we have assessed the suitability of the building for our future requirements and a number of improvements to the building. Further improvements may take place depending on funding.

We will continue to develop our relationships with partner schools and organisations throughout our city and wider community, and intend to restart much of our in-school ministry once the pandemic allows us to do so safely. It is our intention to build on our online service presence and to develop a "hybrid" model of church, accessible in person and online simultaneously, once in person services once again become available. In the meantime we will begin to meet as a wider church body in a local park in order to engender our ongoing sense of community in person rather than simply via online. Sunday services and in person groups, as well as face-to-face counselling, will resume as soon as it is safe to do so.

Major Risks and Controls

The major risk is in respect of the value and volatility of income, as the charity is dependant on voluntary giving. This is partly managed through cash flow monitoring and altering the timing of expenditure to reflect that on the income.

Financial Review

The Centre's funds are applied to support Christian Mission through local teaching and worship, Christian missionary work in the UK and abroad.

In the year ended 31st March 2021 major expenses were applied as follows:

In support of full and part time pastors £268,217

By way of a tithe to Skylark International £40,687

Maintenance of premises for worship and teaching locally, including mortgage interest of £27,780

In support of Christian Ministry workers in the UK and abroad £23,820

During the year there was a deficit of £25,349 primarily as a result of the Covid situation.

Accounting practices remained unchanged for the financial year. The reserves policy is stated in note 15 to the financial statements. Sundry restricted funds were continued during the past financial year for the purposes of raising funds for specified individuals and circumstances, as detailed in the notes to the financial statements.

SKYLARK CHURCH
DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

Statement of Directors' Responsibilities

The trustees (who are also directors of Skylark Church for the purposes of company law) are responsible for the overall management of the Charity, ensuring compliance with the Charity's objects and relevant legislation and also to define and agree the strategic aims and objectives of the Charity.

The trustees are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charitable Company's financial activities during the year and its financial position at the end of the year.

In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2015
- Make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for ensuring that proper accounting records are kept 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Independent Examiners

So far as the Directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charities independent examiner's are unaware, and each director has taken all the steps they ought to have taken as director in order to make themselves aware of any relevant examination information and to establish that the charity's independent examiners are aware of that information.

Approval of Annual Report

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

Approved by the Board of Directors on 10/12/2021

P Sims

Peter Sims
Signed on behalf of the Board of Directors

SKYLARK CHURCH
(Company number 5442866)
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total to 31 March 2021 £	Total to 31 March 2020 £
INCOME					
Incoming resources from generated funds					
Donations and legacies	2a	385,203	80,456	465,659	491,016
Other trading activities	2b	18,496	-	18,496	22,781
Investment income	2c	38	2	40	170
TOTAL INCOMING RESOURCES	2	403,737	80,457	484,194	513,967
EXPENDITURE					
Cost of generating funds					
Charitable activities	3a	429,299	71,159	500,458	498,030
Governance costs	3b	8,037	58	8,094	5,501
TOTAL RESOURCES EXPENDED	3	437,336	71,217	508,553	503,531
NET (OUTGOING)/ INCOMING RESOURCES BEFORE TRANSFERS		(33,599)	9,241	(24,359)	10,436
Transfers between funds	4	(5,448)	5,448	-	-
NET (OUTGOING) INCOMING RESOURCES FOR YEAR		(39,048)	14,689	(24,359)	10,436
RECONCILIATION OF FUNDS					
Total funds brought forward	4	387,737	70,539	458,276	447,841
TOTAL FUNDS CARRIED FORWARD	4	348,689	85,229	433,918	458,276

The notes on pages 11 to 19 form part of these financial statements

SKYLARK CHURCH
(Company number 5442866)
BALANCE SHEET
AS AT 31ST MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 31 March 2021 £	Total 31 March 2020 £
FIXED ASSETS					
Tangible Assets	6	295,635	526,462	822,097	840,164
CURRENT ASSETS					
Debtors	9	8,474	-	8,474	10,558
Cash at bank and in hand	10	51,192	51,731	102,923	116,734
TOTAL CURRENT ASSETS		<u>59,666</u>	<u>51,731</u>	<u>111,397</u>	<u>127,291</u>
LIABILITIES					
Creditors: amounts falling due within one year	11	6,613	12,626	19,239	16,056
NET CURRENT ASSETS		<u>53,053</u>	<u>39,105</u>	<u>92,158</u>	<u>111,235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>348,689</u>	<u>565,567</u>	<u>914,256</u>	<u>951,399</u>
Creditors: amounts falling due after one year	12	-	50,504	50,504	47,872
Creditors: amounts falling due after five years	12	-	429,834	429,834	445,251
NET ASSETS		<u>348,689</u>	<u>85,229</u>	<u>433,918</u>	<u>458,276</u>
THE FUNDS OF THE CHARITY					
Unrestricted income funds	4	348,689	-	348,689	387,737
Restricted income funds	4	-	85,229	85,229	70,539
TOTAL CHARITY FUNDS	4	<u>348,689</u>	<u>85,229</u>	<u>433,918</u>	<u>458,276</u>

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st March 2021.

The members have not required the charitable company to obtain an audit for its financial statements for the financial year ended 31st March 2021 in accordance with section 476 of the Companies Act 2006

The trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and its surplus or deficit for each financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Approved by the Board of Directors on 10/12/2021

P Sims

Peter Sims

Signed on behalf of the Board of Directors

The notes on pages 10 to 19 form part of these financial statements

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES

Accounting Convention

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 provisions of Section 1A "Small Entities" of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general activities of the charity.

Restricted funds are subject to restrictions placed on their expenditure imposed by the donor.

There are no designated funds that the directors have earmarked for specific purposes.

Incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, the directors are virtually certain they will receive the resources and the monetary value can be measured with sufficient reliability.

Where incoming resources have related expenditure (as with fundraising or contract income), the incoming resource and related expenditure are reported gross in the SOFA.

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resource.

Incoming resources from tax reclaims are included in the SOFA at the same time as the gift to which they relate.

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

Donated services and facilities are included in incoming resources (with an equivalent amount in resources expended), where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

The value of volunteer help received is not included in the Financial Statements, but is described in the director's report.

Investment Income is included in the Financial Statements when receivable.

Resources Expended and Creditors

Liabilities are recognised when incurred or a commitment is made.

Governance costs include costs of the preparation and examination of statutory financial statements, the costs of director's meetings and legal advice to directors on governance or constitutional matters.

Where the charity has given a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES (Continued)

Resources Expended and Creditors (Cont.)

Grants made or received without performance conditions are only recognised in the SOFA, when a commitment has been made and there are no conditions to be met relating to a grant which remain in the control of the charity.

Support costs including central functions have been allocated to activity cost categories on a basis consistent with the use of resources.

Value Added Tax

The Charity's activities are classified as exempt for the purposes of value added tax and the Charity is unable to reclaim the value added tax which it suffers on its expenses. Expenditure in these financial statements is therefore shown inclusive of value added tax.

Tangible Fixed Assets

Tangible fixed assets for use by the charity are capitalised if they can be used for more than one year and cost at least £500. They are valued at cost or if gifted at the value to the charity on receipt.

Depreciation is calculated at a rate to write off the cost of the tangible fixed asset on a straight line basis over their estimated useful life. The rates applied per annum are as follows:

Fixed Asset Class	Depreciation Rate
Freehold Land	0%
Freehold Buildings	2.5%
Fixtures, Fittings and Equipment	33%
Leasehold building improvements	33%
Motor Vehicles	25%

There has been no changes to the accounting policies (valuation rules and methods of accounting) since last year. The legal, banking, valuation and other expenses related to the purchase are expensed rather than capitalised.

Pension Scheme

The charity contributes to a Skylark International group scheme with Royal London at rates set by the scheme actuary and advised to the board by the scheme administrator. The scheme is a multi employer charity Scheme and advice to the board is by the scheme actuary. In accordance with FRS17 the scheme is accounted for as a defined contribution scheme.

Operating Leases

Rentals payable under operating lease agreements are charged as expenditure on a straight line basis over the term of the lease.

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

2. INCOME

	Unrestricted Funds £	Restricted Funds £	Total to 31 March 2021 £	Total to 31 March 2020 £
a) Donations and Legacies				
General and Weekly Offerings	290,456	43,826	334,283	388,013
Donations and CAF Vouchers	22,680	36,630	59,310	30,112
Tax Recovered	66,633	-	66,633	68,472
Vision Offerings	5,433	-	5,433	4,419
	<u>385,203</u>	<u>80,456</u>	<u>465,659</u>	<u>491,016</u>
b) Other Trading Activities				
Fees Received	18,426	-	18,426	22,140
Sales	70	-	70	10
Rental Income	-	-	-	631
	<u>18,496</u>	<u>-</u>	<u>18,496</u>	<u>22,781</u>
c) Investment Income				
Bank Interest	38	2	40	170
	<u>38</u>	<u>2</u>	<u>40</u>	<u>170</u>
	<u>403,737</u>	<u>80,457</u>	<u>484,194</u>	<u>513,967</u>

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

3. EXPENDITURE

	Note	Unrestricted Funds £	Restricted Funds £	Total to March 2021 £	Total to March 2020 £
a) Costs of Charitable Activities					
Salaries National Insurance and Pensions	5)	268,217	-	268,217	261,904
Training and Education		1,975	-	1,975	1,893
Mission and Support Grants:	3 c)	64,507	-	64,507	58,160
Building Mortgage interest		27,780	-	27,780	28,412
Building Repairs and Maintenance		3,647	-	3,647	5,848
Cleaning		1,378	-	1,378	7,032
Security and Safety		2,250	-	2,250	1,434
Water, Heat and Light		7,149	-	7,149	11,201
Bank Charges		439	-	439	964
Books, CD's and DVDs		488	54	542	1,568
Computer and Internet		1,300	29	1,328	1,580
Depreciation		5,149	18,396	23,545	23,696
Entertainment and Catering		-	-	-	5,842
Equipment and Materials		1,029	466	1,495	12,841
Food and Accommodation		650	13,035	13,685	10,479
Hire of Facilities		882	-	882	11,426
Insurances		8,266	-	8,266	7,827
Outside Support Services		17,166	4,125	21,291	17,721
Pastoral Gifts and Expenses		2,833	34,008	36,841	10,644
Postage and Courier		382	-	382	45
Printing and Stationery		3,304	9	3,313	4,609
Outside Speakers		2,050	-	2,050	2,410
Telephone and Fax		7,644	-	7,644	7,742
Travel Costs		38	38	76	1,533
Vehicle Running Costs		775	-	775	1,219
Grant Refund		-	1,000	1,000	-
		<u>429,299</u>	<u>71,159</u>	<u>500,458</u>	<u>498,030</u>
b) Governance Costs					
Subscriptions and Licenses		5,924	58	5,981	3,401
Independent Examination fees - current year		2,113	-	2,113	2,100
		<u>8,037</u>	<u>58</u>	<u>8,094</u>	<u>5,501</u>
		<u>437,336</u>	<u>71,217</u>	<u>508,553</u>	<u>503,531</u>

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

3 c) Mission and Support Grants:

	Unrestricted Funds	Restricted Funds	Total to 31 March 2021	Total to 31 March 2020
Local and UK Organisations				
Skylark International	40,687	-	40,687	38,840
Mrs Race	4,620	-	4,620	4,620
Lighthouse Family Trust	1,200	-	1,200	1,200
ROC	1,200	-	1,200	1,200
Care for the Family	1,200	-	1,200	1,200
Kintsugi Hope	3,500	-	3,500	3,000
Mothers Union	500	-	500	500
Christians Together in Chelmsford	-	-	-	500
Overseas Mission Organisations				
Cherish a Child	6,600	-	6,600	6,600
Outstretched Hands	5,000	-	5,000	-
Hedges of Mercy	-	-	-	500
	<u>64,507</u>	<u>-</u>	<u>64,507</u>	<u>58,160</u>

The mission and support grants are for the following purposes:

- The tithe to Skylark International is towards supporting the movement to which SC belongs.
- Lighthouse family Trust is a pregnancy advice service operating in Chelmsford.
- The Races are former retired elders of SC whom the charity has chosen to support.
- Cherish a Child supports AIDs orphans in Uganda.
- Outstretched Hands is a charity working with the poor in Romania.
- Hedges of Mercy supports the relief of poverty, evangelism, church plants & community work in Nigeria
- Care for the Family's aim is to promote strong family life and to help those who face family difficulties.
- ROC is a charity active in helping churches engage their community and impact it for the better
- Kintsugi Hope exists to create safe and supportive spaces for those experiencing mental and emotional health challenges
- Mothers Union is a global Christian movement to develop communities, strengthen families and advocate for change.
- Christians Together in Chelmsford aims to be a champion and a catalyst for all God is doing through Churches, Christian based organisations and individuals in Chelmsford.

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

4. FUNDS OF THE CHARITY

	Opening Balance at 1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	Closing Balance at 31 March 2021 £
Restricted Funds					
Community Fund	31,034	22,449	(22,657)	-	30,825
Pastoral Fund	8,854	58,009	(47,559)	-	19,304
Petchey Achievement Awards	4,176	-	(1,000)	-	3,176
Other	26,475	-	-	5,448	31,923
	<u>70,539</u>	<u>80,458</u>	<u>(71,217)</u>	<u>5,448</u>	<u>85,229</u>
Unrestricted Fund	<u>387,737</u>	<u>403,737</u>	<u>(437,336)</u>	<u>(5,448)</u>	<u>348,689</u>
	<u>458,276</u>	<u>484,194</u>	<u>(508,553)</u>	<u>-</u>	<u>433,918</u>

The building fund is for the purchase of the building at Hanbury Road and related expenses.

The Community fund covers work that Skylark Church performs in and for the Community and includes assets transferred from ROC Chelmsford.

The Pastoral fund normally holds donations for pastoral care of individuals within the Church.

This year its use has been opened out to also support individuals in the community and homes run by local charities in need of additional support due to Covid.

The Petchey achievement awards scheme is to support monthly awards to youth groups.

Due to Covid, a grant received from the Petchey foundation could not be used this year and the £1000 outgoing above was a return of the grant to the foundation.

5. STAFF COSTS AND NUMBERS

	31-Mar-21 £	31-Mar-20 £
Gross Wages and Salaries	231,761	226,257
Employer's National Insurance	12,951	13,527
Employer's Pension Contribution	23,505	22,120
	<u>268,217</u>	<u>261,904</u>

The average number of employees who were engaged in the year is as follows:

	31-Mar-21	31-Mar-20
Activities in furtherance of organisation's objects	13	13
Full time equivalent	7	7

The charity operates a PAYE scheme to pay all employed members of staff. No individual employee received emoluments over £60,000.

The charity contributes to a Pension Fund with Scottish Life. Contributions are made by the employees at 4% and the employer at 10% for those employees who are members of the scheme.

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

6. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Building Renovations £	Fixtures Fittings and Equipment £	Total £
Cost				
At 31st March 2020	965,074	22,916	105,386	1,093,376
Additions	-	-	5,478	5,478
Disposals	-	-	1,001	1,001
As at 31st March 2021	<u>965,074</u>	<u>22,916</u>	<u>109,863</u>	<u>1,097,853</u>
Depreciation				
As at 1st April 2020	136,142	21,448	95,622	253,212
Charge for the year	17,500	928	5,117	23,545
Elimination on disposals	-	-	1,001	1,001
As at 31st March 2021	<u>153,642</u>	<u>22,376</u>	<u>99,738</u>	<u>277,758</u>
Net Book Value				
At 1st April 2020	828,932	1,468	9,764	840,164
At 31st March 2021	<u>811,432</u>	<u>540</u>	<u>10,125</u>	<u>822,097</u>

The freehold land and buildings comprise of the chapel on Chignal Road, Chelmsford and Unit 4 on Hanbury Road, Chelmsford. The unit at Hanbury Road was purchased for £845,000 in June 2012. The directors have allocated £145,000 to land and £700,000 to the building, with the building being depreciated. Both premises are used for the charity's activities and therefore are included at cost. As there are few similar properties in the area the market value is difficult to calculate. As part of the purchase of Hanbury Road the chapel was valued by the bank securing the loan against it and the directors believe that the valuation is similar to the £120,000 which is included in the above.

The additions this year relate to the purchase of a freezer for pastoral meals, upstairs lounge carpet and a macbook for community work.

7. COMMITMENTS UNDER OPERATING LEASES

The Charity has a rental and copy charges on a photocopier in the office for five years which started in 2017, that is due to expire in April 2022. The Charity also has a rental charge on a cloud telephone system for five years which started during the year and is due to expire in April 2024.

A renewal of the photocopier rental was agreed in October 2020 with the lease commencing in November 2020. The new lease is due to expire in November 2025.

At year end the minimum lease payments under non cancellable operating leases fall due as follows:

	31-Mar-21 £	31-Mar-20 £
Obligation per annum:		
Within One Year	1,543	2,105
Between one and five years	4,460	7,100
	<u>6,003</u>	<u>9,205</u>

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

8. TAXATION

As a charity, Skylark Church is exempt from tax on income and gains falling within section 478 of the Corporation Tax Act 2010 (CTA 2010) to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

9. DEBTORS AND PREPAYMENTS

	31-Mar-21	31-Mar-20
	£	£
Tax Recoverable	7,497	9,454
Sundry Debtors and Prepayments	977	1,104
	<u>8,474</u>	<u>10,558</u>

10. CASH AT BANK AND IN HAND

	31-Mar-21	31-Mar-20
Current Account	15,519	18,217
Deposit Account	35,629	64,602
Community Account	51,731	33,871
Cash	44	44
	<u>102,923</u>	<u>116,734</u>

11. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31-Mar-21	31-Mar-20
	£	£
Accruals	1,311	1,491
Audit and Accountancy	2,100	2,100
Credit Cards	3,202	497
Mortgage payable within one year	12,626	11,968
	<u>19,239</u>	<u>16,056</u>

12. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	31-Mar-21	31-Mar-20
	£	£
Mortgage repayable over 30 years to June 2042 due as follows:		
Between one and five years	50,504	47,872
In more than five years	429,834	445,251
	<u>480,338</u>	<u>493,123</u>

The mortgage is a repayment loan and bears an interest which is currently 5.5%.

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

13. RISK ASSESSMENT

The directors actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out, will provide sufficient resources in the event of adverse conditions. The directors have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

14. RELATED PARTIES

The following amounts were paid to or on behalf of related parties:

Related Party	Salary £	Pension contributions £	Grant £	Other £	Total to 31 March 2021 £	Total to 31 March 2020 £
Pete and Nicki Sims	66,500	6,650	-	341	73,491	73,964
Lesley Kemp	8,100	810	-	-	8,910	9,900
Skylark International	-	-	40,687	-	40,687	38,840
	<u>74,600</u>	<u>7,460</u>	<u>40,687</u>	<u>341</u>	<u>123,088</u>	<u>122,704</u>

Subject to certain conditions, the Memorandum of association permits directors who offer their services to the Charity as a religious pastor, to be remunerated out of income or property of the charity.

Two of the directors have received payment for travel, subsistence and study expenses of £341 (prior year £814) in relation to services provided to the Company.

During the year the following amounts were received from related parties:

Related Party	Total to March 2021	Total to March 2020
Skylark International Rental Income (inc Conferences)	11,109	11,024
Skylark International - Payment for Admin Support	<u>11,109</u>	<u>11,024</u>

SKYLARK CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

15. RESERVES POLICY

The directors have considered the level of reserves they wish to retain, appropriate to the charity's needs. The directors consider it appropriate to retain a level of reserves held in liquid assets equal to one week of running costs. This is based on the charity's size and the level of commitments held. The directors aim to ensure the charity will be able to continue to fulfil their charitable objectives even if there is a temporary shortfall in income. The directors will endeavour to not 'sit' on funds unnecessarily.