

Chiltern Church

Report and Accounts

year ended 31 December 2020

stewardship[®]

1 Lamb's Passage LONDON EC1Y 8AB
t: 0208 502 5600
e: enquiries@stewardship.org.uk
w: www.stewardship.org.uk

CHILTERN CHURCH
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020

| | |
|--|---|
| ADDRESS FOR CORRESPONDENCE | Mrs Susan Legg Chiltern Church 83 Chiltern Road Sutton Surrey SM2 5QY |
| GOVERNING DOCUMENT | Trust deed dated 1963 Trust deed dated 1958 for church buildings only |
| CHARITY REGISTRATION NUMBER | 1116502 |
| TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY | Rachel Berende Mark Constantinou Ram Gidoomal Susan Legg David Lunn John Morton Adebimpe Oki David Roberts |
| CUSTODIAN TRUSTEES | The Church Growth Trust |
| BANKERS | CAF Bank Ltd HSBC UK National Westminster Bank Plc Nationwide Building Society |
| INDEPENDENT EXAMINER | Jaimée Young Stewardship 1 Lamb's Passage LONDON EC1Y 8AB |

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Chiltern Church – Charity 1116502

Report of the Trustees for the year ended 31 December 2020

The Trustees have pleasure in submitting their Report and Accounts for the year.
The accounts incorporate the accounts of Chiltern Church Property Trust.

Objects of the Church

The objects of the Church comprise –

- The advancement of the Protestant and evangelical tenets of the Christian Faith, either in the United Kingdom or overseas.
- The encouragement of missionary activity designed for the spread of the Christian faith.
- The furtherance of religious education.
- The relief of the poor and needy.
- The help and comfort of the sick and aged.
- The administration of any property or estate for any religious or other charitable object, institution or work.
- The general advancement of any religious or other charitable object, not inconsistent with the above.

Governance and staff resources

The Trustees are responsible for ensuring that the property and activities of Chiltern Church (the Church) are applied to the above objects and this includes making regulations for the management of the Church building and any property owned by the Church. They are legally responsible for all activities, employees and funds used in the Church and its associated activities.

The Trust Deeds do not provide for the running and day to day management of the Church. The Church Constitution therefore complements the Trusts by setting out rules and procedures for the regulation of the Church's affairs, subject always to the requirements of the Trust Deeds. Under the Constitution, the Leadership Team, chaired by the Pastor, lead the day to day direction and operation of the Church and plan and supervise the activities of the Church under delegated authority from the Trustees. A series of policies are also in place to provide for the effective operation and safety of the Church (e.g. Health and Safety, Safeguarding) and these are reviewed regularly and any changes are agreed by the Leadership Team and Trustees.

The staff, Trustees, Leadership Team, and church members comprise people of a great variety of backgrounds and ages, whose lives have been changed by the Christian faith. A large proportion of the membership of the church are involved as volunteers in leading and helping to run the activities of the Church.

The Church is fortunate to have two full-time members of staff, namely the Pastor and the Youth & Worship Pastor, and three part-time staff positions (Children & Families Leader, Children & Families Worker and Church Administrator). We were very pleased to appoint Nikki Humphreys as Children & Families Leader with effect from March of this year. This position integrates two former roles of Children's Worker and Tots & Toys Leader. Nikki has strong experience in church-based children's work and teaching.

Review of Activities

The vision of the Church is for our fellowship to be energized by the love and power of God, to grow as followers of Jesus and share His hope with our community, city and world. These three elements are summarized as Loved, Equipped and Involved. The inspiration of the Bible, the essential role of the Holy Spirit and Jesus' message of love and redemption are at the core of the ministry of the church. Further details of our vision and core values and all the activities of the church are available on the church's website at www.chilternchurch.org.uk.

The Coronavirus epidemic had an extensive impact on the activities of the church during the year. In the first quarter of the year, prior to the onset of the epidemic, the activities of the church flourished as normal. Sunday services were well attended as were Connect Groups and groups for children, youth, seniors and families. We also had a very successful weekend away for the church in Eastbourne in February. With the first Coronavirus lockdown in March, the activities of the church moved to on-line platforms. Sunday services were streamed by YouTube and other groups were facilitated by Zoom meetings. We are grateful for the expertise and flexibility of staff and our technical team in managing an excellent transition and enabling an increasingly sophisticated use of these platforms as the year progressed. As Coronavirus restrictions were eased during the year, activities were reintroduced into the church on a cautious, socially distanced basis. We have sought to take all appropriate measures to ensure the safety of our congregation, volunteers and staff in response to the risks posed by the pandemic.

The premises are normally used as a community facility for various local initiatives. However, use of the premises this year has been curtailed by Coronavirus restrictions. We have continued to maintain a high standard of maintenance and facilities across all the Church's property. In the first quarter of the year we undertook an extensive upgrade of the electrical infrastructure of the church and enhanced external lighting. We also took the opportunity during the year to redecorate key areas of the building.

Financial Review

Details of the Church's finances are set out in the accompanying accounts. Coronavirus restrictions had a major adverse impact on the church's income from use of church premises, from Tots & Toys (our mother and toddlers' group) and Sunday collections. This was partially offset by cost reductions due to closure of the church building and furlough claims. In view of all these factors, we budgeted for a substantial deficit of circa £10,000 on the normal activities of the church for the year. However, we continue to be blessed by the giving of our members and friends by standing order and bank transfer and this increased well beyond our expectations for the year with the result that the deficit was far lower than budgeted. However, in addition to this smaller deficit on the normal activities of the church, we also incurred one-off costs for investing in the purchase of the pastor's house and the upgrade of the church's electrical infrastructure and lighting.

The church sustained its regular giving in the year to missionaries, charitable organizations and relief projects in the UK and overseas. In addition, the church also held a Christmas Appeal to raise funds for a new community food shop in the local area, a church operating in a challenging locality and the Tearfund Christmas Appeal. It raised over £12,000 comprising £4000 from the Church's own resources and, encouragingly, over £8,000 from members and friends.

The Church has, in recent years, rented a home for the pastor and his family. This year, the Church assisted the pastor and his wife to purchase a home on a shared ownership basis and the existing rental arrangement ended. The Church has an interest of approximately 40% in the new property. It financed its stake with an existing fund designated for this purpose and finance raised from a mortgage on the flat owned by the church.

Reserves

The Church has a minimum reserves policy which is reviewed annually by the Trustees. These monies are not invested in fixed assets, designated for specific purposes, or otherwise committed. The Trustees consider that the church should continue to maintain the minimum level of general reserves at a level broadly equivalent to three months of expenditure on salaries and other committed costs. In accordance with this policy, the Trustees agreed to increase minimum general reserves from £25,000 to £30,000 with effect from the end of 2018 in view of the increased level of the church's salary costs. On review we have agreed to maintain minimum general reserves at this higher level of £30,000. This minimum level of reserves provides flexibility to cover short term risks and uncertainties, such as fluctuations in donations and other short-term timing differences, and meet contractual obligations.

The church currently has significant undesignated reserves above the minimum level of reserves and these are available for investment in the ministry and facilities of the church. In addition, the church has a designated reserve to enable purchase of accommodation for the pastor in the church area. This reserve was invested in the purchase of a house for the pastor and his family on a shared ownership basis in April of this year as described in the Financial Review section above.

Investment Policy

The policy for investing church reserves, not represented by church property, is as follows:-

- Funds in the general reserves representing the minimum amount seen as being required by the Trustees, are held in current accounts or interest-bearing deposits with up to a three months' notice period.
- Funds in excess of the minimum required level of general reserves are held in current accounts or interest-bearing deposits with no restrictions on notice period.
- In either case, deposits are placed with UK banks, building societies or other UK institutions of good standing (e.g. the Charities Aid Foundation) and are covered by the Financial Services Compensation Scheme.

Risk Control

The Trustees review, on an annual basis, the significant risks to which the church may be exposed and the measures in place to contain such risks. The Leadership Team and activity leaders are also involved in risk assessment and mitigation.

Provision of Public Benefit

The Leadership Team and the Trustees acknowledge the guidance of the Charity Commission in respect of Public Benefit and Religion and have paid due regard to it. The wide ranging and varied activities of the Church supply much appreciated benefit and support both to those in the church, the community and to various projects and individuals around the world. These benefits have helped to meet spiritual, physical and educational needs and supported and helped communities irrespective of background and status. It is the Church's policy to set aside 10% of its undesignated donation income and associated gift aid for funding missionaries, charitable organizations and relief projects in the UK and overseas.

Trustee Responsibilities

Charity law requires us as Trustees to prepare financial statements for each accounting year which record the receipts and payments of the Church for the year. We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Church and enable us to ensure that the financial statements comply with the Charities Act 2011. We also have responsibility to safeguard the assets of the Church and to take reasonable steps to prevent fraud or any other irregularities.

Approval This report was approved by the Trustees on 22 March 2021 and signed on their behalf by Susan Legg.

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
CHILTERN CHURCH

I report to the trustees on my examination of the accounts of Chiltern Church ('the charity') for the year ended 31 December 2020 on pages 6 to 9 following.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 accordance with section 130 of the 2011 Act; or
2. the accounts do not accord with the accounting records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jaimée Young

Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Date: 06 April 2021

CHILTERN CHURCH
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | <u>Unrestricted</u> | | <u>Restricted</u> | | Total 2020 £ | Total 2019 £ |
|---|-------|-----------------------|--------------------------|------------------------|--------------------------|--------------------|--------------------|
| | | General Funds £ | Designated Funds £ | Property Trust £ | Other Restricted £ | | |
| <i>Income receipts</i> | | | | | | | |
| Donations | | 115,855 | - | - | 11,450 | 127,305 | 153,671 |
| Gift aid receipts | | 22,548 | - | - | 1,543 | 24,091 | 32,909 |
| Legacies | | - | - | - | 5,000 | 5,000 | - |
| Government grants | | 1,930 | 958 | - | - | 2,888 | - |
| Income from charitable activities | | 717 | 3,544 | - | - | 4,261 | 13,363 |
| Income from letting of facilities | | - | - | 1,339 | - | 1,339 | 3,631 |
| Events | | 4,206 | - | - | - | 4,206 | 7,576 |
| Investment income | | 214 | - | - | - | 214 | 609 |
| Other | | 20 | - | - | - | 20 | 909 |
| | | <u>145,490</u> | <u>4,502</u> | <u>1,339</u> | <u>17,993</u> | <u>169,324</u> | <u>212,668</u> |
| <i>Capital and similar receipts</i> | | | | | | | |
| Mortgage received | | 130,000 | - | - | - | 130,000 | - |
| Returned rental deposit | | 2,840 | - | - | - | 2,840 | - |
| | | <u>132,840</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>132,840</u> | <u>-</u> |
| <i>Total receipts</i> | | <u>278,330</u> | <u>4,502</u> | <u>1,339</u> | <u>17,993</u> | <u>302,164</u> | <u>212,668</u> |
| <i>Payments</i> | | | | | | | |
| Payments in relation to charitable activities undertaken directly | 2 | 147,710 | 10,982 | 7,853 | 14,274 | 180,818 | 213,968 |
| Grants paid in relation to charitable activities undertaken by others | 3 | 14,980 | - | - | 8,222 | 23,202 | 14,298 |
| | | <u>162,690</u> | <u>10,982</u> | <u>7,853</u> | <u>22,496</u> | <u>204,020</u> | <u>228,266</u> |
| <i>Capital and similar payments</i> | | | | | | | |
| Purchase of property | | 130,000 | 66,000 | - | - | 196,000 | - |
| | | <u>130,000</u> | <u>66,000</u> | <u>-</u> | <u>-</u> | <u>196,000</u> | <u>-</u> |
| <i>Total payments</i> | | <u>292,690</u> | <u>76,982</u> | <u>7,853</u> | <u>22,496</u> | <u>400,020</u> | <u>228,266</u> |
| Net of receipts / (payments) before transfers | | (14,359) | (72,480) | (6,514) | (4,503) | (97,855) | (15,598) |
| Transfers between funds | 5 | 3,292 | (13,606) | 6,514 | 3,800 | - | - |
| Net movement in funds | | <u>(11,067)</u> | <u>(86,085)</u> | <u>-</u> | <u>(703)</u> | <u>(97,855)</u> | <u>(15,598)</u> |
| Cash funds as at last year end | | 62,506 | 92,515 | - | 407 | 155,428 | 171,026 |
| Cash funds at this year end | A | <u>51,438</u> | <u>6,430</u> | <u>-</u> | <u>(296)</u> | <u>57,573</u> | <u>155,428</u> |

The notes on pages 8-9 form part of these accounts.

CHILTERN CHURCH
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

| | <u>Unrestricted</u> | | <u>Restricted</u> | | | |
|--|---------------------|------------------|-------------------|------------------|----------------|----------------|
| | General funds | Designated funds | Property Trust | Other Restricted | Total 2020 | Total 2019 |
| | £ | £ | £ | £ | £ | £ |
| A Cash funds | | | | | | |
| Bank operating accounts | 6,287 | - | - | (296) | 5,991 | 14,334 |
| Bank deposits | 44,552 | 6,430 | - | - | 50,983 | 140,545 |
| Petty cash and prepaid card | 599 | - | - | - | 599 | 549 |
| | <u>51,438</u> | <u>6,430</u> | <u>-</u> | <u>(296)</u> | <u>57,573</u> | <u>155,428</u> |
| B Other monetary assets | | | | | | |
| Gift aid due to charity | 8,584 | - | - | - | 8,584 | 6,446 |
| Rental deposit paid | - | - | - | - | - | 2,940 |
| Other debtors | - | - | - | - | - | 700 |
| | <u>8,584</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,584</u> | <u>10,086</u> |
| C Liabilities | | | | | | |
| Falling due within one year: | | | | | | |
| Mortgage | 11,345 | - | - | - | 11,345 | - |
| Creditors and accrued costs | 58 | - | - | - | 58 | 896 |
| Retention fees | - | - | - | - | - | 727 |
| Accounts preparation and independent examination | 1,380 | - | - | - | 1,380 | 1,380 |
| Church weekend 2020 deposits | - | - | - | - | - | 5,089 |
| | <u>12,783</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,783</u> | <u>8,092</u> |
| Falling due after one year: | | | | | | |
| Mortgage | <u>118,487</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>118,487</u> | <u>-</u> |
| | <u>118,487</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>118,487</u> | <u>-</u> |
| Total | <u>131,269</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>131,269</u> | <u>8,092</u> |

The mortgage, secured on a freehold property owned by the church, is repayable over 15 years at an interest rate of 3.75% per annum

| D Assets retained for charity's own use | Insurance Value 2020 | Insurance Value 2019 |
|--|----------------------|----------------------|
| | £ | £ |
| Freehold and leasehold properties | 1,500,000 | 1,406,000 |
| Equipment | 120,000 | 97,000 |
| | <u>1,620,000</u> | <u>1,503,000</u> |

The trustees have used insurance values as the trustees are unable to reliably estimate current values; insurance values may differ materially from current values.

The accounts were approved by the trustees and signed on their behalf

by Susan Legg date 22 March 2021

The notes on pages 8-9 form part of these accounts.

CHILTERN CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

The accounts have been prepared on a receipts and payments basis and comprise a statement that shows the charity's receipts and payments, a statement that summarises the charity's assets and liabilities and related notes. The accountancy profession have determined that only accounts prepared in accordance with applicable accounting standards present a 'true and fair' view and, as these receipts and payments accounts have not (and cannot) be prepared in accordance with accounting standards, these accounts do not present (and are not intended to present) a 'true and fair' view of the charity's financial activities and state of affairs.

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

| | <u>Unrestricted</u> | | <u>Restricted</u> | | Total | Total |
|--|---------------------|------------------|-------------------|------------------|----------------|----------------|
| | General funds | Designated funds | Property Trust | Other Restricted | 2020 | 2019 |
| | £ | £ | £ | £ | £ | £ |
| 2 Payments in relation to charitable activities undertaken directly | | | | | | |
| Ministry employment costs | 93,697 | - | - | - | 93,697 | 99,334 |
| Building refurbishment costs | - | - | - | 9,870 | 9,870 | 64,321 |
| Literature & publicity | 181 | - | - | - | 181 | 851 |
| Sunday Services | 259 | - | - | - | 259 | 272 |
| Events | 10,116 | - | - | - | 10,116 | 3,715 |
| Youth and children (including salary) | 1,634 | 10,982 | - | 738 | 13,354 | 17,592 |
| Subscriptions | 1,923 | - | - | - | 1,923 | 1,775 |
| Equipment | 700 | - | - | 3,038 | 3,738 | 1,985 |
| Insurance | - | - | 1,245 | - | 1,245 | 1,589 |
| Utilities | - | - | 2,642 | - | 2,642 | 3,544 |
| Repairs & maintenance | - | - | 3,966 | 316 | 4,282 | 4,911 |
| 48 Devonshire House: | | | | | | |
| Service charge | 1,112 | - | - | - | 1,112 | 1,100 |
| Other expenses | 434 | - | - | 313 | 746 | 1,860 |
| New property purchase: | | | | | | |
| Property costs (purchase, refurbishment etc.) | 19,621 | - | - | - | 19,621 | - |
| Mortgage | 8,509 | - | - | - | 8,509 | - |
| Rent | 735 | - | - | - | 735 | - |
| Photocopying & stationery | 1,885 | - | - | - | 1,885 | 2,006 |
| Cleaning | 2,610 | - | - | - | 2,610 | 4,162 |
| Kitchen and cleaning supplies | 721 | - | - | - | 721 | 1,998 |
| Governance | 1,380 | - | - | - | 1,380 | 1,080 |
| Telephone | 573 | - | - | - | 573 | 502 |
| Professional fees | 720 | - | - | - | 720 | 594 |
| Training | 37 | - | - | - | 37 | 481 |
| Other | 864 | - | - | - | 864 | 295 |
| | <u>147,710</u> | <u>10,982</u> | <u>7,853</u> | <u>14,274</u> | <u>180,818</u> | <u>213,968</u> |

3 Grants and gifts paid to others

Organisations:

| | | | | | | |
|-------------------------------------|---------------|----------|----------|--------------|---------------|---------------|
| Sutton Schools Work | 2,050 | - | - | - | 2,050 | 2,200 |
| Sutton Community Works | 2,683 | - | - | 1,995 | 4,678 | 3,123 |
| Tearfund | 2,583 | - | - | 1,951 | 4,534 | 1,525 |
| Horizon Church | 1,333 | - | - | 3,926 | 5,259 | - |
| Other institutions less than £1,000 | 6,030 | - | - | - | 6,030 | 6,295 |
| <i>Individuals:</i> | 300 | - | - | 350 | 650 | 1,155 |
| | <u>14,980</u> | <u>-</u> | <u>-</u> | <u>8,222</u> | <u>23,202</u> | <u>14,298</u> |

CHILTERN CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Transactions with related parties

Alla Lunn, wife of trustee David Lunn, was paid a total of £9,653 [2019: £8,882] as church administrator and as a leader of the church's parent and toddler group. Mr Lunn does not participate in any trustee discussions concerning his wife's employment. This payment is permitted by the Charity Commission.

5 Movement of funds

| | Balance at 31Dec2019 £ | Receipts £ | Payments £ | Transfers £ | Balance at 31Dec2020 £ |
|--------------------------------------|------------------------------|----------------|------------------|-----------------|------------------------------|
| General funds | 62,506 | 278,330 | (292,690) | 3,292 | 51,438 |
| Designated funds | | | | | |
| Property fund | 92,041 | - | (66,000) | (19,621) | 6,420 |
| Tots & Toys | 474 | 4,502 | (10,982) | 6,015 | 10 |
| | <u>155,021</u> | <u>282,832</u> | <u>(369,671)</u> | <u>(10,314)</u> | <u>57,869</u> |
| Restricted funds | | | | | |
| Property Trust | - | 1,339 | (7,853) | 6,514 | - |
| Sutton Community Works Night Shelter | (206) | 250 | (44) | - | - |
| Christmas Appeal 2020 | - | 7,532 | (7,828) | - | (296) |
| Lighting project | - | 6,070 | (9,870) | 3,800 | - |
| Livestream | - | 3,038 | (3,038) | - | - |
| Other | 613 | 1,104 | (1,717) | - | - |
| | <u>407</u> | <u>19,332</u> | <u>(30,348)</u> | <u>10,314</u> | <u>(296)</u> |
| Total funds | <u>155,428</u> | <u>302,164</u> | <u>(400,020)</u> | <u>-</u> | <u>57,573</u> |

The designated Property fund represents monies set aside to assist future ministers secure appropriate accommodation in the church area. During 2020, £66,000 from this fund was used in the purchase of 1 The Laurels and a further £19,621 was disbursed to cover the purchase expenses and essential refurbishment agreed before the purchase of the property.

The Chiltern Church Property Trust is the original Trust set up in 1958 and limited to the church buildings. In 1963 the trustees signed another trust deed to provide wider powers. The Charity Commission has recognised the second trust as the prime charity with the earlier 1958 trust set up as a linked charity.

The negative balance of the Christmas Appeal 2020 fund was cleared by funds received after the year end.