

Staplehurst Free Church
Reports and Financial Statements
For the year ended 31 October 2020

Company number: 06725987
Charity number: 1127205



REFERENCE AND ADMINISTRATION INFORMATION

Trustees

T Hawgood
R Howse
R Laming
Mrs K Minett
G. Smith

Address of the principal office of the charity

Staplehurst Free Church
Station Road
Staplehurst
Kent
TN12 0QQ

Independent Examiner

Mr L.C. Seal ACCA FAIA
Blain Pritchard
74 College Road
Maidstone
Kent
ME15 6SL

Treasurer

Mr Roger Bashford

Bankers

National Westminster Bank plc
Maidstone Branch
3 High Street
Maidstone
Kent
ME14 1XU

TRUSTEES REPORT

The trustees are pleased to present their report together with the financial statements for the year ended 31 October 2020. The financial statements comply with current statutory requirements, the Companies Act 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) effective from January 2015.

STRUCTURE, MANEAGEMENT AND GOVERNANCE

The charity is a company limited by guarantee, with a Memorandum and Articles of Association as its governing document. It was incorporated on 16th October 2008. Previously Staplehurst Free Church, which began in the home of one of the founder members in 1969, was an unincorporated charity governed by a Trust Deed.

There is also a Constitution of Staplehurst Free Church which applies to all who are in membership. This document sets out the purpose, statement of faith, vision, mission and goals. It also contains provisions regarding membership, the governance of the church through the leadership team (comprising elders and deacons) and their appointment and responsibilities, the option to appoint a remunerated pastor, the conduct of church meetings and reference to the role trustees. In the event of a conflict between the constitution and the Memorandum and Articles of Association, then the Memorandum and Articles of Association have preference.

A full-time pastor had been appointed in 2018 and it is acknowledged that we were challenged as a church to be more intentional about evangelism and a few members were helped through his ministry. Unfortunately, his methods caused considerable unease in the church and multiple people left the church or distanced themselves from involvement. The board of Trustees became increasingly concerned at his style of leadership and the adverse effect this was having on individuals within the church, the reputation of the church in the community. The Trustees have a duty to protect the church and individuals participating in the activities in the church especially in respect to pastoral care being dealt with properly and sensitively. Just as the Trustees were tackling these multiple issues that were arising towards the end of the previous financial year, one of the elders and then the pastor unexpectedly resigned. Shortly after, one of the deacons and her family decided to relocate to another church and they left in December.

Given the importance of continuity, an Interim Leadership Team was formed at the start of this financial year. This team was made up of members with significant historic involvement in and experience of Church life and who then served for the majority of the period covered by this report:

- Terence Hawgood (Elder)
- Bob Howse (Deacon)
- Mary Howse
- Kate Henry
- Clive Jones (previous pastor)

The members of the Charity may by ordinary resolution appoint a person who is willing to act as a Trustee either to fill a vacancy or as an additional Trustee at a General Meeting in accordance with the Articles of Association.

As at the date of this report the following are the charity's trustees and directors for the purposes of the Companies Act: -

- Bob Howse
- Terence Hawgood
- Roy Laming

- Graham Smith
- Kathryn Minett

The Leadership team and the Trustees constantly review the various policies of the church to ensure it uses best practice across all activities, supported by having appropriate policies in place including but not limited to the Equal Opportunities Policy and Ethos Statement, Safeguarding Policy for Children and Vulnerable Adults, Pastoral Care Policy, Acceptable Behaviour Policy, Mission Funding Policy, Health & Safety Policy including the Food Hygiene Policy, Premises Security Policy and the Fire Safety Policy. Given the recent pastorship issues that had arisen, a governance review was jointly undertaken by the trustees and leadership team and various areas for enhancing governance arrangements were identified including:

- **Recruitment** – more robust due diligence for the recruitment of any future pastor including more extensive contact with previous employers and looking at the annual accounts of any church or organisation where a candidate was previously employed.
- **Structure** – to retain the existing structure of separate leadership and trustee teams but for them to meet together more regularly and exchange the minutes of routine meetings in between times. The existing legal structure of charity and company status to be retained as there were no particular advantages from moving to a CIO status.
- **Moderation** – identify an independent experienced third-party outside of the church who could be asked to intercede should difficulties arise between the pastor, trustees, and other leadership.
- **Policies** – review and update policies as some are too heavily weighted towards the infallibility of a pastor; also, to determine who is best positioned to undertake line management of a pastor.

Friendly connections with many of those who left the Church were maintained which helped with some gradual reconciliation and healing as the year progressed.

CHARITABLE OBJECTIVES & ACTIVITIES

The objects and goals of Staplehurst Free Church are set out in the Memorandum of Association and expanded in the Constitution, these being a vision being for a Spirit filled church released into corporate praise and worship and to be an effective witness to the community, to serve some of the many and diverse needs of the community of Staplehurst and to be involved in the wider mission of the church overseas. The mission statement is summed up in the key statement– “Enabling everyone to know Jesus and grow in a personal relationship with Him”. We strive to monitor the needs of the community matching them to our resources and identifying opportunities for offering God’s love to those in need.

PUBLIC BENEFIT

All Trustees give their time voluntarily and receive no benefit from the charity. The trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charities Commission.

We aim to serve some of the many needs of our community through a diverse range of activities. As for many charities and churches, significant operational challenges but also some new opportunities came about in the period covered by this report as described below.

Sustainability Through Collaboration – November '19 to March '20

Since some of the leadership team had resigned or moved away at the transition to this financial year, an Interim Leadership Team was quickly formed as previously described. Also, the worship group, which has a key role in delivering core Sunday activities, was immediately revived as those in the group who had withdrawn or resigned during the previous pastor's tenure were reinstated or felt able to participate once again. Many church members reported a renewed vibrancy in the music, singing and worship after what had been quite a toxic period. Across the church many members and friends of the fellowship also felt able to become more involved once again and rallied to fill gaps in activity coordination and delivery. From **November 2019 to the end of March 2020** the full portfolio of activities remained operational and continued to meet the needs of people of all ages in spiritual, health and wellbeing areas of their lives:

- **Sunday Services** - The regular Sunday morning and evening services continued and included worship, communion and teaching. Different content is used across various Sundays each month to meet the needs of both young and old, their corporate worship preferences for when they are able to attend according to work, family or other commitments. Times of community and fellowship are encouraged, appreciated and well supported through providing refreshments after every morning service and occasional sharing lunches once each quarter.
- **Home Groups and Prayer** - This activity provides opportunities for Bible study and prayer and took place in various members' houses and benefited those who find it easier to participate in smaller groups. Prayer has an important place in Church life in providing unity and support, especially for those who are unwell or facing challenging circumstances; prayer meetings were also held at the church building on Wednesday mornings and also before the Sunday morning and evening services.
- **Free Bees Toddlers Group** - This is a support group for parents, grandparents and carers through creating an attractive space for toddlers and pre-school children to play and interact. It is run by volunteers from the Church all of whom are experienced in child-care and/or family support and have an up-to-date DBS certificate. Between 80 and 100 adults and children attended each week from a wide catchment area.
- **Care Free Families** - Care Free Families is our weekly free club designed especially for families with special needs including parents and young carers, as well as the wider family. Our desire is to enable families to find mutual support and friendship whilst enabling their children to have fun in a safe and happy environment. Craft and play activities are provided along with refreshments.
- **Sing-a-long Club** - We continued to run a sing-a-long club for local adults with learning difficulties and their carer's one Thursday afternoon each month. Refreshments and home-made cakes are provided and these sessions deliver a real social inclusion benefit to those who attend.
- **Care Homes Visits** - We held frequent services at four local care homes for the elderly or those with disabilities where we sing some favourite hymns, share a short message and chat and pray with residents, carers and family members.
- **Men's Walking Group** - Our men's group provides great opportunities for men in the church and community to connect with each other through meetings and social events. We have a weekly walking group which walk every Monday morning (weather permitting) and ending up at a nearby café for coffee.
- **Men's Shed** - Although not exclusively a church run activity, several men from the church continued to help run the weekly Staplehurst Men's Shed – a place where men can come together to socialise, share ideas and skills and participate in practical projects and make new friends,

- **Badminton Groups** - We continue to have 3 weekly badminton clubs all organised and operated by the church in the main hall, all of which benefit from our professional standard badminton mat. There is junior badminton, a mixed badminton club for all abilities and a ladies-only club on the Friday morning. These free clubs are attended by both church members and those not otherwise involved in the church.
- **Choir** - A group met on most Monday evenings to practice choral pieces, mainly of a devotional nature and have performed at certain times of the year such as Christmas and Easter Services and other services. All ages and abilities are included.
- **Pastoral Care** Our pastoral care team involves volunteers with an aptitude for spending time with friends going through difficult times, helping in practical ways, praying, giving support and encouragement where possible.
- **Third-Party Charitable Support** - We have supported financially and in prayer, many organisations and missions with gifts through the Missionary Fund – for details see the Note 2 under the heading “Projects” in the Notes to the financial statements. This is in accordance with our biblical perspective of tithing our income to at least 10%. The church supported and acted as a “dropping off point” for shoeboxes filled with toys as part of Samaritan Purse’s Operation Christmas Child Appeal as in previous years. Rent-free office space and funding support is also provided to Staplehurst’s **Debt Advice Centre**.
- **Social and Other events** – These included Carol singing in local care homes, a Christmas social, a New Year’s Eve party and Light Party Display as a Covid-safe alternative to Halloween and our usual light party event.

Positivity through the Pandemic – April '20 to October '20

The Covid-19 pandemic initially had a significant impact on normal Church life and routine with all services and activities being cancelled because of the national lockdown introduced by the Government at the end of March. However, within two weeks, on-line streaming of Sunday services was started, the first time ever the Church had ventured into the use of such media. Midweek telephone-based prayer meetings started shortly after wards and then a range of activities evolved as the Church pivoted to ensure the community of Church members were able to feel connected and not be isolated. Opportunities also opened up for church members to volunteer in community support activities and for those acting as key workers in various professions to feel supported. Highlights of the activities included the following:

- **Sunday Connections Service** – These Sunday morning broadcast quickly became popular and much appreciated. Many people were able to be involved in preparing and delivering the broadcasts, viewers were able to send text messages to say they were watching and they were also able to chat and comment online as the broadcasts proceeded; this enabled the Church community to feel connected to each other even though they could not meet in person. Between 50 and 80 people watched each week on YouTube including many people not previously involved with SFC and family and friends across the country and internationally. Some grant funding was obtained to pay for broadcasting licences and equipment and to also fund devices for the elderly and isolated who did not have broadband or suitable viewing devices.
- **Virtual Prayer Meetings** – These were telephone-based acknowledging that not everyone had broadband facilities or the knowledge on how to use video platforms. The WhyPay service enabled people to dial in provide mutual support and prayer for each other and the wider community,
- **Community Support** – Some Church members became involved in the work of the local community hub, doing shopping and delivering food parcels to people who were elderly,



isolated or shielding. Several church members were Key workers in the NHS, local care homes and working in supermarkets and these were encouraged and supported through interviews in the weekly broadcasts. The Zoom platform was used extensively to enable the leadership team, home groups and other friendship groups to meet online for the likes of business meetings and play quizzes.

- **Socially Distanced In-Person Services and Activities** – As Covid-related restrictions became slightly relaxed in the Autumn of 2020, in-person meetings became possible again. The Chair of Trustees led on risk assessment work, the Church building was able to safely accommodate 40 people for Sunday services with them being broadcast online at the same time to those not wanting to meet corporately. A new support group was started for isolated new mums but most other activities were not possible due to their nature or because volunteers or participants were vulnerable to the risks of Covid.

FUTURE PLANS

The Church has remained very active, sustainable and vibrant through the unprecedented challenges it has faced over an 18-month period from firstly leadership issues and then the impact of the Covid virus. The immediate focus for the coming year is on continuity of activities for community support and benefit, whether in person or online, as the pandemic continues. The Church leadership is also looking ahead to towards future developments and enhancements to the work of the Church as and when they become possible. Plans include:

- Commencement of new activities including midweek bubble online meetings, a food parcel service, a community fridge scheme and mid-week chat-show style programme.
- Recommencement of all previous activities as and when restrictions allow, and the leadership feel it is safe to do so, given the number of vulnerable people involved in some of those activities.
- To enhance the governance and procedures to ensure best possible practice continues to be used.
- To ensure the Church remains financially sustainable including continuing to service the mortgage and paying off the annual target interest free loans related to the previous rebuilding project.
- To maximise use of the church premises for our own activities and functions and for the benefit of the wider community,
- To discern the Lord's will in the future direction of the church including the employment of any future pastor if and when appropriate.

FINANCIAL REVIEW

Cash at hand in the bank account at 31st October 2020 were £24,357. An amount of £10,000 is ringfenced as reserves which covers 6 months of fixed expenditure which the trustees consider to be adequate. The remainder is available for projects and activities as needed.

The Building Project

All income to the building fund was prioritised towards the monthly mortgage payments and repayment of interest free loans resulting from the complete redevelopment of the Church site culminating with the opening of the new building in December 2013. The target is to repay all interest free loans by the end of October 2024 and an action plan is in hand to achieve this. (See Notes 3 and 4 of the Notes to the financial statements).

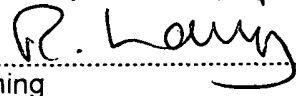
Trustees' responsibilities

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its income and expenditure during the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed
- subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the
- charity will continue in business.

The trustees are required to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the managing trustees and signed on their behalf by


R Laming

Date 23rd June 2020 2021

Independent Examiner's Report to the Trustees of Staplehurst Free Church

I report on the financial statements of Staplehurst Free Church for the year ended 31 October 2020, which are set out on pages 10 to 15.

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 financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements as carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(b) of the 2011 Act.

This report, including my statement, has been prepared for and only for the charity's trustees as a body. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for my examination work, for this report, or for the statements I have made.

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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements 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 financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

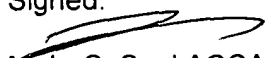
Independent examiner's statement

In connection with my examination, which is complete, no matters have come to my attention which give me reasonable cause to believe that in any material respect:

- accounting records were not kept in respect of Staplehurst Free Church in accordance with section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principals 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, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Mr L. C. Seal ACCA FAIA

Blain Pritchard, Chartered Certified Accountants
74 College Road, Maidstone, Kent ME1 6SL

Date:

Staplehurst Free Church

Statement of financial activities

for the year ended 31 October 2020

		General	Missionary	Youth	Building	Total 2020	Total
	Note	Fund	Fund	Fund	Fund		2019
		£	£	£	£		£
Income	1.2						
Donations		36,249	1,809	27	26,953	65,038	90,382
Sundry income		4,225	0	0	229	4,454	3,176
Bank interest		0	0	0	31	31	92
Inland Revenue		11,484	0	0	0	11,484	13,587
Total income		51,958	1,809	27	27,213	81,007	107,236
Expenditure							
Events		111	0	0	0	111	0
Projects	2	345	7,259	0	0	7,604	11,747
Sundry expenses		17,092	100	0	0	17,192	24,976
Professional and legal fees		6,887	0	25	6,045	12,957	11,704
Salaries and wages	5	16,037	0	0	0	16,037	31,491
Inland Revenue	5	3,611	0	0	0	3,611	6,106
Depreciation	1.3	0	0	0	25,208	25,208	25,208
Total expenditure		44,083	7,359	25	31,253	82,720	111,232
Net income/(expenditure) before transfers		7,875	-5,550	3	-4,040	-1,713	-3,995
Transfers between funds		-15,694	7944	0	7,750	0	0
Net income/(expenditure) after transfers		-7,819	2,394	3	3,710	-1,713	-3,995
Balance brought forward at 1 November		31,666	1,090	1,282	829,171	863,209	867,204
Balance carried forward at 31 October		23,846	3,484	1,285	832,881	861,496	863,209

Staplehurst Free Church

Balance sheet at 31 October 2020

	Note	General Fund £	Missionary Fund £	Youth Fund £	Building Fund £	Total 2020 £	Total 2019 £
Fixed assets							
Building cost		-	-	-	1,260,400	1,260,400	1,260,400
Depreciation for the year					-25,208	-25,208	-25,208
Accumulated depreciation					-177,195	-177,195	-151,987
Net building value					1,057,997	1,057,997	1,083,205
Current assets							
Cash at bank and in hand		19,588	3,484	1,285	0	24,357	31,662
Debtors							
Gift Aid recoverable		5,938	-	-	-	5,938	8,175
Holiday pay		0				0	0
Liabilities: amounts falling due within one year							
Accruals		1,159	-	-	-	1,159	1,569
Holiday pay accruals		521				521	2,003
Loans	3	-	-	-	106,667	106,667	133,333
Mortgage	4	-	-	-	4,707	4,707	4,478
Net current assets/(liabilities)		23,846	3,484	1,285	-111,374	-82,759	-101,547
Long-term Liabilities							
Mortgage					113,743	113,743	111,450
Net assets		23,846	3,484	1,285	832,881	861,496	863,209
Funds:							
General Fund		23,846				23,846	31,666
Missionary Fund			3,484			3,484	1,090
Youth Fund				1,285		1,285	1,282
Building Fund					832,881	832,881	829,171
House party Fund						0	0
Total funds		23,846	3,484	1,285	832,881	861,496	863,209

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("The Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charity as at 31 October 2019 and of its deficit for the year then ended in accordance with the requirements of section 396 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the charity.

Approved by the Managing Trustees on and signed on their behalf by

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Roy Laming

R Laming

Date

23rd June 2021

Staplehurst Free Church

Notes to the financial statements for the year ended 31 October 2020

1 Accounting policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006. In preparing the financial statements the trust follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities", issued by the Charity Commission effective from January 2015.

1.2 Income

Donations and interest received are accounted for in the year in which the trust is entitled to receive them.

1.3 Expenditure

All expenditure is accounted for on an accruals basis and, in accordance with the requirement of the SORP, and has been classified under headings that aggregate all costs related to that category.

In accordance with the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" all expenditure has been classified under standard headings – [the charity has taken advantage of concessions provided by SORP and prepared headings to suit the charity as opposed to by activity categories which would apply to larger charities subjected to an audit].

Depreciation on the building is depreciated on a straight-line basis over 50 years.

1.4 Funds

The general fund is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Details of designated funds are as follows:

- Missionary fund – used for the support of missionaries overseas and in the UK and charities/mission organisations as approved by the Leadership Team.
- Youth fund – used to subsidise youth activities.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Details of restricted funds are as follows:

- Building fund – specifically for the repayment of the loans taken out to complete the construction of the church building.

2 Projects

	Total 2020 £	Total 2019 £
Barnabus Fund	0	500
Children in Need	0	100
Children's Trust	225	300
Community Centre for Debt Advice - Staplehurst	300	325
Emmanuel Press UK	352	200
Falconer Trust	815	900
Family Trust	1,200	1,200
Gideons		200
Maidstone Churches Winter Shelter		500
Maidstone Street Pastors		100
Mission Aviation Fellowship		200
Open Doors	432	632
Orphahids UK	800	800
Pancreatic Cancer UK		750
Project Ecuador		260
Release International		200
Samaritan's Purse		100
SASRA		100
Smethurst Ministries	1,085	600
Tearfund	620	930
Torch Trust	600	800
Weald Family Hub		1250
Others	1,175	800
	<hr/> 7,604 <hr/>	<hr/> 11,747 <hr/>

3 Loans

Loans totalling £311,000 have been made by Church members since March 2012. Over the past year £26,667 has been repaid using funds from the building fund. The balance of £106,666 has been requested by the lender to be repaid within 4 years and an action plan is in hand to fulfil this.

4 Mortgage

A loan of £150,000 was completed on 3 April 2012 from the Childs Charitable Trust at the rate of 5.5% (variable) repayable over 25 years payable by monthly instalments of capital and interest of £876.89 the first payment having been made on 1 June 2012. The loan is secured on the land and building at Station Road, Staplehurst.

5 Analysis of staff costs, trustee remuneration and expenses

	2020 £	2019 £
Salaries and wages	16,037	31,491
Social security costs	3,611	6,106
Pension costs	1,592	2,994

No employees had employee benefits in excess of £60,000 (2019: £nil). The administrator role continued to be filled on a part time basis throughout the whole year.

The charity trustees were not paid or received any other benefits in the year for undertaking this voluntary role (2019: £nil). Any expenses incurred were reimbursed in the same way as with other church members. No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

6. Related Party Transactions

There have been no related party transactions in the year (2019: £nil).