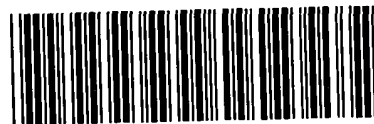


Staplehurst Free Church
Reports and Financial Statements
For the year ended 31 October 2021

Company number: 06725987
Charity number: 1127205

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COMPANIES HOUSE

REFERENCE AND ADMINISTRATION INFORMATION

Trustees

T Hawgood
R Howse
R Laming
Mrs K Minnett
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 FCCA 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 2021. 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, MANAGEMENT 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.

The Constitution of Staplehurst Free Church sets out the rules on how the organisation will operate on a day-to-day basis. 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 of 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.

After the unexpected and unplanned departure of the previous pastor who had caused significant unrest amongst the membership, the Interim Leadership Team continued to successfully lead the Church. This team is made up of members with significant historic involvement in and experience of Church life. They also developed a plan to formalising their roles for a further two years using the processes defined in the organisation's Constitution. The Leadership Team comprises:

- 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. During this reporting period work continued on

enhancing governance arrangements including drafting amendments to the Constitution, the development of a Members and Volunteers Handbook, updating the Acceptable Behaviour Policy and the appointment of an independent moderator should difficulties arise between the pastor, trustees, and other leadership. Risk assessments were also compiled for activities as required by Government guidelines for Covid and are now being implemented for all activities on a routine basis.

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, the Covid pandemic presented both significant operational challenges but also some new opportunities. Nearly all in-building services and activities were suspended for periods because of the national lockdowns and restrictions introduced by the Government. In-building Sunday Services did resume for a short time at the end of 2020 and then regularly from April 2021. In the intervening period, online and outdoor broadcasts, meetings and events were developed including very successful Christmas and Easter Trails and festive broadcasts. In the Summer of 2021 a series of family friendly ‘Summer Specials’ were held in the Church with very good attendance and on other Sundays the Kids Church was also re-instigated alongside the main worship and teaching services. Online streaming of services has continued even though in-person meetings are being held; these been successful in enabling those feeling vulnerable or unwell to remain connected as part of the Church community. The online streaming is also engaging with a much broader community locally, regionally and nationally beyond what is possible with just in-building meetings and we see this activity continuing for the foreseeable future. Two Alpha Courses were also run online for people interested in exploring the Christian faith.

The Church has for over 20 years held a successful weekly Mothers and Toddlers group which had to be suspended because of Covid restrictions. During this period it was recognised that parents with a newly born child were becoming particularly isolated with limited or no support from state services. The ‘FreeBees’ group therefore changed approach to become a support group for these parents and this has become highly valued with around 40 parents on the register at any one time, the majority of whom attend every week and a waiting list is therefore needing to be operated. More meaningful supportive relationships can develop, both parents with each other and parents with staff enabling coaching, guidance and signposting to additional support being able to be offered when identified. It has therefore been decided to focus the work of the FreeBees activity solely on the demographic of new parents in Staplehurst with one or more children under two years old.

The other concern for people in our local community that arose during the pandemic was financial hardship and food insecurity. Through observation of a temporary parish-council led community

hub, it was clear that some sort of permanent food and compassionate support service was required but not necessarily in the form of a food bank model. In March 2021 the new 'Shepherd's Pantry' initiative was launched which would have four activities: (a) Hug-in-a-Box which is a gift of treats for people in difficult circumstances to help them feel better supported and create a dialogue for signposting into other services; (b) Pantry Parcels which is the provision of a box of food as meals for a week for a household in crisis (c) the Community Fridge which enables people short of food or money to access provisions in a dignified way through providing access to food that is good to eat but would otherwise go to waste; (d) a Coffee Shop which will help tackle social isolation. By the end of this financial year some 35 Hug-in-a-Box parcels and several Pantry Parcels had been distributed and planning work on the Fridge and Coffee Shop projects was very well advanced and getting ready for their launch.

Other spiritual and social support activities resumed in the autumn of 2021 including the weekly Prayer Meeting, Men's Walking Group, the Community Choir and Badminton sessions. A local 'Interest Group' typically attended by senior citizens, also decided to base their weekly meetings in our Church building as their existing venue was no longer suitable in relation to Covid mitigation especially as numerous medically vulnerable people typically attended.

One of the cornerstone activities of the Church is providing financial support for a variety of third-party charitable organisation and we are pleased to be able to report we have sustained this activity through the continuous generous donations of our members and regular attendees. These financial gifts are channelled through our Missionary Fund – for details see the Note 2 under the heading "Projects" in the Notes to the financial statements. Speaking opportunities were also provided to representatives of some of these organisations which stimulated additional donations. In addition, the Church once again supported and acted as a "dropping off point" for shoeboxes filled with toys as part of Samaritan Purse's Operation Christmas Child Appeal and 267 boxes were collected and passed on to the project organisers. Rent-free office space and funding support was also provided to Staplehurst's Debt Advice Centre.

FUTURE PLANS

The Church has remained very active, sustainable and vibrant through the unprecedented challenges our society has faced. The focus for the coming year is on re-instatement and development of activities for community support and benefit, whether in person or online, and within the constraints of any Covid related regulations that may come into force. 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:

- Appointing the Leadership Team for a further two years
- Continuing succession planning including meeting regularly with activity leaders, meeting regularly one-to-one adults in the church, and continuing to explore opportunities for employing a pastor if and when funds permit.
- Enhancing work supporting Children and Families
- Continuation and enhancement of online broadcasting activities
- Launching the Shepherd's Pantry community fridge and coffee shop
- Remaining financially sustainable.
- Continuing to service the mortgage and interest free loan, the latter of which is targeted to be paid off within three years.
- Continuing to maximise use of the church premises for our own activities and functions and for the benefit of the wider community
- Enhancing governance documents including adjustments to the Constitution and further development of the members & volunteers, operations and staff handbooks

FINANCIAL REVIEW

Cash at hand in the bank account at 31st October 2021 was £26,117. An amount within this 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

29th March 2022

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 2021, which are set out on pages 8 to 13.

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 principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which, 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 FCCA FAIA
Blain Pritchard, Chartered Certified Accountants
74 College Road, Maidstone, Kent ME1 6SL

Date: 30/3/2022

Staplehurst Free Church

Statement of financial activities

for the year ended 31 October
2021

	Note	General Fund £	Missionary Fund £	Youth Fund £	Building Fund £	Total 2021	Total 2020 £
Income	1.2						
Donations		34,114	2,126	12	23,228	64,481	65,038
Sundry income		10,213	0	0	272	10,485	4,454
Bank interest		0	0	0	3	3	31
Inland Revenue		13,289	0	0	0	13,289	11,484
Total income		57,616	2,126	12	28,504	88,258	81,007
Expenditure							
Events		0	0	0	0	0	111
Projects	2	222	13,307	0	0	13,529	7,604
Sundry expenses		18,000	100	0	0	18,100	17,192
Professional and legal fees		6,217	0	49	5,815	12,082	12,957
Salaries and wages	5	9,679	0	0	0	9,679	16,037
Inland Revenue	5	89	0	0	0	89	3,611
Depreciation	1.3	0	0	0	25,208	25,208	25,208
Total expenditure		34,208	13,407	49	31,024	78,688	82,720
Net income/(expenditure) before transfers		23,408	-11,261	-37	-2,520	9,571	-1,713
Transfers between funds		-15,914	8,476	-1,248	8,686		
Net income/(expenditure) after transfers		7,495	-2,805	-1,285	6,166	9,571	-1,713
Balance brought forward at 1 November		23,846	3,484	1,285	832,881	861,496	863,209
Balance carried forward at 31 October		31,341	679	0	839,047	871,067	861,496

Staplehurst Free Church

Balance sheet at 31 October 2021.

	Note	General Fund £	Missionary Fund £	Youth Fund £	Building Fund £	Total 2021 £	Total 2020 £
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					-202,402	-202,402	-177,195
Net building value					1,032,790	1,032,790	1,057,997
Current assets							
Cash at bank and in hand		25,438	679	0	0	26,117	24,357
Debtors							
Gift Aid recoverable		7,329	-	-	-	7,329	5,938
Holiday pay		0				0	0
Liabilities: amounts falling due within one year							
Accruals		1,160	-	-	-	1,160	1,159
Holiday pay accruals		266				266	521
Loans	3	-	-	-	80,000	80,000	106,667
Mortgage	4	-	-	-	4,948	4,948	4,707
Net current assets/(liabilities)		31,341	679	0	-84,948	-52,928	-82,759
Long-term Liabilities							
Mortgage					108,795	108,795	113,743
Net assets		31,341	679	0	839,047	871,057	861,496
Funds:							
General Fund		31,341				31,341	23,846
Missionary Fund			679			679	3,484
Youth Fund				0		0	1,285
Building Fund					839,047	839,047	832,881
House party Fund						0	0
Total funds		31,341	679	0	839,047	871,067	861,496

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 356 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 2021 and of its surplus 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

Roy Laming

Date

29th March 2022

Staplehurst Free Church

Notes to the financial statements for the year ended 31 October 2021

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 – previous used to subsidise youth activities. Given that there are no teenager-specific activities at present it was decided that this fund should be closed and the small residue transferred into the general fund to support other 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 2021	Total 2020 £
Barnabus Fund	100	0
Children's Trust		225
Community Centre for Debt Advice - Staplehurst	300	300
Emmanuel Press UK	500	352
Falconer Trust	1,300	815
Family Trust	1,200	1,200
Gideons/Good News for Everyone	500	
Maidstone Street Pastors	200	
Open Doors	1,182	432
Orphahds UK	1,195	800
Project Ecuador	500	
Release International	1,000	
Samaritan's Purse	200	
Smethurst Ministries	1,100	1,085
Tearfund	1,180	620
Torch Trust	600	600
Others	2,472	1,175
	<u>13,529</u>	<u>7,604</u>

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 £80,000 has been requested by the lender to be repaid within 3 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

	2021 £	2020 £
Salaries and wages	9,679.49	16,037
Social security costs	87.72	3,611
Pension costs	822.74	1,592

No employees had employee benefits in excess of £60,000 (2020: £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 (2020: £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 (2020: £nil).

6. Related Party Transactions

There have been no related party transactions in the year (2020: £nil).