

GRACE CHURCH MILTON KEYNES

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31st MARCH 2022

Charity number: 1156871

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The Trustees present their annual report and the financial statements of the church for the period ended
31st March 2022

REFERENCE AND ADMINISTRATIVE INFORMATION

Registered charity name:	Grace Church Milton Keynes
Charity registration number:	1156871
Principal office:	Church Office Office 5 11 Winchester Circle Kingston Milton Keynes MK10 0BA
Governing Documents	CIO Foundation Registered 01 May 2014
Trustees:	James Alastair Davies (Chair) Timothy John Gannon Leisl Hunter Donna May Kapaya Jonathan Mark Kempster David Leslie Wyatt
Independent Examiner:	Mervyn Thomas 128 Putnoe Lane Bedford, MK41 8LS
Principal Bankers:	CAF Bank Ltd.
Solicitors:	Roger Snowden

CHARITY STATUS

The Church is a charitable incorporated organisation (CIO) registered in 2014 becoming operational in 2019 with funds transferred from the previously registered trust.

AIMS AND PURPOSE

The CIO is established to:

- Advance the Christian Faith, the preaching and proclamation of the Christian gospel and the teaching of Christian doctrine and principles and the pastoral care of Christian people.
- Relieve people who are in conditions of need, financial hardship or who are aged or sick.

- Advance education, both general and vocational, but always on the basis of Christian principles. The Church's policy remains that of pursuing those objectives in an unrestricted manner.

As a church we are seeking to live our lives the way God intended. Simply put, our vision is to:

Love God, Love People and Love Life.

Grace Church operates primarily but not exclusively in Milton Keynes, Buckinghamshire and employs one full-time pastor, one full-time evangelism and outreach worker and one part-time Administrator. The staff are supported by the Trustees (in their capacity as church leaders) and many volunteers who carry out pastoral work, communication of the gospel, work with children and young people, the elderly, those in need, finance, administration and other related activities. The Trustees meet on a quarterly basis.

REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The number of people attending Sunday services has gradually grown throughout the year following the diminution of the COVID-19 Pandemic and a return to physical services. We have successfully maintained a balanced offering of services and support to our members and to the wider community in Milton Keynes despite requirements throughout the year to pause physical meetings and to deploy social distancing.

The Trustees and the Eldership team are committed to enabling as many people as possible to worship at Grace Church and to benefit from all its ministries and activities provided by the church. When planning our activities for the year, the Trustees and Eldership team have taken on board the Commission's guidance on public benefit and, in particular, the guidance given on charities for the advancement of religion.

The church continues to be part of a family of churches, New Frontiers, and a specific 'sphere' known as 'Catalyst' to ensure best practice is followed in all areas of church life. We have maintained our links with 'Woodside Church' in Bedford for friendship, input and accountability.

There were no serious incidents to report in this reporting period. Some highlights from the year are given below.

- We continued to offer both physical and online services to cater for a wide range of people. Livestreaming proved particularly helpful to those people who were unable to attend physical services.
- We donated funds to support local charities MK Money Lifeline and the Winter Night Shelter. We also donated funds to City of Truth Church in Liberia and a fledgling church in Cambodia.
- We ran the Alpha Course three times in the year, with a mix of physical and online meetings.

FINANCIAL REVIEW

Income generation

The church's total income for the year was £131,458 (2021: £121,686) which was generated through the voluntary giving of church members. We also received £7,176 into restricted funds to help people in need.

Expenditures

Total expenditures were £131,734 (2021: £120,508).

Funds

Overall funds are £144,603 (2021: £144,879) of which restricted and designated funds are £116,807 (2021: £108,260). The drop in funds is due to the timing of expenditures and is not significant.

We were able to increase our designated Building Fund to £110,000 (2021: £108,500).

Reserves policy

The church holds unrestricted and restricted funds. Transfers are made from unrestricted to restricted funds in order to prevent restricted funds from going into deficit. Our overall policy for unrestricted funds is only to increase reserves above a minimum threshold necessary to operate the organisation (not more than 3 months expenditure) or where specific projects are being planned for subsequent years.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain transactions and disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the financial statements conform to the charities SORP. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE TRUSTEES

James Davies as Chair on behalf of the Trustees

DATE: 26/1/23

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF GRACE CHURCH

on the accounts for the year to 31st March 2022 as set out on pages 8-14 in this document

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

Independent examiner's statement

It is my responsibility to:

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

My examination was carried out in accordance with 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 the 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.

In connection with my examination, no matter has come to my attention which gives me reasonable cause to believe that in, any material respect, the requirements:

- 1) to keep accounting records in accordance with section 130 of the Charities Act; and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 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.

Signed:



Mervyn Thomas
128 Putnoe Lane
Bedford MK41 8LS

Dated: 24//1/2023

STATEMENT OF FINANCIAL ACTIVITIES

For the accounting period 1st April 2021 to 31st March 2022

	Notes	Unrestricted Funds £	Restricted Fund £	Total Funds 2022 £	Total Funds 2021 £
Incoming Resources	3				
Voluntary income		120,282	7,176	127,458	117,588
Government Grants		4,000	-	4,000	4,000
Charitable activities		-	-	-	98
Total Incoming Resources		124,282	7,176	131,458	121,686
Resources Expended	4				
Raising funds		2,797		2,797	3,549
Charitable activities		128,028	909	128,937	116,959
Total Charitable Resources Expended		130,825	909	131,734	120,508
Net income/(expenditure)		(6,543)	6,267	(276)	1,178
Transfers between funds		(2,040)	2,040	-	-
Net movement in funds		(8,583)	6,267	(276)	1,178
Reconciliation of funds:					
Total funds brought forward		36,319	108,560	144,879	143,701
Total funds carried forward		27,736	114,827	144,603	144,879

GRACE CHURCH MILTON KEYNES
TRUSTEES REPORT and FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st MARCH 2022

		Funds	Fund	2022	2021
		£	£	£	£
Current assets					
Debtors (less than 1 year)	5	7,997		7,997	2,696
Prepayments		3,887		3,887	-
Cash at bank and in hand		17,258	114,827	132,085	144,017
Total current assets		29,142	114,827	143,969	146,713
Short Term Liabilities	6	(1,406)	-	(1,406)	(1,834)
Total assets less liabilities		27,736	114,827	142,563	144,879
Charity Funds	7				
Unrestricted funds		27,736		27,736	32,257
Restricted + Designated Funds			114,827	114,827	4,362
Total funds		27,736	114,827	142,563	144,879

Signed on behalf of the trustees:

James Davies as Chair on behalf of the trustees

29/1/23

The notes on pages 10 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Charity is a going concern. Income generation through members' donations is maintaining adequate reserves and restrictive funds are adequate.

1.3 Change of accounting policy

The accounts present a true and fair view and the accounting policies adopted are those outlined in note 2.

1.4 Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period (3.46 FRS 102 SORP).

2. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognized at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

2.2 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the church. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal. Transfers are made from unrestricted to restricted funds as necessary to prevent restricted funds from going into deficit. Transfers are made from unrestricted to designated funds in accordance with the Churches strategy and reserves policy.

2.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the church becomes entitled to the income and it is more likely than not that it will receive the resources and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of donations and gifts and is included in full in the SoFA when receivable. Grants are included in the SoFA when the general income recognition criteria above are met and in the case of performance-related grants income is recognized to the extent that the specified goods or services have been provided. Donated services and facilities are included at the value to the church where this can be measured reliably. The value of services provided by volunteers has not been included in these accounts. Investment income is included when received.

2.4 Resources expended

Expenditure is recognized on an accrual basis as a liability is incurred. Expenditure includes any VAT that cannot be recovered, which is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the church (as a charitable company) and include the audit fees and costs linked to the church's legal constitution.

2.6 Pension costs

Employees of the church are entitled to join a defined contribution pension scheme. The church contribution is limited to the contributions disclosed in note 3.

2.7 Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

2.8 Creditors

Creditors (including accruals) are recognized when due at the balance sheet date.

3. ANALYSIS OF INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Voluntary Income				
Donations	104,924	7,176	112,100	100,397
Gift Aid	15,331		15,331	17,191
Total Voluntary Income	120,255	7,176	127,431	117,588
Activities for generating funds				
HMRC Employment Allowance	4,000	-	4,000	4,000
Total Activities for generating Funds	4,000	-	4,000	4,000
Charitable Activities				
Interest	27	-	27	98
Grand Total Incoming Resources	124,282	7,176	131,458	121,686

4 ANALYSIS OF EXPENDITURE

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Expenditure on raising funds				
Website and Publicity	2,797		2,797	3,549
Total expenditure on raising funds	2,797		2,797	3,549
Expenditure on Charitable Activities				
Employee Salaries	64,958		64,958	67,504
Employer's National Insurance	5,840		5,840	7,881
Employers Pension Contributions	9,666		9,666	6,527
Guest Speakers	285		285	-
Training and Discipleship	1,107		1,107	190
Total Staff Costs	81,856	-	81,856	82,102
Venue Hire	10,893		10,893	-
Cost of running meetings	5,535		5,535	-
Administration and office	8,852		8,852	9,315
Total Establishment Costs	25,280	-	25,280	9,315
Children	444		444	-
Youth	275		275	-
Evangelism	377		377	1,703
Pastoral, Discipleship etc	67		67	868
General support	1,209		1,209	164
Hardship Support	-	198	198	1,869
Remember the Poor	2,404	-	2,404	
Total Ministry Costs	4,776	198	4,974	4,604
Debt Advice	10,000		10,000	9,999
International Giving			-	
To other charities	6,116	711	6,827	10,150
Total External Ministry	16,116	711	16,827	20,149
TOTAL EXPENDITURE	130,825	909	131,734	119,719

4.1 Staff

The number of paid employees is 3 (Previous year 3)

4.2 Trustees Disclosures

Mr T Gannon, a Trustee, receives remuneration as Pastor of the Church including pension. His salary is set by a remuneration committee composed of unremunerated trustees.

No other trustee or persons related to trustees are employed.

No trustee has received expenses in connection with trustee-related matters.

	2022	2021
	£	£
Prepayments Administration	3,887	2,696
Prepayments Newday	-	-
HMRC Debtors	7,997	-
Total	11,884	2,696

6 CREDITORS AND ACCRUALS

	2022	2021
	£	£
Accruals	1,406	2,465

7. CHARITY FUNDS

Details of All Funds with movements during the reporting period 2021-2022

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
Unrestricted Funds					
General Fund	36,319	124,282	(130,825)	(2,040)	27,736
Restricted Funds					
Hardship	-	4,514	(198)		4,316
Homeless	-	500	-	300	800
Remember the poor	-	826	-		826
Other Charities	300	-	-		300
Christmas Collection	-	1,336	(711)		625
Designated Building Fund	108,260	-	-	1,740	110,000
Total Restricted Funds	108,560	7,176	(909)	2,040	116,867
Total Funds	144,879	131,458	(131,734)	-	144,603

7.1 Details of transfers between funds

Reason	From Fund	To Fund	Amount
Trustee designation	General	Homeless	300
Trustee designation	General	Designated Building Fund	1,740