

Charity registration number: 1170106

Yeovil Community Church

Annual Report and Financial Statements
for the Year Ended 31 December 2021

Yeovil Community Church

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Yeovil Community Church

Reference and Administrative Details

| | |
|------------------------------------|---|
| Chairman | R D Brazier |
| Trustees | K G Foy S J Roughsedge R Hoyles, appointed 19 April 2021 K Hibbert M J M Nichols S J P Collins A Smith L N Karamura I Bramley, resigned 6 July 2021 |
| Senior Management Team | J Pocock J Hardy A Dyer R Dyer L Collins |
| Charity Registration Number | 1170106 |
| Principal Office | The GateWay Addlewell Lane Yeovil Somerset BA20 1QN |
| Auditor | Milsted Langdon LLP Motivo House Alvington Yeovil Somerset BA20 2FG |
| Bankers | National Westminster Bank Plc 2 Hendford Yeovil Somerset BA20 1TN |

Yeovil Community Church

Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 December 2021.

Structure, governance and management

Yeovil Community Church was registered as a charitable incorporated organisation and is governed by its document dated 10 November 2016. The registered company number is CE008148. It is also a registered charity with the registered charity number of 1170106.

Yeovil Community Church Trust (charity number 1039903) instructed solicitors to transfer its activities and assets to the CIO on 1 July 2017. This year it was decided by the Trustees of the Trust that this charity would be dissolved. Whilst reviewing the Trust, it was discovered that the land registry paperwork had not been completed in full. This is being treated with urgency and as a matter of priority in partnership with the solicitors who were originally instructed. The legal transfer of the activities and assets to the CIO occurred on 1 July 2017.

Reference and administrative details including the principal office address and details of trustees who served the charity during the period and up to the date of signing are shown on page 1 of the financial statements.

Trustees are appointed in accordance with the Governing document. Formal trustee training is provided on an ad hoc basis as required. All strategic decisions are taken by the trustees in partnership with the 'Strategic Team' which includes staff members, but day-to-day operating decisions relating to 'The GateWay' building and the coffee shop are delegated to staff.

The personnel committee proposes all staff salaries to the full Trustee board for approval. Where applicable, staff salaries are compared to industry average, but this is not always possible due to the role. All staff are considered equally and without prejudice or bias. Any Trustee with a conflict of interest will be excluded for these decisions.

The Trustees continue to review the major risks to which the charity is exposed, covering all identified, relevant areas including financial risk and risks associated with personnel. Risks have been identified, assessed and safeguards have been put in place to eliminate or mitigate such risks as far as is reasonably possible.

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Trustees' Report

Objectives and activities

The main charitable objects of the CIO are:

- To advance the Christian religion and in particular to support the work of Yeovil Community Church ('the Church') in its various facets both in and around the area of Yeovil, Somerset and such other areas as may be deemed appropriate from time to time including overseas.
- To advance the Christian religion in any part of the world.
- To advance religious education in accordance with the doctrines and principles of the Christian faith both to adults and children irrespective of race, sex, creed or colour.
- To apply the income of the Charity in maintaining the up-keep and repair of the fabric of any buildings utilised by or in conjunction with Yeovil Community Church and the maintenance of the services in any such building or buildings.
- Charitable purposes for the general benefit of the inhabitants for the town of Yeovil, Somerset or for such other areas in which Yeovil Community Church may work from time to time as the Trustees may think fit.

The Church is a body of Christian believers that have been active in Yeovil since 1907. For many years the main focus of the Church's activity was centred on Preston Chapel, and the group operated with charitable status through that building's trust deed under the Places of Worship Act.

With a growth in numbers, this building became inadequate, and the body of believers worshipped in a local school hall, although the chapel building remained in use for various church and community activities, as well as serving as the Church's administrative centre. It became evident that the continued growth in numbers would require a significantly larger permanent building, and in 1994 the Church began fundraising with a view to acquiring such a building for use by the Church and local community. In 1999 a property was acquired, and work started on a complete refurbishment of this building. This work was completed in early 2001 and 'The GateWay' building was officially opened on 3 March 2001.

The objects of the Charity are now implemented in a range of activities. These include;

- Sunday morning services – services are run weekly throughout the year to encourage worship, prayer and teaching. This includes the provision of online streaming to reach a wider audience and to ensure the services are accessible to everyone.
- Coffee shop – our coffee shop is open to the general public during the week. It provides a range of hot food, cold food, drinks and cakes available to be purchased.
- Youth Groups and Children's work – provision of mentoring, youth groups, children's teaching material and community connection has been provided throughout the year.
- Create – every year, volunteers form a Create team who provide worship material, youth and children's work, mentoring and media material among other things. This team participates actively in the Church community as well as in the general community.
- Yeovil 4 Family (Y4F) – this part of our organization has expanded rapidly and now forms a large part of the Charity. It runs programmes to offer support for families both locally and nationally. We believe this is fundamentally important for local and national community.

Yeovil Community Church

Trustees' Report

When planning the activities for the period, the Trustees have considered the Charity Commission's general guidance on public benefit and, in particular, the specific guidance for charities for the advancement of religion. The Trustees believe the activities set out above and further described below under 'achievements and performance' clearly demonstrate the charity's commitment to providing an identifiable public benefit and that access to this benefit is not restricted in any way.

The Charity heavily relies on the contribution of volunteers. The Trustees would like to say a massive thank you to all the volunteers who contribute to the Charity activities. Whilst it has not been measured in hours, the work that is carried out by the volunteers from the Sunday morning production team to those helping with reception, and those who offer to bring an elderly member to our services, is priceless. We cannot thank you enough.

The Charity continues to make gifts to individuals and organisations both in the UK and overseas in line with its objects. Gifts are made on an ad hoc basis, according to need, subject to the availability of funds, and after careful consideration by the Trustees in committee.

Achievements and performance

The Charity has continued to focus on work in pursuance of its charitable objectives. These are;

- Becoming a community where Jesus is wholeheartedly worshipped, deeply experienced and clearly known;
- Praying and creating space for renewal in ourselves and our communities;
- Seeing the tide of relational breakdown turned wherever we serve;
- Resourcing the wider church to bring about Kingdom Transformation
- Living generously, challenging the cultures and systems that create injustice, and actively loving those affected.

During this financial year, the Charity was still in recovery from the challenges faced from the pandemic. In March 2020, the Charity had to make significant operational changes. We feel that although the challenges were hard, we believe that we still made significant movement in achieving our objectives during the year. These include;

- We released our debut single from YCC worship 'You Have Our Hallelujah' in October 2021. This was written during lockdown and has been recorded by over 30 voices from different homes and settings.
- Sunday morning services were continued on a dual basis, in person and available on an online platform. We completed a series on our 365, mission, values and visions. We feel that this was successful and gave us the opportunity to say who we are and what we want to do.
- Y4F continued to serve the families in the community and provide a full service to the vulnerable members of our community.
- The Coffee Shop reopened its doors to the general public and continued its offering of refreshments as well as a listening ear where one is needed.
- Youth work and children's work restarted in person. This was delivered on various occasions during the week by volunteers and members of our staff and Create team. This provides safe spaces for children and young people to learn more about Jesus as well as develop in their social relationships.
- Prayer slots were continued in the morning and at lunch time on weekdays for the community to come together and pray for our local community as well as our national and international relations.

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Trustees' Report

- Poppins, a group for small children, continued to support and provide space for families.
- Small groups provided support and community to each other usually in the comfort of people's homes. These groups allow people to share life experiences, develop faith and offer support.
- The strategy team has expanded and now have a pastoral strategic lead which we feel is important to be a core focus. This is accompanied by a chaplain who provides on the ground support for those who require assistance.

Fundraising events are held on an ad-hoc basis. During our Sunday morning services, we do encourage financial giving in the form of our offering. Some of these offerings have specific purposes and this is openly communicated during the service.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

The principal funding of the charity is through government grants.

Total income amounts to £1,107,900 (2020: £877,597) as disclosed further in notes 2-5. Total expenditure amounts to £904,061 (2020: £605,187) as disclosed further in note 6.

Cash at bank and in hand at the year-end was £511,791 (2020: £344,854). There were free reserves of £40,809 (2020: £24,349) at 31 December 2021.

The total amount of funds held is £1,465,920. Of these funds, £502,728 (2020: 332,956) are restricted and £963,192 (2020: £929,125) are unrestricted. Of these unrestricted funds, £842,564 (2020: £850,092) are designated. These designated funds represent the net book value of the freehold property.

Policy on reserves

During 2021, a risk assessment was carried out by the finance committee. It was established that the reserves were adequate, but cash held did not reflect desired levels. This is being treated as a priority for the finance committee to review and strategically plan to enable the charity to build a cash reserve that is adequate to complete at least one month of liabilities initially.

A reserves policy has been established and approved by the Trustees to develop the cash and reserves to cover three months of liabilities.

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Trustees' Report

Plans for future periods

Aims and key objectives for future periods

Our online presence will continue moving forward. We believe that this has extended our reach into the community, nationally and internationally. There are many members who have joined us during the pandemic and onwards, and we would like to continue our engagement with them. We will continue to develop these links and find new and innovative ways to communicate, support and encourage whilst through a screen.

We continue to be involved in conversations with regards to a collaborative plan to develop more community space, facilitate greater connection and wellbeing within the community and develop our work amongst the Homeless community. We also continue to look at the potential development of the building among other options that may be presented to us.

Y4F plays a pivotal role in our engagement with families in the community. We believe Y4F is a fundamental part of our strategic plan moving forward and we continue to support this work.

We are looking to release further resources from Yeovil Community Church including worship music. Following our release of music in 2021, we will look to continue this in the future.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including liquidity risk, reputational risk and incoming resources. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Incoming resources

The Trustees recognise that some of our project, particularly Y4F, are heavily reliant on funding from external organisations. There is a risk that the funding ceases and the project can no longer continue or that the funding requirements are not met in terms of timing. To mitigate this risk, we have ensured that all contracts are legally binding and signed by the appropriate people. We are also reviewing our reserves policy as detailed below.

Reputational risk

A significant amount of our income is reliant on members of the public willingly giving their money. If we suffer a reputational issue, our funding is likely to be impacted. To mitigate this risk, we continually review our procedures for safeguarding and other high risk areas. We ensure our staff and volunteers have DBS clearance, where required, and are appropriately trained for their role.

Liquidity risk

There is a risk that not enough money is being received to cover the expenditure or that the timing of the incoming funds is too late for the expenditure. For 2021, the finance team and staff completed a budget to outline all expected income and all anticipated expenditure. We intentionally removed any income that was not guaranteed or highly anticipated and included all expenditure that was needed and wanted for additional projects. All appropriate staff agreed on their proposed budget and any further expenditure had to be agreed by the finance committee or full Trustee board dependent on the amount.

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Trustees' Report

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 31 October 2022 and signed on its behalf by:

.....
R D Brazier
Chairman

.....
S J P Collins
Trustee

Yeovil Community Church

Independent Auditor's Report to the Members of Yeovil Community Church

Opinion

We have audited the financial statements of Yeovil Community Church (the 'charity') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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Independent Auditor's Report to the Members of Yeovil Community Church

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;

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Independent Auditor's Report to the Members of Yeovil Community Church

- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mr Robert Cadwallader (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor

Motivo House
Alvington
Yeovil
Somerset
BA20 2FG

31 October 2022

Yeovil Community Church

Statement of Financial Activities for the Year Ended 31 December 2021

| | Note | Unrestricted funds Designated £ | General £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|------------------------------------|------|---------------------------------------|--------------|--------------------------|--------------------|--------------------|
| Income and Endowments from: | | | | | | |
| Donations and legacies | 2 | - | 237,100 | 14,784 | 251,884 | 252,452 |
| Charitable activities | 3 | - | 258,865 | 570,260 | 829,125 | 595,424 |
| Investment income | 4 | - | 20 | - | 20 | 82 |
| Government grants | 5 | - | 26,871 | - | 26,871 | 29,639 |
| Total Income | | - | 522,856 | 585,044 | 1,107,900 | 877,597 |
| Expenditure on: | | | | | | |
| Charitable activities | 6 | (7,528) | (481,261) | (415,272) | (904,061) | (605,187) |
| Total Expenditure | | (7,528) | (481,261) | (415,272) | (904,061) | (605,187) |
| Net (expenditure)/income | | (7,528) | 41,595 | 169,772 | 203,839 | 272,410 |
| Net movement in funds | | (7,528) | 41,595 | 169,772 | 203,839 | 272,410 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 850,092 | 79,033 | 332,956 | 1,262,081 | 989,671 |
| Total funds carried forward | 18 | 842,564 | 120,628 | 502,728 | 1,465,920 | 1,262,081 |

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 18.

Yeovil Community Church
(Registration number: 1170106)
Balance Sheet as at 31 December 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 11 | 929,069 | 918,147 |
| Current assets | | | |
| Stocks | 12 | 500 | 250 |
| Debtors | 13 | 80,995 | 23,768 |
| Cash at bank and in hand | 14 | 511,791 | 344,854 |
| | | 593,286 | 368,872 |
| Creditors: Amounts falling due within one year | 15 | (56,435) | (24,938) |
| Net current assets | | 536,851 | 343,934 |
| Net assets | | 1,465,920 | 1,262,081 |
| Funds of the charity: | | | |
| Restricted income funds | | | |
| Restricted funds | 18 | 502,728 | 332,956 |
| Unrestricted income funds | | | |
| Unrestricted funds | | 963,192 | 929,125 |
| Total funds | 18 | 1,465,920 | 1,262,081 |

The financial statements on pages 11 to 27 were approved by the trustees, and authorised for issue on 31 October 2022 and signed on their behalf by:

.....
R D Brazier
Chairman

.....
S J P Collins
Trustee

Yeovil Community Church

Cash Flow Statement for the Year Ended 31 December 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash income | | 203,839 | 272,410 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | | 42,197 | 34,711 |
| Investment income | 4 | <u>(20)</u> | <u>(82)</u> |
| | | 246,016 | 307,039 |
| Working capital adjustments | | | |
| (Increase)/decrease in stocks | 12 | (250) | 704 |
| Increase in debtors | 13 | (57,227) | (12,784) |
| Increase/(decrease) in creditors | 15 | <u>31,497</u> | <u>(2,798)</u> |
| Net cash flows from operating activities | | <u>220,036</u> | <u>292,161</u> |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | 4 | 20 | 82 |
| Purchase of tangible fixed assets | 11 | <u>(53,119)</u> | <u>(55,088)</u> |
| Net cash flows from investing activities | | <u>(53,099)</u> | <u>(55,006)</u> |
| Net increase in cash and cash equivalents | | 166,937 | 237,155 |
| Cash and cash equivalents at 1 January | | <u>344,854</u> | <u>107,699</u> |
| Cash and cash equivalents at 31 December | | <u><u>511,791</u></u> | <u><u>344,854</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

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Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Yeovil Community Church meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) 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.

Going concern

Due to the continuing effects of the Coronavirus "COVID-19" throughout the year, the trustees have reviewed and stress tested projections and budgets for the next twelve months. Following this review, the trustees consider there to be little impact on the Charity's ability to act as a going concern.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Judgements and key sources of uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Gifts in kind

Gifts in kind are included in the accounts at the market value i.e the amount the charity would have paid at the date they were gifted.

Investment income

Investment income includes bank interest and is included when receivable.

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Notes to the Financial Statements for the Year Ended 31 December 2021

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grant income is recognised on a receivable basis. Where a restriction is placed on the use of the grant, the amount of the grant is included in restricted funds. Grants that are receivable as compensation for expenses or losses already incurred or for purposes of giving immediate financial support to entity with no future related costs are recognised in income in the period in which it became receivable.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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Notes to the Financial Statements for the Year Ended 31 December 2021

Tangible fixed assets

Fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| Asset class | Depreciation method and rate |
|--|---------------------------------------|
| Freehold Land and Buildings | over 50 years, land nil |
| Equipment, Kitchen equipment and Machinery | 25% reducing balance and over 3 years |
| Motor vehicles | over 4 years |

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

Pensions and other post retirement obligations

The company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs are charged to the Statement of Financial Activities as incurred, and represent contributions payable by the company.

Financial instruments

Recognition and measurement

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows;

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Income from donations and legacies

| | Unrestricted funds General £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|-------------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Donations and legacies; | | | | |
| Worship | 237,100 | - | 237,100 | 246,610 |
| Y4F income | - | 14,784 | 14,784 | 4,964 |
| Coffee shop charity day | - | - | - | 878 |
| | <u>237,100</u> | <u>14,784</u> | <u>251,884</u> | <u>252,452</u> |

£237,100 (2020 - £243,070) of the income above was attributable to unrestricted funds and £14,784 (2020 - £9,382) attributable to restricted funds.

3 Income from charitable activities

| | Unrestricted funds General £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|-------------------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Y4F income | - | 650,116 | 650,116 | 442,662 |
| Coffee shop | 38,945 | - | 38,945 | 37,269 |
| Activities with Church family | 12,540 | - | 12,540 | 12,055 |
| Other activities | 110,524 | - | 110,524 | 32,796 |
| Other grants | - | 17,000 | 17,000 | 70,642 |
| Contributions to core funding | <u>96,856</u> | <u>(96,856)</u> | <u>-</u> | <u>-</u> |
| | <u>258,865</u> | <u>570,260</u> | <u>829,125</u> | <u>595,424</u> |

£258,865 (2020 - £131,393) of the income above was attributable to unrestricted funds and £570,260 (2020- £464,031) attributable to restricted funds.

4 Investment income

| | Unrestricted funds General £ | Total 2021 £ | Total 2020 £ |
|---|---------------------------------------|--------------------|--------------------|
| Interest receivable and similar income; | | | |
| Interest receivable | <u>20</u> | <u>20</u> | <u>82</u> |

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

£20 (2020 - £82) of the income above was attributable to unrestricted funds and £Nil (2020 - £Nil) attributable to restricted funds.

5 Government grants

| | Unrestricted funds General £ | Total 2021 £ | Total 2020 £ |
|-------------------------------------|---------------------------------------|--------------------|--------------------|
| CJRS furlough claims | 8,197 | 8,197 | 8,651 |
| Coronavirus business support grants | 18,674 | 18,674 | 20,988 |
| | <u>26,871</u> | <u>26,871</u> | <u>29,639</u> |

£26,871 (2020 - £29,639) of the income above was attributable to unrestricted funds and £Nil (2020 - £Nil) attributable to restricted funds.

6 Expenditure on charitable activities

| | Note | Unrestricted funds Designated £ | General £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|----------------------------------|------|---------------------------------------|----------------|--------------------------|--------------------|--------------------|
| Worship | | - | 275,877 | 7,961 | 283,838 | 257,118 |
| Coffee shop | | - | 52,714 | - | 52,714 | 72,597 |
| Activities with Church family | | - | 106,146 | 399,501 | 505,647 | 234,196 |
| Allocated support costs | 7 | 7,528 | 33,502 | 7,810 | 48,840 | 39,026 |
| Governance costs | 7 | - | 13,022 | - | 13,022 | 2,250 |
| | | <u>7,528</u> | <u>481,261</u> | <u>415,272</u> | <u>904,061</u> | <u>605,187</u> |

£488,789 (2020 - £399,002) of the expenditure above was attributable to unrestricted funds and £415,272 (2020 - £206,185) attributable to restricted funds.

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

7 Analysis of governance and support costs

Support costs

| | Unrestricted funds | | Restricted funds | Total 2021 | Total 2020 |
|--|--------------------|---------------|------------------|---------------|---------------|
| | Designated | General | | | |
| | £ | £ | £ | £ | £ |
| Depreciation, amortisation and other similar costs | 7,528 | 27,984 | 6,685 | 42,197 | 34,711 |
| Consultancy fees | - | 1,328 | 1,125 | 2,453 | 3,000 |
| Other resources expended | - | 4,190 | - | 4,190 | 1,315 |
| | <u>7,528</u> | <u>33,502</u> | <u>7,810</u> | <u>48,840</u> | <u>39,026</u> |

£41,030 (2020 - £29,342) of the expenditure above was attributable to unrestricted funds and £7,810 (2020 - £9,684) attributable to restricted funds.

Governance costs

| | Unrestricted funds | Total 2021 | Total 2020 |
|---|--------------------|---------------|--------------|
| | General | | |
| | £ | £ | £ |
| Audit fees | | | |
| Audit of the financial statements | 6,600 | 6,600 | - |
| Other fees paid to auditors | 2,340 | 2,340 | - |
| Independent examiner fees | | | |
| Examination of the financial statements | 4,082 | 4,082 | 2,250 |
| | <u>13,022</u> | <u>13,022</u> | <u>2,250</u> |

£13,022 (2020 - £2,250) of the expenditure above was attributable to unrestricted funds and £Nil (2020 - £Nil) attributable to restricted funds.

8 Net incoming/outgoing resources

Net incoming resources for the year include:

| | 2021 | 2020 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Operating leases - other assets | 6,000 | - |
| Audit fees | 6,600 | - |
| Other non-audit services | 2,340 | - |
| Independent examiner fees | - | 2,250 |
| Depreciation of fixed assets | <u>41,848</u> | <u>34,711</u> |

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2020: £nil).

No trustees have received any reimbursed expenses or any other benefits from the charity during the year (2020: £nil).

10 Staff costs

The aggregate payroll costs were as follows:

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Staff costs during the year were: | | |
| Wages and salaries | 558,503 | 402,437 |
| Social security costs | 34,553 | 21,881 |
| Pension costs | 21,550 | 14,124 |
| | <u>614,606</u> | <u>438,442</u> |

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

| | 2021 No | 2020 No |
|----------------|------------|------------|
| Leadership | 5 | 4 |
| Administration | 4 | 4 |
| Ministry | 3 | 5 |
| Coffee shop | 7 | 5 |
| Y4F | 19 | 13 |
| | <u>38</u> | <u>31</u> |

The full time equivalent number of staff for the same period was 27 (2020: 22).

No employee received emoluments of more than £60,000 during the year

The total employee benefits of the key management personnel of the charity were £145,547 (2020 - £90,924).

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Tangible fixed assets

| | Freehold land and buildings £ | Equipment, kitchen equipment and machinery £ | Motor vehicles £ | Total £ |
|-----------------------|--|---|------------------------|------------------|
| Cost | | | | |
| At 1 January 2021 | 876,440 | 129,328 | 10,913 | 1,016,681 |
| Additions | <u>-</u> | <u>53,119</u> | <u>-</u> | <u>53,119</u> |
| At 31 December 2021 | <u>876,440</u> | <u>182,447</u> | <u>10,913</u> | <u>1,069,800</u> |
| Depreciation | | | | |
| At 1 January 2021 | 26,348 | 62,638 | 9,548 | 98,534 |
| Charge for the year | <u>7,528</u> | <u>33,304</u> | <u>1,365</u> | <u>42,197</u> |
| At 31 December 2021 | <u>33,876</u> | <u>95,942</u> | <u>10,913</u> | <u>140,731</u> |
| Net book value | | | | |
| At 31 December 2021 | <u>842,564</u> | <u>86,505</u> | <u>-</u> | <u>929,069</u> |
| At 31 December 2020 | <u>850,092</u> | <u>66,690</u> | <u>1,365</u> | <u>918,147</u> |

12 Stock

| | 2021 £ | 2020 £ |
|--------|------------|------------|
| Stocks | <u>500</u> | <u>250</u> |

13 Debtors

| | 2021 £ | 2020 £ |
|-----------------|---------------|---------------|
| Trade debtors | 10,143 | 4,272 |
| Prepayments | 8,474 | 6,053 |
| Accrued income | 22,537 | - |
| VAT recoverable | 5,190 | - |
| Other debtors | <u>34,651</u> | <u>13,443</u> |
| | <u>80,995</u> | <u>23,768</u> |

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

14 Cash and cash equivalents

| | 2021 £ | 2020 £ |
|--------------|----------------|----------------|
| Cash on hand | 387 | 24 |
| Cash at bank | 511,404 | 344,830 |
| | <u>511,791</u> | <u>344,854</u> |

15 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|---------------|---------------|
| Trade creditors | 12,811 | 6,690 |
| Other taxation and social security | 9,720 | 7,908 |
| VAT payable | - | 1,669 |
| Other creditors | 11,785 | 269 |
| Accruals | 22,119 | 8,402 |
| | <u>56,435</u> | <u>24,938</u> |

16 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2021 £ | 2020 £ |
|---------------------------|--------------|-----------|
| Land and buildings | | |
| Within one year | <u>6,000</u> | <u>-</u> |

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £21,550 (2020 - £14,124).

Contributions totalling £11,785 (2020 - £269) were payable to the scheme at the end of the year and are included in creditors.

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

18 Funds

| | Balance at 1 January 2021 £ | Incoming resources £ | Resources expended £ | Balance at 31 December 2021 £ |
|--------------------------------------|-----------------------------------|----------------------------|----------------------------|-------------------------------------|
| Unrestricted funds | | | | |
| <i>General</i> | | | | |
| General fund | 79,033 | 522,856 | (481,261) | 120,628 |
| <i>Designated</i> | | | | |
| Designated Building Fund | 850,092 | - | (7,528) | 842,564 |
| Total unrestricted funds | <u>929,125</u> | <u>522,856</u> | <u>(488,789)</u> | <u>963,192</u> |
| Restricted funds | | | | |
| Capital/Building Development Fund | 80,524 | 17,000 | (7,545) | 89,979 |
| COVID Response Grant - Poppins | 4,000 | - | (4,000) | - |
| Griffiths Legacy - Overseas Mission | 41,246 | - | - | 41,246 |
| Raise your words Y4F - Writers Group | 3,435 | - | (122) | 3,313 |
| Small Support Funds Y4F | 4,331 | 6,978 | (1,030) | 10,279 |
| Lottery Funding Homeless Project Y4F | 14,507 | 38,119 | (12,145) | 40,481 |
| Y4F Contingency Fund | 15,876 | 27,216 | - | 43,092 |
| Y4Families General | 169,037 | 495,731 | (390,430) | 274,338 |
| Total restricted funds | <u>332,956</u> | <u>585,044</u> | <u>(415,272)</u> | <u>502,728</u> |
| Total funds | <u><u>1,262,081</u></u> | <u><u>1,107,900</u></u> | <u><u>(904,061)</u></u> | <u><u>1,465,920</u></u> |

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

| | Balance at 1 January 2020 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 December 2020 £ |
|--------------------------------------|--------------------------------------|----------------------------|----------------------------|-----------------|--|
| Unrestricted funds | | | | | |
| General | | | | | |
| General fund | 16,454 | 406,891 | (393,161) | 48,849 | 79,033 |
| Designated | | | | | |
| Sundries | 1,569 | - | - | (1,569) | - |
| Pool table | 148 | - | - | (148) | - |
| Coffee Shop Tips | 178 | - | - | (178) | - |
| Tear Fund - Poppins | | | | | |
| Micro Grant | 588 | - | - | (588) | - |
| Overseas - A Partington | 6,617 | - | - | (6,617) | - |
| Youth Trips Fund | 197 | - | - | (197) | - |
| VAT | 75 | - | - | (75) | - |
| Social Action Fund | 3,027 | - | - | (3,027) | - |
| Legacy Fund | 5,296 | - | - | (5,296) | - |
| Designated Building Fund | 857,620 | - | (7,528) | - | 850,092 |
| | <u>875,315</u> | <u>-</u> | <u>(7,528)</u> | <u>(17,695)</u> | <u>850,092</u> |
| Total unrestricted funds | <u>891,769</u> | <u>406,891</u> | <u>(400,689)</u> | <u>31,154</u> | <u>929,125</u> |
| Restricted | | | | | |
| Capital/Building Development Fund | 19,240 | 38,020 | - | 23,264 | 80,524 |
| Create Restricted Fund | 200 | - | (200) | - | - |
| Charity Days | - | 878 | (878) | - | - |
| COVID Response Grant - Poppins | - | 4,000 | - | - | 4,000 |
| Griffiths Legacy - Overseas Mission | 37,530 | - | - | 3,716 | 41,246 |
| YDH Funding | - | 8,061 | (8,061) | - | - |
| COVID Support | - | 11,394 | - | (11,394) | - |
| Raise your words Y4F - Writers Group | - | - | - | 3,435 | 3,435 |
| Homeless Support Fund Y4F | 4,182 | - | - | (4,182) | - |
| Small Support Funds Y4F | - | - | (506) | 4,837 | 4,331 |
| Lottery Funding | | | | | |
| Homeless Project Y4F | 15,412 | 30,930 | (31,835) | - | 14,507 |
| Y4F Contingency Fund | - | - | - | 15,876 | 15,876 |
| Y4Families General | <u>21,338</u> | <u>338,150</u> | <u>(123,745)</u> | <u>(66,706)</u> | <u>169,037</u> |

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

| | Balance at 1 January 2020 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 December 2020 £ |
|-------------------------------|--------------------------------------|----------------------------|----------------------------|-----------------|--|
| Total restricted funds | <u>97,902</u> | <u>431,433</u> | <u>(165,225)</u> | <u>(31,154)</u> | <u>332,956</u> |
| Total funds | <u>989,671</u> | <u>838,324</u> | <u>(565,914)</u> | <u>-</u> | <u>1,262,081</u> |

The specific purposes for which the funds are to be applied are as follows:

The unrestricted general fund is available to be used at the trustees discretion to further the objects of the charity.

Designated funds include unrestricted funds that have been ringfenced by the trustees for the purpose of maintaining a building fund. This equates to the net book value of assets purchased from designated income. Depreciation on these assets is written off annually against the designated funds.

Restricted funds relate to incoming resources which have been received subject to specific conditions imposed by the donor and binding on the Trustees and may only be applied in accordance with the restrictions placed on the donation.

The Griffiths Legacy of which a balance of £41,246 is restricted on spending for overseas mission trips as approved by the trustees.

The Capital/Building Development Fund of which a balance of £89,979 is restricted on spending for the development, improvement and potential expansion of the building.

The Raise your words Y4F - Writers Group, of which a balance of £3,313 is restricted for spending on the writers group.

The Small support funds Y4F, of which a balance of £10,279 is restricted for spending on those in the community who require additional help with small or sundry items.

The Lottery Funding Homeless Project Y4F fund, of which a balance of £40,481 is restricted for spending on working with the Homeless community.

The Y4F Funds brought forward totalled £169,037 plus £15,876 for the Y4F Contingency fund. Total income of £522,947 relates to grants, direct credits, lottery funding as well as other income was received in the year. Total expenditure of £390,430, made up of wages, office services, travel, depreciation and other costs were spent in the year. This resulted in funds carried forward of £317,430 including a carried forward balance of £43,092 for the Y4F contingency fund. The Y4F general fund is ringfenced for Y4F, but the use within that is not determined. This is restricted for the enhancement of the programme. The Y4F contingency fund is restricted to enable the charity to ensure all wages and debts are paid should Y4F funding cease.

Yeovil Community Church

Notes to the Financial Statements for the Year Ended 31 December 2021

19 Analysis of net assets between funds

| | Unrestricted funds | | Restricted funds | Total funds at 31 December 2021 |
|-----------------------|--------------------|----------------|------------------|---------------------------------|
| | General | Designated | | |
| | £ | £ | £ | £ |
| Tangible fixed assets | 79,819 | 842,564 | 6,686 | 929,069 |
| Current assets | 97,244 | - | 496,042 | 593,286 |
| Current liabilities | (56,435) | - | - | (56,435) |
| Total net assets | <u>120,628</u> | <u>842,564</u> | <u>502,728</u> | <u>1,465,920</u> |

| | Unrestricted funds | | Restricted funds | Total funds at 31 December 2020 |
|-----------------------|--------------------|----------------|------------------|---------------------------------|
| | General | Designated | | |
| | £ | £ | £ | £ |
| Tangible fixed assets | 54,684 | 850,092 | 13,371 | 918,147 |
| Current assets | 49,287 | - | 319,585 | 368,872 |
| Current liabilities | (24,938) | - | - | (24,938) |
| Total net assets | <u>79,033</u> | <u>850,092</u> | <u>332,956</u> | <u>1,262,081</u> |

20 Related party transactions

During the year the charity made the following related party transactions:

Joseph and Claire Hardy, a married couple, are both employed by the Charity on salaries commensurate with their positions. Claire is also the daughter of a trustee.

At the balance sheet date the amount due to/from was £Nil (2020 - £Nil).

Lisa Collins, whose husband is a trustee, is employed by the Charity.

At the balance sheet date the amount due to/from was £Nil (2020 - £Nil).

Yeovil Community Church Trust

The Charity is connected to the Yeovil Community Church Trust which has trustees and certain objects in common. The trustees in common are as follows:

K Hibbert, M Nichols, and I Bramley.

At the balance sheet date the amount due to/from Yeovil Community Church Trust was £Nil (2020 - £Nil).