

GRACE CHURCH, WOLVERHAMPTON
TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2022

Company Registration No. 10905279 (England and Wales)
Charity Registration No. 1174223

Contents

	Page
Trustees Report	4
Independent Examiners Report	8
Statement of Financial Accounts	10
Balance Sheet	10
Notes to the financial statements	11 - 16

Trustees Report Objectives and Activities

The Charity's objects ("Objects") are for the public benefit and are specifically restricted to the advancement of the Christian faith and the relief of sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind, in such parts of the United Kingdom or the world as the Trustees from time to time may think fit.

Grace Church Wolverhampton is a Christian Church working in partnership with the Catalyst group of Newfrontiers churches, as well as sharing together with the Connect, an association seeking to network Wolverhampton's Churches. Grace Church believes that the good news of knowing God personally through faith in Jesus Christ is a message that is as important today as any other. The team serving GCW is led by Anthony and Gill Henson who were called to Wolverhampton to plant the Church in 2011. Anthony and Gill have established a number of churches across the South East and the Midlands over the past 26 years. GCW has been established as a church since March 2013.

GCW believes that you do not have to be of a certain standard to get involved and participate in the life of the church. There are no experts. Even those who have been doing it for more than 30 years, do not consider themselves to be experts. There are also no perfect people including the leadership team and Elders. The church seeks together to simply go with what they believe God is saying at each stage of its development within the local context. GCW is built on a number of teams. It believes that having a good core team is an essential element in establishing the work that God has called it to. The church is young in heart and flexible, full of faith, able to adapt and prepared to take risks.

GCW desires to fulfil the command of scripture to take the Gospel into the world. GCW desires very much to grow not so much from transfer growth from other churches but by reaching new converts and seeing prodigals return to the Lord.

The vision of the church is about building a solid foundation of the Grace of God, the Word of God and the Holy Spirit but also reaching out to the community and the world around us. As much energy is spent on reaching people outside of the church as it is building up those who are already in the church.

Grace Church has certain values and characteristics which shape what it does and how it does it. These are:

- To love God and to love one another.
- To receive, live and to minister the unmerited and abundant mercy and grace of God.
- To be founded and formed by the Word of God.
- To be filled and led by the Holy Spirit in life and ministry.

- To correctly value the whole body of Christ and to welcome the different ministries within it, including the "Ephesians 4" ministries.
- To pursue the presence of Christ in our gatherings and in our lives.
- To be friendly, informal, work as a team and be humble in all we do.
- To give away what we receive in humble service to one another.

Leaders and members of the congregation are committed to upholding and promoting this vision and these values.

Grace Church's main activities comprise of the following:

- Sunday services of worship
- Mid-week area groups in homes
- Other occasional church related activities such as prayer meetings, men's and women's breakfasts
- Provision of groceries and food to people in need both within and outside of the congregation through the Manna Soup Kitchen and a partnership with FareShare Midlands.

Achievements and Performance

The Church has carefully and slowly emerged from the impact that Covid-19 has had on all institutions and churches.

Meeting online through Zoom has continued to greatly help the organisation, whether for prayer, church socials, small support, or just opportunities to catch-up.

Since May 2021 Grace Church has been meeting again in a new setting, still within the same location. It has been hosting an in-person service each week as well as providing a social media link for people to join during the week.

The church's outreach and community care, despite many restrictions, has found new ways of expression, including various prayer support networks.

For Christmas 2021, the church conducted a special Carol Service for the community which included a family service, farm animals, quizzes and gifts for all children, as well as a great selection of food. Similarly, at Easter the Sunday Guest Service had a broad family focus, with activities, gifts and an arrangement of food as well.

During 2022 Grace Church has increased its social media presence and now have a member of the church with responsibility for this who is dedicating time to updating and posting regularly. Again, our intention is to provide regular news and updates for both the local community and the church family.

As in previous years, the church has again been particularly keen to assist the elderly and vulnerable. Regular pastoral visits have continued in safe and socially distanced ways. The giving nature of the church has grown during this year in a number of ways. One impact of Covid that is increasingly being recognised throughout the world, is the impact on mental health. Through the church working in partnership with other organisations, assistance has been brought to schools, various contexts of social need and other groups.

This period has again been a time of working closely with other Wolverhampton/Black Country churches, social action networks. Often this has included liaising with the local authority.

The church has provided care and assistance to a growing number of young families, to the extent where we now see that a major opportunity for growth.

Also throughout the year, the church has made a number of donations to assist the mission both of Grace Church and of other churches too, via various 'churches together' groupings, as well as youth work, the poor and the elderly.

The church has continued to practice the Christian faith by teaching the Bible and by assisting the enquirer.

Grace Church is made up from all age groups, and from different ethnic and social backgrounds. The church reflects in many ways the rich diversity of life in Wolverhampton and the Black Country.

Whilst we continue to support Wolverhampton and Black Country churches and other networks, we have also continued to support the Catalyst/Newfrontiers group of churches that we were planted from.

Wolverhampton has many areas of need and deprivation, which is also somewhat reflected in the make-up of the church. One aspect of our outreach has been the regular provision of food parcels for those in the community facing hardship. The church has also sent donations to parts of the world where existing deprivation has been compounded by pandemic and war, in particular Kenya and Ukraine.

One of the biggest changes and opportunities the church is facing in the coming months is in the area of staff. Pastor Anthony Henson, having reached pensionable age last year, will be reducing his hours down to work a part-time basis from September. At the same time, a new trainee pastor will be joining the staff of the church. Mark Lloyd will be working part-time for the church as well as commencing a Theology and Leadership Course. The church is very much behind this initiative, and whilst this will mean a mid-term financial stretch for the church, the church will be using its healthy reserves to help finance this enterprise, to both extend the ministry of the church in new ways, as well as bring consolidation for the future pastoral leadership of the church.

The challenges we face as a church are exciting as well as very stretching and we look forward to another year of being a church with such a wide vision to impact the community of Wolverhampton, the Black Country and beyond.

Financial Review

Grace Church made a financial loss during the last financial year. The majority of the charity's general fund is made up of tithes and donations from the members of the organisation who contribute towards the ongoing costs of running the organisation. The make-up of the congregation has changed in significant ways through the difficulties of Covid, which has resulted in a reduction in the income of the charity. At the same time, those difficulties meant that the needs of both the church and the community remained the same or possibly even increased over the same period. The combination of these two factors created a budgetary deficit and required the Church to use some of its healthy reserves to make up the shortfall.

The church has a policy of not holding more than three months of reserves unless there are specific requirements for doing so. It currently holds free reserves of just under £92,000, which is more than the 3-month policy requires.

At this present time, the reserves that had been previously earmarked for considering placing a deposit on a building that the church would own, have been reallocated as an investment into the future leadership of the church.

In this next season, the church is investing in the training and development of the new trainee pastor whilst still seeking to re-establish the healthy levels of income that it benefited from pre-Covid.

It is therefore anticipated that for the next year or 2, the budget will be run at a deficit and the additional reserves will be used to ensure that the church continues to pay staff and provides the same level of service that it has for many years now to the local community.

Structure, Governance and Management

The Church is governed by Articles of Association and is constituted as a Charitable Company (limited by guarantee). It is overseen by a board of trustees who are appointed by the Elders of the church.

In relation to the policies and procedures adopted by the charity for the induction and training of trustees, current and any new trustees are referred to guidance from the Charity Commission on their website under the heading of "Trustee Role and Board". The Chair of trustees has put together an induction pack which includes guidance from the charity commission, information about the church itself including its policies and procedures and financial status and health.

New trustees are provided with up-to-date charity commission guidance relating to the role and responsibilities of trustees. They are provided with copies of the policies and procedures of the organisation and encouraged to read through them and ask any questions that they may have. The Chair of trustees meets with them to discuss the above documents, answer any questions and ensure that they have understood the requirements of the role that they are being asked to undertake.

The trustees are all members of the congregation. They all have experience of governance within educational or charitable organisations and a number have served on other boards in similar capacities or work operationally in partnership with boards within their own organisation.

The charity is currently led by a lead Elder Anthony Henson who is the pastor of the church. He is supported by the team of trustees and a wider leadership team.

Grace Church is part of the Newfrontiers family of churches and benefits greatly from the support of those churches within this group through conferences that are organised by them and through the personal relationships between the church leaders. Grace Church is part of the Catalyst Network in Newfrontiers. The Catalyst Team is led by Simon Holley and encompasses a number of New Frontiers churches in the UK and across the world including many Russian speaking countries and the Middle East

The Catalyst Festival organised by the wider Catalyst Network at Stoneleigh Agricultural Showground has been a great opportunity to provide training for the members and leaders of the church. It has not taken place in the last couple of years as a direct consequence of COVID however it will be greatly appreciated again when it returns. There have also been other training opportunities and the costs of providing training has often been subsidised by the church.

As indicated above, from the next financial year (September 2022), Mark Lloyd is joining the staff team as trainee pastor, reporting directly to Senior Pastor Anthony Henson. Anthony is beginning to pass off a number of responsibilities to the trainee pastor and it is anticipated over the next couple of years that Mark will grow into a wider role within the church.

Reference and Administrative details

Charity name	Grace Church Wolverhampton
Other name the charity uses	
Registered charity number	1174223
Charity's principal address	61 Vicarage Road, Wednesfield, Wolverhampton, WV11 1SE

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Matthieu Lambert	Chair / Treasurer		Elders
2	Sally Lloyd	Assistant Treasurer		Elders
3	Jon Gamble		Up to February 2022	Elders
4	Drusilla Kwembe		From June 2021	Elders
5	Stephen Morgan	Staff welfare	From May 2022	Elders

Name of chief executive or names of senior staff members (Optional information)

Anthony Henson is the "Lead Elder" having the function of CEO.

Declarations

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These accounts have been prepared in accordance with the micro-entity provisions and have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Signed on behalf of the charity's trustees

Chair of Trustees – Matthieu Lambert – dated 8th September 2022



Matthieu Lambert 19th September 2022

Independent Examiners Report to the trustees of Grace Church Wolverhampton

on the accounts for the year to **31st August 2022** as set out on pages 10 – 16 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 that 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: 17/09/2022

Statement of Financial Activity

For the year ended 31st. August 2022	Notes	Unrestricted funds £	Restricted funds £	Total this year £	Total last year £
Incoming resources	3				
Incoming resources from generated funds		-	-	-	-
Voluntary income		49,710	215	49,925	68,452
Total incoming resources		49,710	215	49,925	68,452
Resources expended	4				
Costs of Generating Funds		309	-	309	1,170
Charitable activities		62,615	873	63,488	59,405
Total resources expended		62,924	873	63,797	60,575
Net incoming/(outgoing) resources before transfers		(13,214)	(658)	(13,872)	7,877
Gross transfers between funds	7	-	-	-	-
Net movement in funds		(13,214)	(658)	(13,872)	7,877
Total funds brought forward		105,671	1,130	106,801	98,924
Total funds carried forward		92,457	472	92,929	106,801

Balance Sheet

For the year ended 31st. August 2022	Note	Unrestricted funds £	Restricted funds £	Total this year £	Total last year £
Current assets					
Debtors	5	1,536	-	1,536	3,574
Cash at bank and in hand		91,491	472	91,963	103,971
Total current assets		93,027	472	93,499	107,545
Creditors: amounts falling due within one year	6	(570)	-	(570)	(744)
Net assets less liabilities		92,457	472	92,929	106,801
Funds of the Charity					
Unrestricted funds		92,457	-	92,457	105,671
Restricted income funds	7		472	472	1,130
Total funds		92,457	472	92,929	106,801

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

Approved by the Trustees and signed on their behalf.



Matthieu Lambert 19th September 2022

NOTES TO THE ACCOUNTS YEAR ENDED 31 August 2022

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.

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

2.1 Income

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the Trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

There are no performance-related grants.

Legacies

Legacies are included in the SoFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Government grants

The charity has not received any government grants in the reporting period.

Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Contractual income and performance-related grants

This is only included in the SoFA once the charity has provided the related goods or services or met the performance-related conditions.

Donated goods

The charity has not received any goods in the reporting period considered to be of material value. No donated goods have been monetised.

Donated services and facilities

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SoFA.

Support costs

The charity has not incurred expenditure on support costs.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the Trustees' annual report.

Income from interest, royalties, and dividends

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Income from membership subscriptions

No membership subscriptions are charged.

Settlement of insurance claims

Insurance claims are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP) and are included as an item of other income in the SoFA.

Investment gains and losses

Investment gains or losses in the year are recognized in the SoFA

2.2 Expenditure and liabilities

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Redundancy cost

The charity made no redundancy payments during the reporting period.

Deferred income

No material item of deferred income has been included in the accounts.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts

Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS102 SORP.

2.3 ASSETS

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £10,000

They are valued at cost except for land and buildings which are shown at the values at 31 December 2016.

The depreciation rates and methods used are below:

Furniture and fittings	10% straight line
Computers and equipment	33% straight line
Buildings	0% straight line

Intangible fixed assets

The charity does not have intangible fixed assets, that is, non-monetary assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights

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.

3 Analysis of income

	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
	£	£	£	£
Donations and legacies:				
Voluntary donations	41,291	215	41,506	56,906
Gift Aid	8,419	-	8,419	11,546
Total Donations and legacies	49,710	215	49,925	68,452

4 Analysis of expenditure

	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
	£	£	£	£
Expenditure on generating funds:				
Webpage	309	-	309	250
Publicity and printing	-	-	-	920
Total expenditure on generating funds	309	-	309	1,170
Expenditure on charitable activities				
Salaries and wages	38,426	-	38,426	38,030
Pensions	36	-	36	-
Travel, conferences	4,180	-	4,180	3,926
Office Expenses	3,513	-	3,513	5,717
property costs (rents)	6,230	-	6,230	2,355
Resources, Catering and cost of meetings	1,214	873	2,087	2,015
Pastoral and care for the needy	4,034	-	4,034	2,108
Ministry and Catalyst	3,704	-	3,704	4,704
Children	1,108	-	1,108	430
Governance (Independent Examiner)	170	-	170	120
Total expenditure on charitable activities	62,615	873	63,488	59,405
TOTAL EXPENDITURE	62,924	873	63,797	60,575

5 Debtors and prepayments

Analysis of debtors	Amounts falling due within one year	
	2022	2021
	£	£
Prepaid Expenses Trainee Pastor	850	-
HMRC Gift Aid	686	3,574
Total	<u>1,536</u>	<u>3,574</u>

6 Creditors and accruals

Analysis of creditors	Amounts falling due within one year	
	2022	2021
	£	£
Accruals	50	0
Creditors	520	744
Total	<u>570</u>	<u>692</u>

7 FUNDS ANALYSIS

Movements of all funds summarised in the Statement of Financial Activities.

Fund Name	Fund balances brought forward	Incoming resources	Outgoing resources	Transfers	Fund balances carried forward
	£	£	£	£	£
Church Unrestricted	105,671	49,710	(62,875)	-	92,506
Soup Kitchen Restricted	1,130	215	(873)	-	472
Total Funds	106,801	49,925	(63,748)	-	92,978

8 Trustees Disclosures

In respect of expenses, Trustees have not received any expenses for their duties as trustees. There have been a number of reimbursements over the course of the financial year to all three trustees for direct expenditures on behalf of the charity in circumstances where it was simpler for the trustee to incur the expense and request reimbursement than arrange for the charity to make the initial payment.