

Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31st March 2021

The Church mainly meets at Addlson Centre, Kempston

The Church's office address is :

229 Bedford Road, Kempston, Bedford MK42 8DA

www.graceinthecommunity.com

Telephone: 01234 851508

Charity Registration Number: 1180195

Company Registration Number: 11595189

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Grace Community Church Bedford
For the year ended 31 March 2021

Charity Information

Bankers: National Westminster Bank
81 High Street
Bedford
Bedfordshire
MK40 1YN

Independent Examiner: A Di Lorenzo (FCA)
Haines Watts
First Floor, Woburn Court

2 Railton Road
Woburn Industrial Estate
Kempston
MK42 7PN

Legal Advisors: Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

**Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31 March 2021**

Objectives and Activities of the Church

The Church exists to promote the Christian faith – the good news of what God has done for us - in its immediate community of Kempston and Bedford and also in the whole world through links with other similar churches and organisations. The Church meets regularly to worship God for who He is, and to thank Him for all He has done for us. We have always had a strong emphasis upon teaching the Bible and our leaders are committed to explaining the Bible in a way that is contemporary, accurate and relevant. We usually meet twice on a Sunday and in a number of home groups during the week. We want our meetings to be accessible, helpful and clear.

Believing the good news of Jesus not only restores our broken relationship with God, but enables us to have better relationships with each other. We want to model this in our love and commitment to one another within the church family, but also to express God's love and care within our general community. Church members, in all kinds of personal and individual ways, are fully involved in this, but the Church as a group is also committed to helping people. This service will take many forms but particularly the care of the poor, needy and vulnerable.

The Trustees and Officers review regularly the activities undertaken to achieve these goals and particularly the number of people and participation levels of those attending the various meetings and activities arranged. The Church is currently developing a Mission Statement and set of Values that will guide it in its future decisions and practice.

Structure, Governance and Management

Grace Community Church Bedford was formerly known as Kempston Evangelical Church. The Church's basis of faith and practice is set out in two documents entitled 'This we believe' and 'This we do'. We have also produced a booklet 'Visitor Information' which provides an overview of the church and its involvement in the community.

In April 2009 the Church became a registered Charity and then on 28th September 2018, became a private company limited by guarantee (Company Number 11595189). This company was also registered with the Charity Commission on 5th October 2018 (Charity Number 1180195). The Company's governing document is its Articles and Memorandum of Association dated 28th September 2018.

The Church is governed by Trustees. The Trustees usually meet at least 3 times a year and have formed sub-committees for specialist areas of governance – Elders, Finance and Policies.

**Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31 March 2021**

Structure, Governance and Management

The Church is governed by Trustees. The Trustees who served during the year ended 31 March 2021 were:

R J Evans - Elder and Full Time Employee

S Rowell - Elder and Full Time Employee

R Cooper - Elder and Volunteer

N Pestell - Elder and Volunteer

C Almond - Elder and Volunteer

M Crisp - Deacon and Volunteer

A White - Elder and Volunteer

The Church believes that officers of the Church, Elders and Deacons, are chosen by God for their role in the Church and that these roles are recognised by the Church as a whole. Therefore, the officers must be members of the Church and are appointed by the other members of the Church at meetings arranged for this purpose. The officers are usually appointed for an indefinite term.

From time to time, officers move away from the Church or have new priorities and, therefore, resign from their leadership role. Other changes to officers will be decided by the members of the Church at meetings arranged for that purpose. Under the Articles and Memorandum of Association, certain officers may be appointed as Trustees and Directors.

The Church's Articles and Memorandum of Association require that there always be a majority of Trustees that are Elders.

The Church's Articles and Memorandum of Association require that a majority of Trustees are unpaid, either as employees, Trustees or otherwise.

Recognising the benefits to the Charity of limited terms of office for Trustees, each year, one third of the Trustees (both one third of Elders and one third of Deacons) retire from office and are replaced by other Trustees. Because of the challenges of COVID 19 this past year, these retirements will take place after the year end.

**Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31 March 2021**

Payments to Trustees during the year

Ray Evans and Simon Rowell are employed by the Church as full-time Elders and were also Trustees during the year. The Elders' remuneration is fixed each year by a Remuneration Committee of the Church. The Elders who are also employees cannot be members of and do not attend the Remuneration Committee meeting at which their remuneration is fixed. None of the other Trustees of the Church received any remuneration from the Church during the year.

Other Employees

The Church employed 4 full-time (2020 – 2) and 9 (2020 – 7) other part-time employees who were not Trustees during the year. 3 of these employees were Elders. The other employees were involved in the care of the vulnerable and needy and administration. The Trustees and employees of the Church incur certain costs on behalf of the Church which are reimbursed to them. These amounted to £11,344 (2020 £7,143) during the year and were mainly for training and travel.

Achievements and Performance

Because of the COVID -19 pandemic many of our activities had to be curtailed or significantly modified during the year. A summary of the main achievements is set out below:

- a) We were able to develop on-line services throughout the pandemic. Most of our community were able to access these both on Sundays and during the week in home groups. We monitored those tuning into the YouTube channel each week and were surprised, but pleased, that many more people followed our services than normally attend our physical meetings. A few without on-line access required DVDs that were delivered each week.
- b) Our weekly children's clubs had to be cancelled, but during the summer holidays and at Christmas special on-line materials were developed. On Sundays, children's activities were included in the on-line materials. Whenever restrictions allowed, face to face contact was encouraged through walks together or small groups. Our activities for the most elderly members of our community were also similar in nature to our children's clubs.
- c) Some of our community activities for the most vulnerable were permitted under the COVID -19 guidelines and so, with modifications, our activities such as FoodBank, Well Women Workshop, The Net and Christians Against Poverty continued to function.
- d) Through our Financial Support Fund, we were able to help 20 families in our community which suffered financial hardship because of COVID-19.
- e) Through our Training Fund we were able to employ and start training a new person from September. He was able to attend external courses as well as receive in-house experiential mentoring.

**Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31 March 2021**

Financial Review

- a) The Church is heavily dependent on donations in order to continue its activities. The donations represent 95% of total income and are all received from Church members and those in our local community. Because of COVID-19, the Church developed short term budgets during the year which were closely monitored by the Finance Committee. Allowance was made in the budgets for various potential falls in donations.
- b) The Church had a general unrestricted reserve of £95,000 at the beginning of the year which could have been used to offset any fall in income.
- c) We are very grateful to God and our donors that our unrestricted income in the year was higher than the previous financial year at £495,000 (2020 - £477,000).
- d) Unrestricted expenses, on the other hand, were much lower because of our reduced activities £460,000 (2020 - £490,000) which meant that our general unrestricted reserve increased to £130,000 at the year end.
- e) In addition, in response to COVID 19 the Church established a Financial Support Fund to help needy people in its community. Gifts of £60,357 were received during the year and grants of £22,188 were given to 20 families. The reserve had £39,044 remaining at 31 March 2021 and will continue to be used for gifts to needy people connected to the Church.
- f) The Church Finance Committee continues to monitor closely the impact of COVID 19 on the income and expenses of the Church. So far, in 2022, no material impact on income has been noticed and we are gradually re-starting our activities with a resulting increase in costs. We expect our income and reserves to be sufficient to meet these costs in 2022.
- g) Training Fund:
- During 2009, the Church created a Training Fund with a view to helping to train men and women interested in working in churches. The trainees would most likely leave Grace after two years of training and move on to other churches needing leaders. Since the fund was created 12 people have been trained through this fund. During the year, the Church received gifts of £50,000 and spent £24,478 on training a new employee from 1 September 2020. There were remaining funds of £35,258 at 31 March 2021 (2020-£12,736). The employee will continue to be trained from this Fund in 2021/22.

**Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31 March 2021**

Financial Review (Continued)

h) Building Fund:

This was established in 2014, to meet the potential costs of moving or developing premises as God increases the size of the Church. During the year, the Church received a pledge to a gift of land with potential to build its own centre. The process of design and planning started and various consultants were employed. Gifts of £16,250 were received during the year and expenses incurred totalled £26,000. At 31 March 2021, the Fund had a balance of £54,735 (2020 - £64,428). Since the year end, the Church has launched an appeal to raise a further £150,000 to help with the future planning costs of this project. To date, £127,000 has been pledged towards this appeal.

i) Tithe Fund:

The Church aims to support other organisations and individuals as part of its mission to make known the good news about Jesus Christ throughout the world. It therefore, sets aside, to a designated reserve, an amount (currently 10% of its unrestricted donation income) to be granted to others who support its objects and aims. These organisations and individuals are identified by the members of the Church and then approved by the Trustees. During the year £43,021 was paid out of the tithe funds. The balance in the fund at 31 March 2021 was £49,051 (2020 - £45,811). The funds will be distributed in the normal way in the next financial year.

Plans for Future Periods

- a) The Church hopes to re-establish its full activities of outreach and community support. This will be subject to guidance from the UK Government. The weekly staff meeting will help plan this.
- b) The Church will continue to monitor the leadership transition from Dr. Ray Evans to Dr. Martin Salter. This will be monitored by the Elders and Trustees.
- c) The Church hopes to submit a planning application for a new church and community centre to be built in Kempston. A Buildings Team reporting to the Elders and Trustees is overseeing this process.
- d) The Church will monitor the need for its Financial Support Fund for those impacted by COVID 19. The Finance Committee will monitor this in its quarterly meetings.
- e) The Church is working on a new Mission Statement and set of Values which is being led by the Elders.

**Annual Report of the Trustees of
Grace Community Church Bedford
For the year ended 31 March 2021**

Reserves Policies

The Church has established a general unrestricted fund to provide funds to increase personnel as the Church grows and also for any unplanned drop in income or increase in expenses. This reserve amounted to £129,913 at 31 March 2021 (2020 - £94,825). Also, in 2021, with COVID19, the Church expected to use the reserve to offset a fall in donations. In fact, under God's mercy, the Church's income did not fall in 2021 but expenses were significantly less because we could not meet as much. Therefore, the reserve increased during the year.

In addition to the unrestricted general reserve, the Church has a designated Tithe Fund and several restricted reserves. Further detail was set out under the Financial Review above.

Investment Policy

The Church does not have long term surplus funds and so any bank balances held in excess of working capital needs are invested in bank deposit accounts and no investment policy has been established.

The accounts were approved by the Trustees on 6/12/2021 and
Signed on behalf of the Trustees by C. Almond.

C Almond

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2021
Statement of Financial Activities

	2021										2020	
	General Unrestricted Funds	Designated Title Funds	Restricted Training Funds	Restricted Building Funds	Restricted Funds Africa	Restricted Funds Masumbuko	Restricted Funds Needy Persons	Restricted Funds PSF	Restricted Funds CAP Harpeta	Restricted Funds Other	Totals	Totals
Notes	£	£	£	£	£	£	£	£	£	£	£	£
Donations received:												
Ordinary	39,219	-	50,000	-	1,675	130	100	33,193	295	455	125,069	46,382
Gift Aid	430,772	-	-	15,250	-	375	1,500	27,194	1,148	4,136	481,445	423,069
Other income	25,272	-	-	-	-	-	-	-	487	1,000	26,760	36,487
Total income	495,263	-	55,000	15,250	1,675	585	1,700	60,387	1,930	5,591	533,271	505,938
Expenses												
Direct Charitable Expenditure:												
Employee costs	334,159	-	21,110	-	-	-	-	-	-	-	355,269	320,223
Eldest & deacons costs incl. training	4,976	-	6,368	-	-	-	-	-	-	-	11,344	7,143
Members & Visitors Costs	3,403	-	-	-	-	-	-	-	-	-	3,403	7,205
Facilities & catering costs	14,827	-	-	-	-	-	-	-	-	-	14,827	47,521
Costs of other outreach events	6,790	-	-	-	-	-	-	-	-	-	6,790	37,386
Publicity & communications	22,737	-	-	-	-	-	-	-	-	-	22,737	15,860
Donations & grants	9,208	40,948	-	25,944	1,581	504	2,038	22,189	1,930	5,544	109,894	70,973
Support costs:												
Equipment, insurance & depreciation	7,177	-	-	-	-	-	-	-	-	-	7,177	5,109
Professional fees & subscriptions	10,601	-	-	-	-	-	-	-	-	-	10,601	9,514
Bank Charges	\$5	-	-	-	-	-	-	-	-	-	39	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	230
Total Expenses	413,915	40,948	27,478	25,944	1,581	504	2,038	22,189	1,930	5,544	542,071	521,186
Surplus (deficit) before transfers between funds	81,348	(40,948)	27,522	(9,694)	94	1	(338)	38,198	-	48	91,200	(15,248)
Transfers between funds:												
Transfers Out	(48,261)	(2,073)	-	-	-	-	2,073	-	-	-	(48,334)	44,421
Transfers In	45,261	-	-	-	-	-	-	-	-	-	45,261	(44,421)
Total Transfers	(48,261)	44,188	-	-	-	-	2,073	-	-	-	-	-
Surplus (deficit) after transfers between funds	35,087	3,240	22,522	(9,694)	84	1	1,735	38,198	-	48	91,200	(15,248)
Balance at 1 April 2020	94,828	45,811	12,736	84,428	1,162	-	1,071	675	-	83	230,883	236,241
Balance at 31 March 2021	129,913	49,051	35,258	54,735	1,236	1	2,806	39,045	-	138	312,133	220,993

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2021

Balance Sheet as at 31 March 2021

	2021	2020
	Fixed Assets £	Total £
Cost of Assets 1 April	50,056	50,056
Additions	2,782	2,782
Cost of Assets 31 March	52,838	52,838
Depreciation 1 April	45,343	45,343
Charge for year	2,543	2,543
Depreciation 31 March	47,886	47,886
Net Book Value 31 March	4,922	4,922
Net Book Value 1 April	4,713	4,713

	General Fund £	Tithe Fund £	Building Fund £	Training Fund £	Africa Fund £	Needy Person Funds £	Other Funds £	Total £	Total £
Monetary Assets - Cash and Bank Accounts									
Cash at bank and in hand	110,227	49,051	51,465	35,258	1,238	41,659	130	289,048	197,898
	110,227	49,051	51,465	35,258	1,238	41,659	130	289,048	197,898
Other Monetary Assets									
Income Tax Recoverable - Gift Aids	22,718	-	3,250	-	18	190	-	26,176	21,515
Loans Outstanding	930	-	-	-	-	-	-	930	930
Other Debtors	580	-	-	-	-	-	-	580	11,244
Total Other Monetary Assets	24,228	-	3,250	-	18	190	-	27,686	33,701
Liabilities - due within one year									
Accounts	4,147	-	-	-	-	-	-	4,147	10,229
Deferred Grants	5,000	-	-	-	-	-	-	5,000	5,000
Other Creditors	315	-	-	-	-	-	-	315	-
Total Liabilities	9,462	-	-	-	-	-	-	9,462	15,229
Net Current Assets	124,981	49,051	54,735	35,258	1,257	41,849	130	307,271	216,280
Total Fixed Assets	4,922	-	-	-	-	-	-	4,922	4,713
Total Assets less Current Liabilities	129,913	49,051	54,735	35,258	1,257	41,849	130	312,193	220,993
Income Funds								129,913	94,826
Unrestricted Funds								49,051	48,611
Tithe Fund - Designated								133,229	80,358
Restricted Funds									
Total Funds								312,193	220,993

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31st March 2021.

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

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs for the company as at the end of each financial year and of its profit or loss 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 company.

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

The financial statements were approved by the Trustees and authorised for issue on 6/12/2021

and were signed on its behalf by C. Almond

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2021

Statement of Cash Flows

	Note	2021	2020
Cash Flow from Operating Activities	6	93,543	(7,106)
Interest Paid		(39)	-
Net cash flow from operating activities		<u>93,504</u>	<u>(7,106)</u>
Cash Flow from Investing Activities			
Payments to Acquire Tangible Fixed Assets		(2,752)	(5,007)
Investment Income		488	1,196
Net cash flow from Investing activities		<u>(2,264)</u>	<u>(3,811)</u>
Cash Flow from Financing Activities		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Net Increase / (decrease) in cash and equivalents		<u>91,240</u>	<u>(10,917)</u>
Cash and equivalents at start of the year		<u>197,808</u>	<u>208,735</u>
Cash and equivalents at end of the year		<u>289,048</u>	<u>197,808</u>

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

1. Statutory Information

Grace Community Church is a charity registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are stated on page 2.

2. Accounting Policies

These accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland", the Charity SORP (FRS 102) and the Companies Act 2006. . Advantage has also been taken of Paragraph 4 (1) on Schedule 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 allowing the format of the financial statements to be adapted to reflect the special nature of the charity's operations.

Tangible Fixed Assets

Fixed assets are recognised at cost and depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office Equipment - 25% Straight Line

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements (Continued)

2. Employee Compensation Costs

	2021	2020
Salaries	298,877	266,911
Employer's National Insurance	21,854	20,255
Employer's Pension Contributions	34,538	33,067
	<u>355,269</u>	<u>320,233</u>

3. Elders & Deacon Costs Including Training

	2021	2020
Travel costs	1,443	2,411
Phone costs	445	87
Training costs	6,368	750
General costs	1,712	2,848
Income replacement scheme	555	555
Elder's book allowance	821	492
	<u>11,344</u>	<u>7,143</u>

4. Professional Fees & Subscriptions

	2021	2020
Subscriptions	6,652	4,583
Accountancy	2,538	2,551
Payroll fees	1,135	1,140
Other professional costs	276	1,240
	<u>10,601</u>	<u>9,514</u>

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements (Continued)

5. Major Restricted Funds and Designated Funds

The expenses paid out of the various funds are explained below:

Designated Tithe Funds

The church sets aside 10% of its unrestricted donation income to be used to help other organisations and individuals in fulfilling the mission of the church. These include activities to spread the gospel in the UK and overseas as well as justice support in helping those involved with poverty relief and development. The use of the tithes is usually decided on an annual basis. The balance in the fund at 31st March 2021 was £49,051 (2020: £45,811). The funds have been distributed in the normal way after the end of the financial year.

Restricted Building Funds

In 2014, the Church launched an appeal of 100 for £1,000 to establish a fund to help plan a possible building project/development at the premises of where the gatherings take place. This reserve had an initial target of £100,000. During the year, the Church received a pledge to a gift of land with potential to build its own centre. The process of design and planning started and various consultants were employed. Gifts of £16,250 were received during the year and expenses incurred totalled £26,000. At 31 March 2021, the Fund had a balance of £54,735 (2020 - £64,429). Since the year end, the Church has launched an appeal to raise a further £150,000 to help with the future planning costs of this project. To date, £127,000 has been pledged towards this appeal.

Restricted Training Funds

The training funds, set up in 2009 are restricted income received to be used by the church in training apprentices and associate pastors employed by the Church. The training costs include compensation, course fees, related travel and materials. Since the fund was created 12 people have been trained. At 31st March 2021, there was a balance of £35,258 (2020: £12,736).

Grace Community Church Bedford
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements (Continued)

6. Reconciliation of net Income / (expenses) to cash flow from operations

	2021	2020
Net income/(expenditure) for year	91,200	(15,248)
Interest receivable	(488)	(1,195)
Interest payable	39	
Depreciation of tangible fixed assets	2,543	2,873
Decrease/(Increase) to Other Monetary Assets	6,016	(4,138)
(Decrease)/Increase to Liabilities	(5,767)	10,601
Cash flow from operations	<u><u>93,543</u></u>	<u><u>(7,106)</u></u>

Independent Examiner's Report to the Trustees on the

Unaudited Accounts of Grace Community Church

For the year ended 31st March 2021

I report on the accounts of the charitable company for the period ended 31st March 2021, which are set out on pages 8 to 14.

Responsibilities and basis of report

As described on page 3 the trustees, (who are also the directors of Grace Community Church for the purpose of company law), are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants (England & Wales).

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

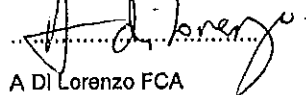
- examine the accounts under section 145 of the 2011 Act;
- to follow procedures laid down in the general Directions given by the Charity Commissioners
- to state whether particular matters have come to my attention and under section 145(5)(b) of the 2011 Act; and

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be



A Di Lorenzo FCA
Haines Watts
First Floor, Woburn Court
2 Rallton Road
Woburn Road Industrial Estate
Kempston
Bedford MK42 7PN

Date: 9/12/2021