

**THE WELCOME CHURCH, WITNEY
CHARITY INCORPORATED ORGANISATION**

Accounts – 31st December 2020

THE WELCOME CHURCH, WITNEY
Charity Incorporated Organisation

Charity number: 1188780

Accounts – 31st December 2020

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**REPORT OF THE TRUSTEES
for the year ended 31st December 2020**

The Trustees are pleased to present their annual report and financial statements of The Welcome Church, Witney CIO ('The CIO') for the year ended 31 December 2020.

Governance

The CIO was established as a registered charity on 26th March 2020 under registered charity number 1188780. It was established to receive by transfer the operations and assets of its immediate predecessor, the Welcome Evangelical Church Trust ('The Trust') (registered charity number 1045455). This was achieved on 31st December 2020. Looking forward, it is the intent to wind up the Trust in the short term.

In view of the transfer of operations of its predecessor Trust, the financial statements incorporate the income, expenditure, assets and liabilities of both the Welcome Evangelical Church Trust and The Welcome Church, Witney CIO covering the 12 months to 31st December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014.

Reference and Administration Details

The charity's name is The Welcome Church, Witney.

Charity Registration Number: 1188780

Principal Address: The Welcome Church
High Street
Witney
Oxfordshire
OX28 6HL

Trustees

The Trustees and officers who served during the year and since the year end were as follows:

Mr J W Baigent
Mr J R Brien
Mr S Brown
Mr K N Hubbard
Mr C A Gibson (appointed 1st September 2020)
Mr A E Kingston (resigned 9th November 2020)

REPORT OF THE TRUSTEES
for the year ended 31st December 2020 (Continued)

Objectives and Activities

The purpose of the Trust can be summarised as:

- (i) The advancement of the Christian faith in accordance with its Basis of Faith and
- (ii) Such other charitable purposes as shall, in the opinion of the charity trustees, put into practice the Christian faith in accordance with its Basis of Faith.

The core public activity is the provision of public worship on a regular basis, incorporating people of all ages. This is supplemented by groups of different ages. Since the impact of the Corona virus pandemic in early 2020, the church was obliged to close and then significantly limit the meeting of people within the confines of its buildings, in accordance with Government guidance and regulation from time to time. It has however been possible to maintain the provision of worship services through digital means since the first 'lock-down' was announced. The Church has also been able to provide its professional and confidential counselling service, again using remote digital connections.

In planning the activities of the CIO, the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

Achievements and Performance

With the significant constraints of the Corona virus pandemic, the reach of the Charity's ministry and activity has been reduced. This having been said, limited activities servicing children and the youth have been possible, recognising the ongoing need for teaching, training, encouragement, mentoring and fellowship.

The Church has continued to support missionaries to spread the Christian faith in different countries, through prayer and financial support. It has also continued to provide support to a number of individuals and organisations that are UK-based. This support has, in turn, enabled the Christian faith to be shared with individuals in this country and overseas.

Financial Review

The total income for the year was £111,594 and total expenditure on charitable activities amounted to £104,710. The statement of financial activities shows a net income from unrestricted funds of £7,059 (2019: £46,629) and a net outflow of restricted funds of £175 (2019: £446). The balance on unrestricted funds at the year-end was £269,017 and on restricted funds £1,244.

Reserves Policy

Operating surpluses are maintained in general (unrestricted) reserves in order to fund ongoing operational activity and asset replacement. Restricted reserves are maintained to fund current or future ministry activities, receiving funds for specific purposes.

The Trust's reserves at the end of the 2020 year were:

Unrestricted (general use) funds: £269,017
Restricted income funds: £1,244

The amount of free general reserves not invested in fixed assets at the end of the year amounted to £116,059 (2019: £105,897).

REPORT OF THE TRUSTEES
for the year ended 31st December 2020 (Continued)

Structure, Governance and Management

The Welcome Church Witney operates under a constitution and a church handbook. The Church's leadership is composed of Elders, including the Pastor of the Church. Elders are supported in their responsibilities by Ministry Team Leaders, who are appointed to oversee particular activities of the Church. The Pastor acts as chair person to the Elders and to business meetings of the members of the Church. Elders also act as trustees of The Welcome Church, Witney CIO. Elders and therefore trustees are appointed by the existing Elders, and confirmed by members during a subsequent members' business meeting.

Appointment of Trustees

New trustees when elected are given details of the background of the Trust and the Church in order to make them aware of current activities.

Approved by the trustees on 18th February 2021 and signed on its behalf by:

C A Gibson

.....

Trustee

Witney

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees on my examination of the accounts of The Welcome Church, Witney CIO for the year ended 31st December 2020.

Responsibilities and Basis of Report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material 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 charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 reached.

A P Williams BSc FCCA
A J Carter & Co
Chartered Accountants

22b High Street
Witney
Oxon
OX28 6RB

24th February 2021

Statement of Financial Activities
(including an income and expenditure account)
for the year ended 31 December 2020

| | Note | Unrestricted Funds | Restricted Funds | Total Funds 2020 | Total Funds 2019 |
|--|------|-----------------------|---------------------|------------------------|------------------------|
| | | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations (and legacies) | 3 | 94,117 | - | 94,117 | 101,666 |
| Charitable activities | 4 | 14,269 | 28 | 14,297 | 18,869 |
| Investments | 5 | 3,180 | - | 3,180 | 3,585 |
| Other | | - | - | - | 15,910 |
| Total incoming resources | | <u>111,566</u> | <u>28</u> | <u>111,594</u> | <u>140,030</u> |
| Expenditure on: | | | | | |
| Charitable activities | 6 | 104,507 | 203 | 104,710 | 93,847 |
| Total expenditure | | <u>104,507</u> | <u>203</u> | <u>104,710</u> | <u>93,847</u> |
| Net income/(expenditure) and net movement in funds for the year | | 7,059 | (175) | 6,884 | 46,183 |
| Transfer between funds | | - | - | - | - |
| Net movement in funds | | <u>7,059</u> | <u>(175)</u> | <u>6,884</u> | <u>46,183</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>261,958</u> | <u>1,419</u> | <u>263,377</u> | <u>217,194</u> |
| Total funds carried forward | | <u>£269,017</u> | <u>£1,244</u> | <u>£270,261</u> | <u>£263,377</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 7 to 12 form part of these financial statements

BALANCE SHEET
as at 31st December 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 152,958 | 156,061 |
| Total fixed assets | | <u>152,958</u> | <u>156,061</u> |
| Current assets | | | |
| Debtors | 12 | 3,967 | 1,625 |
| Cash at bank and in hand | | <u>115,007</u> | <u>111,137</u> |
| Total current assets | | 118,974 | 112,762 |
| Liabilities | | | |
| Creditors falling due within one year | 13 | <u>1,671</u> | <u>5,446</u> |
| Net current assets | | <u>117,303</u> | <u>107,316</u> |
| Total assets less current liabilities | | 270,261 | 263,377 |
| Total net assets | 14 | <u>£270,261</u> | <u>£263,377</u> |
| The funds of the Charity | | | |
| Restricted income funds | 15 | <u>1,244</u> | <u>1,419</u> |
| Unrestricted income funds | 15 | <u>269,017</u> | <u>261,958</u> |
| Total unrestricted funds | | <u>269,017</u> | <u>261,958</u> |
| Total charity funds | | <u>£270,261</u> | <u>£263,377</u> |

These accounts were approved by the board of trustees and authorised for issue on 2021
and are signed on their behalf by:

C A Gibson

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Trustee

The notes on pages 7 to 12 form part of these financial statements

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020

1. **Accounting Policies**

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of Preparation**

The financial statements 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 in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Public Benefit Entity

The Welcome Church, Witney CIO constitutes a public benefit entity as defined by FRS 102.

Going Concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

b) **Income Recognition Policies**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation of donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

c) **Donated Services and Facilities**

In accordance with the Charities SORP (FRS 102) the general time of volunteers is not recognised in the accounts.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

d) **Resources Expended**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on Charitable activities includes the cost of running the church, café and associated projects.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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 its costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

e) **Fund Accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for the particular areas of the Charity's work or for specific projects being undertaken by the Charity.

f) **Tangible Fixed Assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|--|
| Freehold land and buildings | 2% of buildings on a straight-line basis |
| Fixtures and fittings | 10% - 20% on a straight-line basis |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

g) **Debtors**

Trade and other debtors are recognised at the settlement amounts due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

h) **Cash at Bank and in Hand**

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

i) **Creditors and Provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) **Pensions**

The Charity operates a defined contribution scheme, the assets of which are held outside the Charity.

2. **Legal Status of the Charity**

The CIO was established as a registered charity on 26th March 2020 under registered charity number 1188780. It was established to receive by transfer the operations and assets of its immediate predecessor, the Welcome Evangelical Church Trust (registered charity number 1045455). This was achieved on 31st December 2020.

3. **Income from donations**

| | 2020 | 2019 |
|---------------------|----------------|-----------------|
| | £ | £ |
| Gifts and donations | 78,107 | 83,364 |
| Gift aid | 16,010 | 18,302 |
| | <u>£94,117</u> | <u>£101,666</u> |

Of the £94,117 received in 2020 (2019: £101,666) £nil was restricted funds (2019: £nil) and £94,117 (2019: £101,666) unrestricted funds.

4. **Income from charitable activities**

| | 2020 | 2019 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Welcome Counselling Services | 10,925 | 10,032 |
| Other church group activities | 2,228 | 762 |
| Church ministries | 1,144 | 8,075 |
| | <u>£14,297</u> | <u>£18,869</u> |

Of the £14,297 received in 2020 (2019: £18,869) £28 was restricted funds (2019: £2,463) and £14,269 (2019: £16,406) unrestricted funds.

5. **Income from investments**

| | Unrestricted 2020 | Unrestricted 2019 |
|---------------|----------------------|----------------------|
| | £ | £ |
| Rental income | 3,180 | 3,530 |
| Interest | - | 55 |
| | <u>£3,180</u> | <u>£3,585</u> |

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

6. Analysis of expenditure on charitable activities

| | 2020 | 2019 |
|--|-----------------|----------------|
| | Total | Total |
| | £ | £ |
| Depreciation | 7,472 | 5,212 |
| Pastoral staff costs | 40,596 | 32,738 |
| Ministry and mission | 25,525 | 35,297 |
| Church premises and administration costs | 31,117 | 20,600 |
| Total | £104,710 | £93,847 |

Of the £104,710 expenditure in 2020 (2019: £93,847), £203 was charged to restricted funds (2019: £2,909) and £104,507 to unrestricted funds (2019: £90,938).

7. Net income/(expenditure) for the year

| | 2020 | 2019 |
|---------------------------------------|-------|-------|
| | £ | £ |
| <i>This is stated after charging:</i> | | |
| Depreciation | 7,472 | 5,212 |
| Independent examiner's fee | 1,108 | 990 |

8. Analysis of staff costs and trustee remuneration and expenses

| | 2020 | 2019 |
|--------------------|----------------|----------------|
| | £ | £ |
| Salaries and wages | 29,894 | 31,049 |
| Pension costs | 1,659 | 1,076 |
| | £31,553 | £32,125 |

No employees had emoluments in excess of £60,000 (2019: Nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

During the year, one trustee (or any persons connected with them) received remuneration of £10,833 and pension contributions of £658 from the Trust in respect of services related to the mission of the church, as opposed to services as trustees.

With this exception, the charity trustees were not paid, nor received any other benefits from employment with the charity in the year (2019: £nil). They were reimbursed expenses of £4,455 during the year (2019: £1,016). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

The total amount of donations received without conditions from trustees or other related parties was £7,175 (2019 £13,890).

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

9. **Staff numbers**

The average monthly number of employees during the year was as follows:

| 2020 | 2019 |
|----------|----------|
| Number | Number |
| <u>2</u> | <u>2</u> |

10. **Related party transactions**

There were no further related party transactions that need to be disclosed.

11. **Tangible fixed assets**

| | Freehold land and buildings £ | Fixtures and fittings £ | Total £ |
|---------------------------|--|-------------------------------|-----------------|
| Cost: | | | |
| As at 1 January 2020 | 150,000 | 45,125 | 195,125 |
| Additions | - | 4,369 | 4,369 |
| Disposals | - | - | - |
| As at 31 December 2020 | <u>150,000</u> | <u>49,494</u> | <u>199,494</u> |
| Depreciation: | | | |
| As at 1 January 2020 | 22,500 | 16,564 | 39,064 |
| Charge for year | 2,500 | 4,972 | 7,472 |
| Depreciation on disposals | - | - | - |
| As at 31 December 2020 | <u>25,000</u> | <u>21,536</u> | <u>46,536</u> |
| Net book value: | | | |
| As at 31 December 2020 | <u>£125,000</u> | <u>£27,958</u> | <u>£152,958</u> |
| As at 31 December 2019 | <u>£127,500</u> | <u>£28,561</u> | <u>£156,061</u> |

12. **Debtors**

| | 2020 £ | 2019 £ |
|---------------|---------------|---------------|
| Other debtors | <u>3,967</u> | <u>1,625</u> |
| | <u>£3,967</u> | <u>£1,625</u> |

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

13. Creditors: amounts falling due within one year

| | 2020 | 2019 |
|-----------------|---------------|---------------|
| | £ | £ |
| Other creditors | 287 | 165 |
| Accruals | 1,384 | 5,281 |
| | <u>£1,671</u> | <u>£5,446</u> |

14. Analysis of net assets between funds

| | General Fund £ | Designated Funds £ | Restricted Funds £ | Total £ |
|--|----------------------|--------------------------|--------------------------|-----------------|
| Tangible fixed assets | 152,958 | - | - | 152,958 |
| Cash at bank and in hand | 113,763 | - | 1,244 | 115,007 |
| Other net current assets/(liabilities) | 2,296 | - | - | 2,296 |
| Total | <u>£269,017</u> | <u>£-</u> | <u>£1,244</u> | <u>£270,261</u> |

15. Analysis of charitable funds

Analysis of movements in restricted funds

| | Balance 01.01.20 £ | Incoming resources £ | Resources expended £ | Transfers £ | Funds 31.12.20 £ |
|------------------------|--------------------------|----------------------------|----------------------------|----------------|------------------------|
| Development fund | - | - | - | - | - |
| Other restricted funds | 1,419 | 28 | (203) | - | 1,244 |
| Total | <u>£1,419</u> | <u>£28</u> | <u>£(203)</u> | <u>£-</u> | <u>£1,244</u> |

Analysis of movements in unrestricted funds

| | Balance 01.01.20 £ | Incoming resources £ | Resources expended £ | Transfers £ | Funds 31.12.20 £ |
|-------------------------------|--------------------------|----------------------------|----------------------------|----------------|------------------------|
| General fund | 261,958 | 111,566 | (104,507) | - | 269,017 |
| Development fund (designated) | - | - | - | - | - |
| Total | <u>£261,958</u> | <u>£111,566</u> | <u>£(104,507)</u> | <u>£-</u> | <u>£269,017</u> |