

OXFORDSHIRE COMMUNITY CHURCHES

(A company limited by guarantee and not having a share capital)

Annual Report and Financial Statements for the year ended 31st August 2013

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OXFORDSHIRE COMMUNITY CHURCHES
REPORT OF THE DIRECTORS AND GENERAL INFORMATION FOR THE YEAR ENDED 31st AUGUST 2013

Status	A company limited by guarantee and not having a share capital, registered in England and Wales, number 3223210 The company has charitable status and is registered with the Charity Commission under registration number 1056921	
Directors	S P Thomas (Chairman) P Gale J Green M Greig A Longmore (appointed 3 rd July 2013)	J McCobb (resigned 3 rd July 2013) K Murphy K Neal T Ogden (resigned 27 th March 2013) M Prosser (resigned 26 th March 2014)
	All the above served throughout the year except as indicated above. The directors of the company are also the trustees of the charitable activities. The power of appointment or removal of trustees rests with the members. New trustees are selected from the members of Oxfordshire Community Churches after consultation.	
Secretary	M Biddlecombe	
Principal address and registered office	The King's Centre, Osney Mead, Oxford, OX2 0ES	
Auditors	The auditors are Morgan Cameron Limited, Chartered Accountants and Registered Auditors, of 9 Thorney Leys Park, Witney, Oxfordshire, OX28 4GE. They have indicated their willingness to be reappointed to office under the Companies Act 2006.	
Bankers	Barclays Bank plc, Market Square, Witney, Oxfordshire, OX28 6BJ	

OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS AND GENERAL INFORMATION FOR THE YEAR ENDED 31st AUGUST 2013 (CONTINUED)

Principal activities	The company's principal activities continue to be the running of a family of churches known as Oxfordshire Community Churches (OCC) and the running of The King's School, Witney
Group structure and relationships	The charity has a wholly owned non-charitable subsidiary, The King's Centre Limited. The subsidiary carries out non-charitable trading activities to raise funds for the charity.
Governing instrument	<p>The company's activities are regulated by the Memorandum and Articles of Association. The objects of the company are</p> <ul style="list-style-type: none"> • To advance the Christian religion • To advance education • To relieve those who are poor, in conditions of need, hardship or distress or who are aged or sick • To promote other charitable objects as decided by the directors from time to time
Directors' responsibilities	<p>Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure of the group for the year. In preparing these financial statements, the directors are required to</p> <ul style="list-style-type: none"> • select suitable accounting policies and then apply them consistently, • make judgements and estimates that are reasonable and prudent, • state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements, • prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation <p>The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.</p> <p>Each director has taken appropriate steps to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.</p>
Corporate governance	<p>To facilitate the smooth running of the charity, the directors have established a number of sub-committees. All of these sub-committees have either a director or the company secretary among their members, and report to the directors.</p> <ul style="list-style-type: none"> • Regional Development Team – meets monthly to assist in medium-term strategic development and management of the charity to achieve its strategic aim and objectives • Regional Leadership Teams – meet regularly to discuss and develop the spiritual life of the charity within our regional groups • Apostolic Ministry Team – advises the Area Leadership Team on the spiritual life of the charity, and travels world-wide advising other Christian organisations • The King's School Governors – oversee and develop Christian education through The King's School • The King's Centre Governors – oversee and develop The King's Centre facility and operation • Remuneration Committee – determines the remuneration policy and staff salaries

OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS AND GENERAL INFORMATION FOR THE YEAR ENDED 31st AUGUST 2013 (CONTINUED)

Risk management	The directors have assessed the major risks to which the charitable company may be exposed and have ensured that adequate systems are in place to mitigate those risks. These systems include Child Protection policy, Staff Management policy, Staff Handbook, Health & Safety policy, and monthly financial reporting.
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Objects, objectives, and principal activities

Aims and objectives

We have come together in Oxfordshire Community Churches, as people committed to the Lord Jesus Christ, to extend God's kingdom and to share the knowledge of Christ's love in Oxfordshire and beyond. Through prayer, worship, studying the Bible, and a shared experience of the Holy Spirit, we want to know God better. We want to be a community together, serving and caring for one another. We are committed to everyone who joins us feeling part of the church family and playing an active role.

Whether or not people respond to Jesus in faith, we want to follow his example by doing good to all, both in this country and overseas, especially to those who are poor or in conditions of need, hardship or distress. We are concerned to help all people, whatever their age, race or gender. We are involved in educational work to extend Biblical understanding and response to God and his creation in the next generation, based on our own experience of God.

Oxfordshire Community Churches is part of the Salt & Light Ministries family of churches. Oxfordshire Community Churches is also a member of the Evangelical Alliance. Both of these organisations are Christian charities that pursue similar objectives in the UK and overseas.

The King's School's vision is to develop young people who know their God and are trained to serve and influence their generation by godly attitudes and actions. The school encourages each child to achieve academically at the level of his or her own ability, recognising that each is an individual with different needs and potential.

Whilst Oxfordshire Community Churches does employ staff, it is the work of every member of Oxfordshire Community Churches, whether employed or voluntary, that helps Oxfordshire Community Churches fulfil its charitable objectives. This is achieved through 'being salt and light' amongst the people they interact with every day, by praying, by visiting the sick and others in need, in leadership of the church congregations, in administration and also through classroom assistance in the school. The financial resources of the church are given by the members and their private assets and equipment are regularly used in the work of Oxfordshire Community Churches. Much of their time is given freely, without recognition, and the hours and value of that time cannot be quantified.

Oxfordshire Community Churches is a group of eleven established church congregations (Abingdon, Bicester, Carterton, Chipping Norton, Cote, Didcot, Kidlington, Leys, Oxford, Wantage, Witney) meeting in and around Oxfordshire. Each local church congregation covers its expenditure from the donations and gifts it receives. The balance of the income is passed to the Area Fund to meet the pastoral and ministry expenses relating to the Area as a whole.

Review of activities during the period

During the year ended 31 August 2013 the charity has sought to fulfil the calling of Christ and its charitable purposes for the public benefit as follows:

1 *To advance the Christian religion*

Oxfordshire Community Churches has continued to develop the spiritual life of the church congregations in Oxfordshire and their local communities. Each of these congregations has undertaken a variety of activities which advance the Christian religion. Sunday church meetings and a variety of courses designed to address specific aspects of Christian living for all ages have been available to all and open to the wider community without charge. The Alpha and Journeys courses are two examples that have been widely used. Each church also engages in community projects including a wide variety of initiatives for children and young people.

OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS AND GENERAL INFORMATION FOR THE YEAR ENDED 31st AUGUST 2013 (CONTINUED)

Oxfordshire Community Churches is also committed to extending Biblical understanding of and response to God by reaching out to children in the many schools across Oxfordshire. This has been carried out by various schools workers, both employed and voluntary. They have given lessons and run assemblies, lunch clubs and after-school clubs.

Regional gatherings of churches have continued, initiating new activities and strengthening our congregations and local evangelistic work. Each regional group has its own leadership structure within the charity and has an individual budget to fund their work.

In Witney, the two congregations have been brought together into one church in order to strengthen their activity in the town.

Various pastors travelled overseas in order to teach, advise and support churches, missionaries, and Bible colleges. These trips were undertaken at a cost of £23,468 to Oxfordshire Community Churches and without charge to those we visit. Nations visited include Belgium, Canada, Denmark, France, Germany, Holland, Norway, Sweden, Switzerland and USA and those nations listed below in point 3.

The members of the churches have consistently been applying the principles of church life, as outlined in the New Testament, in the places where they live and work and by impacting social attitudes in wider national society. This is a very significant part of the purpose of the churches and much of it is done without publicity or significant charitable expense.

2 *To advance education*

The King's School provided education for 152 pupils from the ages of 6 to 16 and we have continued to run an Ofsted approved pre-school in Bicester. Stepping Stones Foundation Unit in Witney provided education for 38 children from the ages of 2½ to 5. In September 2013 a new principal took the lead at The King's School.

In partnership with Chapel St Community Schools Trust, Oxfordshire Community Churches has opened a new free school in Oxford – Tyndale Community School. This new school opened in September 2013, and serves a community where there had previously been insufficient school places.

At The King's Centre, Oxfordshire Community Churches has run training courses. These courses were open to all and had an impact in changed lives and strengthened relationships for those who attended.

In addition, many local churches run discipleship programmes and leadership training, helping people deepen their Biblical understanding and its application to everyday life.

3 *To relieve those who are poor, in conditions of need, hardship or distress*

There has been support of individual workers, relief and development work both in the UK and overseas.

A total of £47,313 has been paid out from central funds, with further significant support from individual local churches, for work overseas. Through these activities we have been able to help people in many nations including China, India, Kazakhstan, Nepal, Poland, Rwanda and Uganda.

Whilst Oxfordshire is a generally affluent county, many of our churches are working into areas of poverty and hardship. Care for the homeless, food banks, CAP Money courses and Street Pastors all help to alleviate these conditions.

Through a subsidy of £50,000, we have been able to help The King's School offer fees assistance to families who could not otherwise afford to send their children.

4 *Other activities*

We have continued to make the facilities of The King's Centre available to the local community and business users. Through this activity, we have benefited our visitors and the income generated furthered our primary charitable activities.

The King's Centre Limited, the subsidiary trading company of Oxfordshire Community Churches, generated a surplus of £188,117 which was remitted to Oxfordshire Community Churches as a donation. This was used to cover the costs of generating the income and to contribute towards the costs of running the centre.

OXFORDSHIRE COMMUNITY CHURCHES
REPORT OF THE DIRECTORS AND GENERAL INFORMATION FOR THE YEAR ENDED 31st AUGUST 2013 (CONTINUED)

Financial review and results for the year

Churches

Tithe and other unrestricted voluntary income through the local churches rose from £930,132 to £959,065

The King's School and Stepping Stones Foundation Unit

The school's pupil numbers were up by 6, partially reflecting renewed marketing activity

The King's School Building Fund

Funds have continued to come in and are being used to service the bank loan taken out for the development that took place between 2009 and 2011. Loan repayments totalling £117,382 were made in the year.

Gift Aid

For many years, in agreement with HM Revenue & Customs, the Charity has restricted the amount of Gift Aid that was claimed on general giving to the charity from donors who are also parents of pupils at The King's School. This agreement came to an end in 2012 and a new fee structure was implemented in September 2013 which, the directors believe, should significantly reduce the future restriction.

The King's Centre Limited

Our trading subsidiary, The King's Centre Limited, which hires out rooms at The King's Centre, received income of £220,911. This increase in income is a reflection of the renewed marketing effort of the previous year. Whilst economic pressures still present a challenge, there are increased numbers of both new and returning clients.

Freehold properties

The freehold properties are included at valuation based on their existing use. The valuation amount of £4,960,000 represents £2,700,000 for The King's Centre, Oxford and £2,260,000 for The King's School, Witney. Both properties are being maintained in good order.

Reserves

The majority of the charity's income is derived from school fees, regular gifts, and donations from a wide range of sources and these are forecast to cover the budgeted monthly expenditure at both Oxfordshire Community Churches and The King's School. Additional offerings and the majority of the amount received in Gift Aid are designated towards the loan repayments and interest. The reserves in the Building Fund and Gift Aid tax recovered, together with undesignated reserves, are monitored monthly and the directors ensure that short term commitments do not exceed funds available. The directors consider that a level of general reserves equivalent to one month's expenditure is adequate and not excessive for the needs of the charity. These reserves are planned to be generated over the next few years through allocating amounts from the main Oxfordshire Community Churches, The King's School and The King's Centre running budgets.

Restricted funds

There are a number of restricted funds which are accounted for separately. The detail for these is shown in note 16 to the accounts. Gift Aid relating to these funds is allocated accordingly.

OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS AND GENERAL INFORMATION FOR THE YEAR ENDED 31ST AUGUST 2013 (CONTINUED)

Future plans

Medium to long-term strategy

Oxfordshire Community Churches' medium to long-term strategy continues to focus on our primary charitable activities

- To be local churches that are outwardly focused in our communities and are responding to the needs of each local community
- To develop stronger regional groups of churches, with more devolved governance to increase our effectiveness in our aims and objectives
- To plant churches that follow our mission statement and so increase our geographical base
- To establish pre-schools and primary schools across Oxfordshire, so that more children can have a Christian-based education
- To continue to develop the facilities of The King's Centre, in order to serve our larger mission, and to encourage more external business and community use of the Centre
- To seek to reduce the outstanding mortgage debt for The King's School, on or ahead of the agreed payment schedule

Current year (2013-14)

During the current year we intend to

- Continue to devolve governance of the spiritual life of our churches to regional teams
- Implement new fee structures at The King's School
- Complete the merging of the North and West Witney congregations
- Establish the leadership of a new principal at The King's School to ensure continued growth and success

Approved by the board of directors on 2 May 2014 and signed on its behalf



M D Greig
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXFORDSHIRE COMMUNITY CHURCHES

We have audited the financial statements of Oxfordshire Community Churches for the year ended 31 August 2013 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors (who are also the trustees of Oxfordshire Community Churches for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2013, and of the group's 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OXFORDSHIRE COMMUNITY CHURCHES (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company 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



Alan Thornton FCA
Senior Statutory Auditor

For and on behalf of
Morgan Cameron Limited, Statutory Auditor

9 Thorney Leys Park
Witney
OX28 4GE

2 May 2014

OXFORDSHIRE COMMUNITY CHURCHES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and expenditure account) for the year ended 31st August 2013

	Notes	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £	2012 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income						
- Gifts and donations		1,098,587	213,084	211,940	1,523,611	1,502,360
Activities for generating funds						
- Trading subsidiary income		220,761	-	-	220,761	100,602
- Other fundraising income		7,940	-	-	7,940	1,510
Interest on bank deposits		55	-	-	55	104
Incoming resources from charitable activities						
School fees and other educational income		600,901	-	-	600,901	586,596
Other income		93,423	-	234	93,657	115,204
TOTAL INCOMING RESOURCES		2,021,667	213,084	212,174	2,446,925	2,306,376
RESOURCES EXPENDED						
Costs of generating funds	2	96,907	-	-	96,907	75,858
Charitable activities	3	1,856,602	151,794	206,713	2,215,109	2,172,597
Governance costs	4	15,229	-	-	15,229	16,841
TOTAL RESOURCES EXPENDED		1,968,738	151,794	206,713	2,327,245	2,265,296
NET INCOME/(EXPENDITURE) for year						
before transfers	5	52,929	61,290	5,461	119,680	41,080
Transfers between funds	17	42,202	(42,202)	-	-	-
Transfers (to)/from reserves		(21,870)	27,000	-	5,130	(8,879)
NET MOVEMENT IN FUNDS		73,261	46,088	5,461	124,810	32,201
TOTAL FUNDS brought forward		2,248,612	175,896	59,005	2,483,513	2,451,312
TOTAL FUNDS carried forward		2,321,873	221,984	64,466	2,608,323	2,483,513

The notes on pages 14 to 19 form part of these financial statements

OXFORDSHIRE COMMUNITY CHURCHES

Company number 03223210
CONSOLIDATED BALANCE SHEET at 31st August 2013

	Notes	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £	2012 Total funds £
FIXED ASSETS						
Tangible assets	7	4,979,454	-	-	4,979,454	4,963,158
CURRENT ASSETS						
Debtors	10	217,576	-	181	217,757	164,553
Cash at bank and in hand		70,707	221,984	64,285	356,976	430,891
		<u>288,283</u>	<u>221,984</u>	<u>64,466</u>	<u>574,733</u>	<u>595,444</u>
CREDITORS	11					
<i>Amounts falling due within one year</i>						
Bank loan (secured)		115,660	-	-	115,660	116,953
Creditors and accruals		84,629	-	-	84,629	94,734
Social security and other taxes		28,134	-	-	28,134	24,742
		<u>228,423</u>	<u>-</u>	<u>-</u>	<u>228,423</u>	<u>236,429</u>
NET CURRENT ASSETS		<u>59,860</u>	<u>221,984</u>	<u>64,466</u>	<u>346,310</u>	<u>359,015</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,039,314</u>	<u>221,984</u>	<u>64,466</u>	<u>5,325,764</u>	<u>5,322,173</u>
CREDITORS	11					
<i>Amounts falling due after more than one year</i>						
Bank loan (secured)		(2,221,691)	-	-	(2,221,691)	(2,337,780)
NET ASSETS		<u>2,817,623</u>	<u>221,984</u>	<u>64,466</u>	<u>3,104,073</u>	<u>2,984,393</u>
FUNDS AND RESERVES						
Revaluation reserve	13	425,000	-	-	425,000	425,000
General reserves	14	70,750	-	-	70,750	75,880
General funds		2,321,873	-	-	2,321,873	2,248,612
Designated funds	15	-	221,984	-	221,984	175,896
		<u>2,817,623</u>	<u>221,984</u>	<u>-</u>	<u>3,039,607</u>	<u>2,925,388</u>
Restricted funds	16	<u>-</u>	<u>-</u>	<u>64,466</u>	<u>64,466</u>	<u>59,005</u>
TOTAL FUNDS AND RESERVES	18	<u>2,817,623</u>	<u>221,984</u>	<u>64,466</u>	<u>3,104,073</u>	<u>2,984,393</u>

Approved by the board of directors on 2 May 2014 and signed on its behalf



M D Greig
Director

The notes on pages 14 to 19 form part of these financial statements

OXFORDSHIRE COMMUNITY CHURCHES

Company number 03223210
CHARITY BALANCE SHEET at 31st August 2013

	Notes	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £	2012 Total funds £
FIXED ASSETS						
Tangible assets	7	4,979,454	-	-	4,979,454	4,963,158
Investment in subsidiary company	9	1	-	-	1	1
		<u>4,979,455</u>	<u>-</u>	<u>-</u>	<u>4,979,455</u>	<u>4,963,159</u>
CURRENT ASSETS						
Stock		-		-	-	-
Loan		-		-	-	-
Debtors	10	260,325	-	181	260,506	208,077
Cash at bank and in hand		<u>18,259</u>	<u>221,984</u>	<u>64,285</u>	<u>304,528</u>	<u>380,954</u>
		<u>278,584</u>	<u>221,984</u>	<u>64,466</u>	<u>565,034</u>	<u>589,031</u>
CREDITORS	11					
<i>Amounts falling due within one year</i>						
Bank loan (secured)		115,660	-	-	115,660	116,953
Creditors and accruals		80,290	-	-	80,290	89,131
Social security and other taxes		<u>22,775</u>	<u>-</u>	<u>-</u>	<u>22,775</u>	<u>23,933</u>
		<u>218,725</u>	<u>-</u>	<u>-</u>	<u>218,725</u>	<u>230,017</u>
NET CURRENT ASSETS		<u>59,859</u>	<u>221,984</u>	<u>64,466</u>	<u>346,309</u>	<u>359,014</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,039,314</u>	<u>221,984</u>	<u>64,466</u>	<u>5,325,764</u>	<u>5,322,173</u>
CREDITORS	11					
<i>Amounts falling due after more than one year</i>						
Bank loan (secured)		<u>(2,221,691)</u>	<u>-</u>	<u>-</u>	<u>(2,221,691)</u>	<u>(2,337,780)</u>
NET ASSETS		<u>2,817,623</u>	<u>221,984</u>	<u>64,466</u>	<u>3,104,073</u>	<u>2,984,393</u>
FUNDS AND RESERVES						
Revaluation reserve	13	425,000	-	-	425,000	425,000
General reserves	14	70,750	-	-	70,750	75,880
General funds		2,321,873	-	-	2,321,873	2,248,612
Designated funds	15		221,984	-	221,984	175,896
		<u>2,817,623</u>	<u>221,984</u>	<u>-</u>	<u>3,039,607</u>	<u>2,925,388</u>
Restricted funds	16	-	-	64,466	64,466	59,005
TOTAL FUNDS AND RESERVES	18	<u>2,817,623</u>	<u>221,984</u>	<u>64,466</u>	<u>3,104,073</u>	<u>2,984,393</u>

Approved by the board of directors on 2 May 2014 and signed on its behalf



M D Greig
Director

The notes on pages 14 to 19 form part of these financial statements

OXFORDSHIRE COMMUNITY CHURCHES

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st August 2013

	2013 £	2012 £
Reconciliation of net outgoing resources to net cash inflow from operating activities		
Net incoming/(outgoing) resources	119,680	41,080
Depreciation of tangible fixed assets	4,511	1,876
Loss on disposal of tangible fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in missionary loan	-	-
(Increase)/decrease in debtors	(53,204)	(50,425)
Increase/(decrease) in creditors	(6,713)	5,872
Net cash (outflow)/inflow from operating activities	<u>64,274</u>	<u>(1,597)</u>

CASH FLOW STATEMENT

Net cash inflow/(outflow) from operating activities	64,274	(1,597)
Capital expenditure		
Proceeds of sale of tangible fixed assets	-	-
Additions to tangible fixed assets	(20,807)	-
	<u>43,467</u>	<u>(1,597)</u>

Reconciliation of net cash flow to movement in net funds

(Decrease)/increase in cash in the year	43,467	(1,597)
Net (debt)/funds at 1st September	(2,023,842)	(2,022,245)
Net (debt)/funds at 31st August	<u>(1,980,375)</u>	<u>(2,023,842)</u>

Analysis of net funds/(debt)

	1 Sep 2012 £	Cashflow £	31 Aug 2013 £
Cash at bank and in hand	430,891	(73,915)	356,976
Bank loans	(2,454,733)	117,382	(2,337,351)
	<u>(2,023,842)</u>	<u>43,467</u>	<u>(1,980,375)</u>

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2013

1 Accounting policies

i Basis of preparation

The accounts have been prepared under the historical cost convention, as modified by the revaluation of freehold properties. The accounts have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK accounting standards and the Companies Act 2006.

The accounts consolidate the results of the charity and its wholly owned subsidiary The King's Centre Limited on a line by line basis. No separate Statement of Financial Activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

ii Incoming resources

Voluntary income, including donations, is accounted for when received. Any resultant Gift Aid claimed is included as part of the income for the year. The church congregations collect the tithes and offerings locally. The majority are passed to the Area fund to meet the pastoral and ministry expenses relating to the group of churches. Each local church retains an amount sufficient to cover its own church and administrative expenditure.

Other income is accounted for on a receivable basis. The value of services provided by volunteers is not incorporated in these accounts.

iii Resources expended

Expenditure is recognised when a liability is incurred, and includes irrecoverable VAT. It is allocated to the relevant cost category appropriate to the use derived from the resources.

iv Tangible fixed assets

Low cost assets, including those acquired by local church congregations, are written off on acquisition. Other fixed assets are depreciated on a straight line basis at rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:

Furniture and equipment	20 - 25% per annum
Vehicles	20% per annum

Freehold land and buildings are stated at revalued amounts, with subsequent additions at cost, as set out in notes 7 and 8.

v Stock

Stock is stated at the lower of cost and net realisable value.

vi Fund structure

Restricted funds arise from income received where the donor is either responding to an appeal for a specific purpose or has stipulated that their donation should be used for a particular purpose.

Designated funds are amounts which have been set aside at the discretion of the directors for a specific, but not legally binding, purpose.

vii Pension contributions

The charity operates a group personal scheme for some of its employees. The charge in the statement of financial activities represents the employer contributions payable to the scheme in respect of the accounting period.

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2013 (continued)

Resources expended (Notes 2 - 4)

	Pastors' fees £	Salary costs £	Other costs £	Depreciation charges £	Total £	2012 Total £
2 Costs of generating funds						
The King's Centre	-	64,487	-	-	64,487	58,608
The King's School	-	-	1,576	-	1,576	-
Total charity costs	-	64,487	1,576	-	66,063	58,608
Operating costs of subsidiary	-	-	30,844	-	30,844	17,250
Total group costs	-	64,487	32,420	-	96,907	75,858
3 Charitable activities						
OCC group costs	74,599	496,950	166,855	3,811	742,215	819,770
Local churches	-	45,635	196,525	-	242,160	225,318
The King's School	-	403,906	92,745	-	496,651	505,749
New Yatt Road facility	-	6,606	82,323	-	88,929	74,607
The King's Centre (Support of OCC)	-	49,163	154,367	-	203,530	124,577
Pre-school centres	-	69,703	11,854	-	81,557	80,293
Youth and pensioners' groups	-	-	1,560	-	1,560	788
Unrestricted funds	74,599	1,071,963	706,229	3,811	1,856,602	1,831,102
Designated funds	-	-	151,794	-	151,794	140,644
Restricted funds	-	19,026	186,987	700	206,713	200,851
Total charity and group costs	74,599	1,090,989	1,045,010	4,511	2,215,109	2,172,597
4 Governance costs						
Staff costs	-	3,425	-	-	3,425	3,427
Auditor's remuneration	-	-	9,360	-	9,360	10,940
Trustee indemnity insurance	-	-	494	-	494	494
Total charity costs	-	3,425	9,854	-	13,279	14,861
Auditor's remuneration for subsidiary	-	-	1,950	-	1,950	1,980
Total group costs	-	3,425	11,804	-	15,229	16,841
5 Net incoming resources for the year						
	Unrestricted funds		Restricted funds	Total	2012	
	General	Designated			Total	
	£	£	£	£	£	
The net incoming resources for the year are after charging						
Auditors' remuneration	11,310	-	-	11,310	12,920	
Depreciation of tangible fixed assets	3,811	-	700	4,511	1,876	
Loan interest	-	130,682	-	130,682	136,933	
Directors' remuneration (note 6)	105,809	-	-	105,809	133,533	
Staff costs	1,139,875	-	19,026	1,158,901	1,158,526	
Staff salaries and wages	1,026,887	-	16,713	1,043,600	1,039,645	
National Insurance contributions	74,531	-	1,478	76,009	78,044	
Pension contributions	38,457	-	835	39,292	40,837	

During the year the average number of staff employed by the charity was 84 (2012 82)

The average number of full-time equivalent employees was 44 (2012 43)

None of the employees received remuneration in excess of £60,000 in the year (2012 none)

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2013 (continued)

6 Directors' remuneration (Charity and Group)

Two directors of the company have received remuneration during the year in their capacity as pastors, and one director in her capacity as School Bursar, as expressly permitted by the Memorandum and Articles of Association of the Company. The following payments were made to or on behalf of directors and connected persons:

	Remuneration				2012
	Fees & salaries	Pension	Expenses	Total	Total
	£	£	£	£	£
S Thomas	57,232	-	5,383	62,615	62,037
L Thomas	10,435	522	-	10,957	15,610
M Beaumont	8,185	-	1,294	9,479	25,190
E Beaumont	1,400	70	-	1,470	5,821
S Jackman	-	-	-	-	-
C Jackman	-	-	-	-	7,829
K Neal	7,658	383	-	8,041	7,961
M Prosser	-	-	-	-	-
C Prosser	18,975	949	-	19,924	19,413
B Wood	-	-	-	-	-
	103,885	1,924	6,677	112,486	143,861

Total remuneration (including pension contributions) £105,809 (2012 £133,533)

Expenses paid to directors are in respect of travel, telephone, hospitality and resources costs. Also during the year £494 has been paid for trustee indemnity insurance cover. There were no other transactions with, or expenses paid to the directors.

7 Tangible fixed assets (Charity and Group)

	Freehold property	Office equipment	Minibus	Total
	£	£	£	£
Cost or valuation				
At 1 9 12	4,960,000	125,636	6,000	5,091,636
Additions at cost	-	20,807	-	20,807
Revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 8 13	4,960,000	146,443	6,000	5,112,443
Accumulated depreciation				
At 1 9 12	-	123,178	5,300	128,478
Charge for year	-	3,811	700	4,511
Disposals	-	-	-	-
At 31 8 13	-	126,989	6,000	132,989
Net book value				
At 31 8 13	4,960,000	19,454	-	4,979,454
At 31 8 12	4,960,000	2,458	700	4,963,158

All of the assets of the company are used to further its main objects. The freehold properties are The King's Centre in Osney Mead, Oxford, which is also used by the Oxford congregation, and The King's School in Witney, which is also used by the Witney congregation.

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2013 (continued)

8 Valuation of freehold property (Charity and Group)

The freehold properties were valued in 2009 by Savills (L&P) Ltd, Chartered Surveyors, on the basis of existing use, and in accordance with the RICS Appraisal and Valuation Manual. Following the extension and refurbishment of The King's School premises, a further professional valuation was made in May 2011. The directors are of the opinion that the values of freehold properties at 31st August 2013 had not changed significantly from the values at which they are included in the Balance Sheet.

In 2011, the loss of £1,493,834 arising from that year's valuation of The King's School was partially set against the surplus of £96,196 arising from the 2009 valuation of the same property, and the remainder (£1,397,638) against the General fund.

9 Subsidiary company

The charity's wholly-owned trading subsidiary company is The King's Centre Limited, which lets out the meeting rooms at The King's Centre on a commercial basis. The charity owns the sole issued £1 share in the company, which gifts all its profits to the charity.

A summary of the results of the subsidiary is shown below:

	2013 £	2,012 £
Turnover	220,911	100,602
Cost of sales	(24,842)	(15,195)
Gross profit	196,069	85,407
Administrative expenses	(7,952)	(4,035)
Net profit gifted to the charity	188,117	81,372
Assets	81,091	64,690
Liabilities	(81,090)	(64,689)
Net assets	1	1

10 Debtors

	Group		Charity	
	2013 £	2012 £	2013 £	2012 £
<i>All falling due within one year</i>				
Trade debtors	38,259	34,816	9,615	23,517
Gift Aid tax recoverable	165,734	109,034	165,734	109,034
Profit from TKC Ltd	-	-	71,393	58,276
Other debtors	10,463	14,896	10,463	13,888
Prepayments	3,301	5,807	3,301	3,362
	217,757	164,553	260,506	208,077

11 Creditors

	Group		Charity	
	2013 £	2012 £	2013 £	2012 £
<i>Amounts falling due within one year</i>				
Bank loan	115,660	116,953	115,660	116,953
Trade creditors	18,112	70,997	16,692	54,467
HM Revenue & Customs	28,134	24,742	22,775	23,933
Other creditors	49,897	11,967	49,591	22,139
Accruals	16,620	11,770	14,007	12,525
	228,423	236,429	218,725	230,017
<i>Amounts falling due after more than one year</i>				
Bank loan	2,221,691	2,337,780	2,221,691	2,337,780

The bank loan is secured on the company's properties in Oxford and Witney.

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2013 (continued)

12 Bank loan and financial derivative product

The loan financed a building development at The King's School and has a twenty year term

Part of the amount borrowed was obtained with a financial derivative product of Barclays Bank Under the terms of this product, £1.5 million of the original loan is effectively at a fixed rate of interest for 15 years until 1 June 2026, the remainder of the loan is at a variable rate From June 2026 the whole of the loan then outstanding will be at a variable rate of interest

The financial derivative was taken to eliminate exposure to a variable market interest rate on that part of the loan through its 15 year life The directors accepted that while interest rates remained low, the charity would be paying more than the market rate but considered that, over the 15 year term, interest charges were likely to be lower than if the product had not been taken

13 Revaluation reserve (Charity and Group)

This reserve arose from the revaluation of the freehold properties in Oxford and Witney included in the accounts to 31st August 2008, now reduced following the 2011 revaluation of the Witney property (The King's School, Note 8)

14 General reserves (Charity and Group)

General reserves represent funds being set aside out of the General fund to achieve a level equivalent to one month's expenditure This year, part of these reserves has been used to fund ongoing repairs at The King's Centre and has accordingly been moved from reserves and merged with an existing Designated fund and renamed TKC Maintenance fund

15 Designated funds (Charity and Group)

Each year the charity seeks to set aside the Gift Aid tax recovery arising from general funds for special purposes or projects This and other income specifically designated by the trustees form the designated funds as follows

	At 1-9-12	Income	Expenditure	Transfers	At 31-8-13
	£	£	£	£	£
TKS Building fund	-	31,775	(106,955)	75,180	-
Gift Aid tax recoverable	151,679	166,550	(23,727)	(117,382)	177,120
Mission fund	1,963	2,193	(1,220)	-	2,936
Area Education fund	3,695	-	-	-	3,695
Community Projects fund	3,190	-	-	-	3,190
TKC Maintenance fund	5,231	994	(16,231)	27,000	16,994
Regional support funds	10,138	11,571	(3,660)	-	18,049
	<u>175,896</u>	<u>213,083</u>	<u>(151,793)</u>	<u>(15,202)</u>	<u>221,984</u>

The TKS Building fund is for development of The King's School premises in Witney and contributes to servicing the loan taken out for that development

Gift Aid tax recovered is used for servicing the loan for The King's School building development that took place between 2009 and 2011

The Mission fund provides for unbudgeted overseas mission support

The Area Education fund provides start up funds for local community schools

The Community Projects fund provides extra funds to local churches to help them set up new projects, focused on practical, evangelistic community service such as kids' clubs

The King's Centre (TKC) Maintenance fund receives specific donations as well as transfers from General funds towards small improvements and repairs to the Centre

Regional support funds arise mostly from offerings taken at regional celebrations

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2013 (continued)

16 Restricted funds (Charity and Group)

The following are the details of the charity's restricted funds, all of which are income funds

	At 1-9-12 £	Income £	Expenditure £	At 31-8-13 £
The King's School restricted	14,961	5,838	(16,449)	4,350
Salem School	570	2,390	(2,373)	587
Missionary support	14,152	42,008	(44,940)	11,220
Mission (France)	756	-	-	756
Other funds	28,566	161,938	(142,951)	47,553
	59,005	212,174	(206,713)	64,466

The King's School has a bursary and other funds for use by specific departments within the school

Salem School is a school in Kazakhstan

Missionary support is for Dr Jan White and her work in running medical centres in Uganda

Mission (France) arises from donations to support church development in France

Other funds are the restricted funds used by some of the 11 local churches for providing overseas aid and for the support of missionaries and local projects

17 Transfers between funds (Charity and Group)

Reason	From fund	To fund	£
Servicing King's School loan	Gift Aid tax recovered	General funds	117,382
Contributions towards loan interest	General funds	TKS Building Fund	75,180

18 Reconciliation of movements on funds and reserves (Charity and Group)

	Revaluation reserve £	General reserves £	General funds £	Designated funds £	Restricted funds £	Total £
At 1 September 2012	425,000	75,880	2,248,612	175,896	59,005	2,984,393
Transfers between funds	-	-	42,202	(42,202)	-	-
Transfer from reserves to funds	-	(27,000)	-	27,000	-	-
Transfers to reserves	-	21,870	(21,870)	-	-	-
Surplus for the year	-	-	52,929	61,290	5,461	119,680
At 31 August 2013	425,000	70,750	2,321,873	221,984	64,466	3,104,073

19 Legal status

The charity is a company limited by guarantee and has no share capital. The liability of each member of the company in the event of winding up is limited to £1.

20 Capital commitment (Charity and Group)

There were no commitments for capital expenditure at 31st August 2013 not included in these statements (2012 none)

21 Incoming resources and net increase in funds

The Consolidated Statement of Financial Activities is for the group as a whole. The figures below are the equivalent figures for the charity, excluding The King's Centre Limited.

- Total income resources for the year ended 31 August 2013 £2,414,131 (2012 £2,287,146)
- Net increase in funds in the year £124,810 (2012 £32,201)