

Charity Registration No. 1087771

Company Registration No. 4255960 (England and Wales)

**Vineyard Music (UK) Limited**  
**Trustees' Report and Accounts**  
**For the year ended 31 December 2015**

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COMPANIES HOUSE

# **Vineyard Music (UK) Limited**

## **CONTENTS**

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<b>Trustees' report</b>	<b>2 - 10</b>
<b>Independent auditors' report</b>	<b>11</b>
<b>Statement of Financial Activities</b>	<b>12</b>
<b>Balance Sheet</b>	<b>13</b>
<b>Statement of Cash Flows</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 - 24</b>

# Vineyard Music (UK) Limited

## Trustees' Report For the year ended 31 December 2015

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The Trustees submit herewith their eleventh Annual Report together with audited financial statements for the year ended 31 December 2015. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on the 16<sup>th</sup> July 2014.

### 1. Objectives and Activities

The principal activities of the company are the promotion of knowledge of the Christian faith by sales of Christian literature and audio material by mail order, the production of Christian worship songs and delivery of training for the furtherance of the Christian faith.

Vineyard Music (UK) Limited is a non-profit, church-based worship ministry. By imparting the heart and activity of worship through music, events and resources, we encourage people everywhere to pursue a deeper relationship with God. All of our income is directly re-invested in furthering the development of worship in the Church, aiding in the establishment of new churches worldwide and helping to advance God's Kingdom.

#### a. Public benefit

When planning the activities for the year, the Trustees have considered the Charity Commission guidance on public benefit, and in particular, the specific guidance on charities for the advancement of religion to provide public benefit in the following areas:

- i. Donations from surpluses for the establishment of new churches nationwide;
- ii. Donations from surpluses for the funding of mission work both in the UK and abroad;
- iii. Support of prison ministry through the donation of audio CDs and books;
- iv. Curriculum development for primary school children;
- v. Free of charge provision of recording studio for the development of worship songs;
- vi. Involvement in training, resourcing and worship within the Christian church in the UK and further afield.
- vii. During the year Vineyard Records UK provided a member of staff on a weekly basis to help at the Hull Vineyard Church 'Big Kitchen' which provides meals and assistance to the disadvantaged of the City of Hull.
- viii. During the year contact has been made with the Vineyard National Directors around the world to give away downloads of free music and chord charts to churches and worship leaders in the churches within their territories.

#### b. Summary of Objectives

The Company is established for:

- i. The advancement of the Christian faith by the documenting, recording and distribution by way of printed, audio, video, digital and electronic media of Christian worship music written and composed primarily, but not exclusively, within member churches of the Association of Vineyard Churches (UK) Trust and the encouragement of church planting in the United Kingdom;
- ii. The furtherance of religious education by way of seminars and conferences;
- iii. The relief of those who are in conditions of need or hardship or who are aged or sick and to relieve distress caused thereby in the United Kingdom or the world as the Directors may from time to time think fit;
- iv. Such other charitable objects and for the benefit of such other charitable bodies and institutions as the Directors shall in their absolute discretion see fit.

# Vineyard Music (UK) Limited

## Trustees' Report (continued) For the year ended 31 December 2015

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### 1. Objectives and Activities (Continued)

#### c. Strategies for achieving objectives

All income for the Charity is derived from the charitable objectives and aims using the following strategies:

##### i. Sales Performance

During the period of these accounts the Trustees noted a satisfactory performance in sales of worship CDs, following the release of two major releases during the year: Waterfalls – Live from St Albans in January during the National Leaders Conference featuring 12 brand new songs from Vineyard Churches all over the UK and sung by worship leaders who lead week in, week out in their local Churches. Small Group Worship Vol 2 in December featuring 17 beautiful songs recorded simply and ready to use in a small group setting. Also two digital releases: In September, David Ruis, National Director of the Vineyard in Canada and long serving worship leader and songwriter used the studio from which a number of videos were recorded for release on YouTube, entitled 252 Sessions. In November a video and audio recording of the Saturday evening worship session at the Cause to Live For Conference was made and released three weeks later under the title, 'I Am Yours' a brand new song written by Dave Miller, on itunes and Youtube, this went into the Number One slot in the Itunes Christian and Gospel Chart. Resourcing of books and other resource material continues to be a successful resource for the churches, especially at a number of conferences that Vineyard Records attends.

##### ii. Publishing Performance

The Trustees are pleased to report that the revenue from publishing and licensing royalties continues to form the majority 84.2% (2014 – 82.9%) of the income of the company, there however continues to be a decline in receipts during the past year, especially from the US, including the CBA market and licensing of UK songs. The Trustees will continue to monitor the situation but with new material being released in 2016 it is hoped that the decline can be slowed down, together with a concerted effort in tidying up existing agreements which occurred in 2014, however with the nature of royalty reporting it takes time for the flows of money to be received. We continue to work with Fair Trade Services in the US for use and positioning of Vineyard UK songs.

##### iii. Events

For the furtherance of religious education of the wider Church, events were held throughout the year as follows:

There were two major events during the year. In February the third Youth Worship School took place in Winchester. 60 (2014 – 50) young people aged 12 to 18 years gathered for a time of teaching both theological and practical, as well as a chance to record songs that they have written. All involved with the event came away thoroughly blessed and encouraged. The Irish Region Worship Retreat took place in May with 100 (2014 – No event) people attending from all the Irish Vineyard for a time of re-envisioning, connecting with others and teaching on theological, practical and inspirational issues, which Vineyard Records provided technical and administrative help for. The feedback from this event has been very positive and encouraging. In June the Songwriters Retreat took place where 22 songwriters from across the UK went away for a time away from the usual routine, to write songs, have input by other writers into those songs and to record demos, this event has been very useful in getting new songs onto new projects. The National Worship Leaders Retreat did not take place this year. In addition Jimmy Cooke attended a number of other Area worship retreats.

# Vineyard Music (UK) Limited

## Trustees' Report (continued) For the year ended 31 December 2015

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d. Grant making

There were no grants made during the year.

### 2. Achievements and Performance

#### Product development

- i. In January Waterfalls – Live from St Albans was released. Waterfalls is an album of 12 brand new songs from Vineyard Churches all over the UK, these songs are powerful, immediate, honest and bear the hallmarks of intimate worship that the Vineyard movement has long been known for.
- ii. In February – I Love Your Presence, a single from the NLC was released on YouTube and iTunes featuring Worship Leader and Vineyard Pastor, Dana Masters.
- iii. In May Samuel Lane from St Albans Vineyard led an afternoon of worship at The TBN UK TV (Trinity Broadcasting Network) studios in London, this was a time of intimate and passionate worship, though has yet to be broadcast.
- iv. In May our partner in the US, Fair Trade Services placed our song, Spirit Burn, on their client, Audio Adrenaline's, album called Sound of the Saints.
- v. In November our partner in the US, Fair Trade Services released an album called, Hear the Sound – Songs from The Vineyard UK into the US market, with new recordings and passionate performances of some of the latest song releases including Spirit Burn.
- vi. In December the second volume of Small Group Worship was released, following on from the success of the first CD, this album is essentially 'Vineyard Unplugged' the songs have been drawn from 30 years of Vineyard Worship, arranged in a simple and ready to use way. Vineyard UK pastors and worship leaders were invited to vote on which songs would appear on this project.
- vii. In December, the digital download EP, I am Yours – Live from The Cause to Live For 2015 was released on iTunes and YouTube. It was recorded in November during the Vineyard's 20s and 30s conference, Cause to Live For. The title track, written by Dave Miller, captures the passionate worship of a generation who are desperate to see God's Kingdom breakout in our nation. This hit the Number One spot on the iTunes Christian and Gospel chart.
- viii. The recording studio in the offices is available free of charge to songwriters and musicians within Vineyard Churches UK to record their songs to a professional standard. This has proved to be highly popular with musicians from Hull Vineyard, Leeds Vineyard, Leicester City Vineyard, North Birmingham and St Albans Vineyard. It is hoped that this trend will continue to encourage songwriting, enable relationship-building between the songwriters and Vineyard Records UK and produce high-quality, low-cost recordings for future release.
- ix. During the year a number of people, including David Ruis, National Director of Canada, recorded in the studio some new material, this will be released as '252 Sessions' on YouTube. Small group Worship Vol. 2 was recorded entirely in the studio. Post production and mixing work on albums Waterfalls, I am Yours and Small Group Worship Vol 2 also took place.
- x. Vineyard Records continues to be the distributor of Vineyard Books in the UK. These are books approved and recommended by the Leadership Group for sale. A number of these titles have been added to the website. In January, Vineyard Records UK was the main distributor of products at the National Leaders Conference which was a very successful event in terms of exposure and sales. It is hoped that this will continue at the 2016 event.
- xi. During the later part of the year, a project that has now been named, Open, was birthed featuring completely new tracks and some very special re-workings of Vineyard classics, the title track sets the tone for the album, recorded as a studio project with renown producer David Plumb (29<sup>th</sup> Chapter) it will be released in January 2016 at the NLC.

# Vineyard Music (UK) Limited

## Trustees' Report (continued) For the year ended 31 December 2015

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### 2. Achievements and Performance (Continued)

- xii. Great Big God Box set – celebrating 15 years of Great Big God is an album of 50 of the best loved kids songs from the 5 Great Big God albums. This is due for release in early 2016.
- xiii. The new website, Vineyard Songs.com in partnership with VM Global continues to grow and is becoming an important resource for worship leaders in the movement, the site includes 'Song of the Month', chord and lyric videos to all Vineyard Songs with translations, mp3's and leadsheets.

#### Plans for the Future

##### a. Product development

- i. Release of Open in January at the National Leaders Conference.
- ii. Release of Great Big God Box Set – celebrating 15 years of Great Big God.
- iii. Record and video the worship at the National Leaders Conference, Cause to Live For and DTI.
- iv. Record and release a new songs album, from songs gathered during the songs submission window.
- v. To continue to grow and develop the International website of Vineyard Songs partnering with Vineyard Music US.
- vi. Continued commitment to release new songs on all platforms.
- vii. To release the David Ruis, 252 Sessions on Itunes and YouTube.
- viii. Develop the merchandise range including posters, T-Shirts and bottle opener key rings.

##### b. Events

- i. For the furtherance of religious education of the wider Church, further events are planned for 2016 as follows:
  - 1. Run a Youth Worship School in Leicester in October 2016. Partnering with the local Church and Passion Ministry.
  - 2. Encouragement for regional/ area Worship Leaders Conference.
  - 3. Song writing workshops and Church visits.
  - 4. Attendance at regional and national events.
  - 5. Host a Passion School Songwriters' Retreat at VRUK studio in June 2016.

##### c. Resource distribution

- i. Further development and marketing of Christian books, as recommended by the Leadership Group. It is hoped that by offering this Vineyard Records UK will become more of a one-stop-shop for churches and individuals. It will also make the material more accessible.
- ii. Enhance the new website, integrated with Inside Worship and new Equip sections.
- iii. Develop videos, chord / lyric videos and downloadable chord charts and lyric sheets, action videos and piano scores.
- iv. Rebranding to Vineyard Worship – as a resource for the whole church.

# Vineyard Music (UK) Limited

## Trustees' Report (continued) For the year ended 31 December 2015

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### 3. Financial Review

#### a. Reserves policy

- i. The Trustees after due consideration consider that a reserve of £310,000 should ideally be available. This sum equates to 6 months worth of overhead expenses, the cost of two major recording projects and their marketing, and a general contingency. At the year end free reserves of £343,167 were available. This has been arrived at after taking into account the following elements and contingencies:

1. Fluctuations of income verses expenses – trading losses and nature and timing of capital expenditure, historically the Charity has had periods in any given year where losses may cumulate to £80K during certain periods of the year, though overall the year made a small deficit.
2. A period of decline or delay in income – sales and royalties.
3. Restructuring of the Charity in the event of consistent reduced income flows.
4. To fund new income generating initiatives, where such need or opportunity exists.
5. To remove the risk of insolvency.
6. Long term planning and opportunity taking.
7. The efficient running of the Charity with medium and long term downturns i.e. avoiding the need for short term decisions.
8. Furthermore the Trustees consider it imprudent to liquidate fixed assets to generate reserves. These include the designated fixed asset fund totalling £224,331. This represents the Net Book Value of land and buildings donated to the Charity in 2003 which are used for the furtherance of the Charity's objectives. Annual depreciation of the buildings are charged to the designated fund.

#### b. Investment policy

- i. The Trustees do not seek to hold other external investments with surplus reserves.

### 4. Structure, Governance and Management

#### a. Constitution

- i. The Company is limited by guarantee without share capital and is a registered charity. The liability of the members is limited to £1 each. Accumulated funds are not distributed to the members.
- ii. The governing instrument under which the Company operates is its Memorandum and Articles of Association, last amended in September 2005.
- iii. The Trustees are treated as directors for Companies Act purposes.

#### b. Trustees

Introduction - the process of selection and induction of Trustees:

This goes hand in hand, hence our Trustees would typically be Christian / Church leaders of some standing and repute. Additionally they would have become familiar with the workings and business of Vineyard Music (UK) Limited through attending recordings, conferences and business meetings. Also they would be checked to see that they are in good standing as follows:

- i. They are not an undischarged bankrupt;
- ii. They have not been convicted of any offence involving dishonesty or deception;
- iii. They have no criminal record;
- iv. They are not banned from the Charity Commission in the UK;

# Vineyard Music (UK) Limited

## Trustees' Report (continued) For the year ended 31 December 2015

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### 4. Structure, Governance and Management (continued)

- v. They are not subject to a disqualification order under the Company Directors Disqualification Act 1986, nor to an order made under section 429 (2)(b) of the Insolvency Act 1986;
  - vi. They have not been removed from being concerned in the management or control of any body under Section 7 of the Law Reform (miscellaneous Provisions) (Scotland) Act 1990;
  - vii. They have not been removed as a Trustee by the Charity Commission or the High Court.
- c. Induction process – all new Directors / Trustees are supplied with the following:
  - i. Recent financial accounts;
  - ii. Overview of the business;
  - iii. Articles and Memorandum of Association;
  - iv. Staff handbook;
  - v. Health and safety / risk assessments;
  - vi. Induction talk and orientation covering the practical aspects of the Charity's objectives;
  - vii. By way of information our current Trustees are all Senior Leaders of Churches within the Vineyard Churches UK Denomination. In the selection of future Trustees we will seek to find candidates of suitable professional ability additionally combined with an empathy towards churchmanship and Christian worship.
- d. Role description – the primary description of the role of Trustees is to discharge their duties in the fulfilment of the objects of the Charity in a good and timely manner to the satisfaction of the Charity Commission. In particular they are required to:
  - i. Attend the AGM;
  - ii. Attend Board meetings;
  - iii. Receive and comment on the Charity's quarterly report (including finances);
  - iv. Be available to the management of the Company for adhoc discussions as required from time to time;
  - v. To try and keep themselves up to date as regards governance of charities in the UK;
  - vi. Periodically review and modify policies and procedures of Vineyard Music (UK) Limited;
  - vii. Execute the duties of being the overall employer of Vineyard Music (UK) Limited.
- e. Organisational structure
  - i. The support staff report to the General Manager, who reports to the C.E.O, who reports to the Board of Trustees.
  - ii. The setting of pay and remuneration has been delegated to Jeremy Cook, C.E.O at the AGM in 2003, a cost of living rise is given based on the Office of National Statistics average earning report in December to start from the following financial year, the board approves the budget for the year including the increase in salaries and pension contributions.
- f. Relationships
  - i. The Trustees note the continued relationship between the Vineyard Churches UK & Ireland and Vineyard Music (UK) Limited.
  - ii. Communication continues to be a priority this year to churches and to the worship leaders in the movement through regular updates, newsletters and email notes, including working closer with the Communications Director of Vineyard Churches UK & Ireland.
  - iii. It is noted the growing working relationship with the song writers in the UK. The fruit of these labours have come to the fore during the year with nearly 117 new songs submitted during the song submission window, this relationship will be ongoing.



# Vineyard Music (UK) Limited

## Trustees' Report (continued) For the year ended 31 December 2015

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### 4. Structure, Governance and Management (continued)

#### g. Relationships - others

- i. Vineyard Records UK is committed to forming new and strengthening existing partnerships with organisations that share similar values. We see these partnerships as being key in helping the furtherance of religious education of the wider Church and also in strengthening unity within the Church. Industry wider relationships have been developed through attendance at the CMPA (Christian Music Publishers Association) meeting twice a year and the annual Songwriters' Consultation.
- ii. Vineyard Records UK continues to be committed to working with Vineyard Churches UK & Ireland and will endeavour to strengthen relationships with Vineyard Churches throughout the UK.
- iii. Vineyard Records UK continues to work closely with Vineyard Music US in developing best ways to connect in each other's markets via skype calls.
- iv. During 2014, Jeremy and Jimmy met with Fair Trade Services in Nashville, to discuss using some of 12 new songs on projects that they are doing including radio plays, it is hoped that this relationship will continue.
- v. The Hull Vineyard moved out to their own premises in June 2015, though Vineyard Records UK continues to work closely with the Church.

#### h. Risk assessment statement

- i. The Trustees have reviewed the risks associated with the Charity. The main risks identified are incapacity of staff, computer failure, health and safety and fire issues. The following steps are in place to mitigate them:
  1. Incapacity of the General Manager; in the short term Jeremy Cook will take over the management of Vineyard Music (UK) Limited whilst the board seek and appoint a new General Manager.
  2. Incapacity of the Finance Manager; initially to be covered within the office by the Treasurer to the Hull Vineyard Trust, following procedures laid down in the guide, whilst the board seek and appoint a new Finance Manager.
  3. Incapacity of other staff members; initially covered within the office until new staff members appointed.
  4. Computer failure; back up discs stored off-site, finances backed up every month, database backed up every week and using web based storage facilities.
  5. Building failure; insurance covers buildings, contents and stock. Business interruption is covered. The operation would move to rented premises as soon as possible.

#### i. Personnel

- i. There have been no changes in personnel during the year ended 31 December 2015.

# Vineyard Music (UK) Limited

## Trustees' Report (continued) For the year ended 31 December 2015

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### 5. Reference and Administrative Details

a. Registered name and other working name	
i. Vineyard Music (UK) Limited t/a Vineyard Records UK	
b. Officials and advisors	
<b>Trustees</b>	J Cook (C.E.O) A McNeil S Barber N Hemming N Briggs
<b>Company Secretary</b>	P B Masters
<b>Registered Office</b>	252 Cottingham Road Hull HU6 8QA
<b>Bankers</b>	Royal Bank of Scotland 10 Silver Street Hull HU1 1JE
<b>Auditors</b>	Revell Ward Limited 7 <sup>th</sup> Floor 30 Market Street Huddersfield HD1 2HG
<b>Solicitors</b>	Forresters Ketley & Co Sherbourne House 119-121 Canon Street London EC4N 5AT
<b>Registered Charity Number</b>	1087771
<b>Companies House Number</b>	4255960
<b>Country of Incorporation</b>	England and Wales

### 6. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

# Vineyard Music (UK) Limited

## Trustees' Report (continued) For the year ended 31 December 2015

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### 6. Statement of Trustees' responsibilities (continued)

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company

law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the movement in funds for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for ensuring that the assets are properly applied in accordance with charity law.

The Trustees also confirm that:

- As far as they are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- They have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of the information.
- **Auditors**

The auditors, Revell Ward Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared taking advantage of the small companies exemption under the Companies Act 2006.

By order of the Trustees



J Cook  
Trustee

~~19 February 2016~~

19<sup>th</sup> April 2016.

# Vineyard Music (UK) Limited

## Independent auditors' report To the members of Vineyard Music (UK) Limited

We have audited the financial statements of Vineyard Music (UK) Limited for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows 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 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 9 & 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Annual Report.

Karen Borowski FCA (Senior Statutory Auditor)  
for and on behalf of Revell Ward Limited  
Chartered Accountants and Statutory Auditors  
7<sup>th</sup> Floor  
30 Market Street  
Huddersfield  
HD1 2HG  
Date: 23/4/16

# Vineyard Music (UK) Limited

## Statement of Financial Activities Including Income and Expenditure Account For the year ended 31 December 2015

	Notes	Year ended 31 December 2015			Year ended 2014
		General Funds	Designated Funds	Total	
		£	£	£	£
<b><u>Income and endowments from:</u></b>					
Donations	2	-	-	-	20
Charitable activities	3	435,165	-	435,165	513,348
Investments	4	2,177	-	2,177	2,297
Other trading activities	5	1,200	-	1,200	2,400
Other	5	13,803	-	13,803	6,227
<b>Total</b>		<b>452,345</b>	<b>-</b>	<b>452,345</b>	<b>524,292</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	6	485,362	3,709	489,071	541,643
<b>Total</b>	<b>6</b>	<b>485,362</b>	<b>3,709</b>	<b>489,071</b>	<b>541,643</b>
Net gains on investments	12	3,400	-	3,400	-
<b>Net expenditure</b>		<b>(29,617)</b>	<b>(3,709)</b>	<b>(33,326)</b>	<b>(17,351)</b>
<b><u>Reconciliation of funds</u></b>					
Fund balances at 1 January 2015	16	372,784	228,040	600,824	618,175
Fund balances at 31 December 2015	16	<b>343,167</b>	<b>224,331</b>	<b>567,498</b>	<b>600,824</b>

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All the company's activities are classed as continuing.

The notes form part of these financial statements

**Vineyard Music (UK) Limited (Charity Registration No. 1087771)**  
**(Company Registration No. 4255960)**  
**Balance Sheet**  
**As at 31 December 2015**

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		247,655		250,027
Investments	12		<u>33,400</u>		<u>30,000</u>
			281,055		280,027
<b>Current assets</b>					
Stock			18,352		22,130
Debtors	13		9,565		11,902
Cash at bank and in hand			284,856		316,803
			<u>312,773</u>		<u>350,835</u>
<b>Creditors: amounts falling due within one year</b>	14		<u>(26,330)</u>		<u>(30,038)</u>
<b>Net current assets</b>			<u>286,443</u>		<u>320,797</u>
<b>Total assets less current liabilities</b>			<u>567,498</u>		<u>600,824</u>
<b>Reserves</b>					
Designated funds	16		224,331		228,040
Unrestricted funds	16		<u>343,167</u>		<u>372,784</u>
			<u>567,498</u>		<u>600,824</u>

These accounts have been prepared in accordance with the provisions applicable to entities subject to the small entities regime.

The accounts were issued, authorised and approved by the Board on ~~19 February 2016~~ <sup>19<sup>th</sup> April 2016</sup> and signed on its behalf by:

  
J Cook  
Trustee

The notes form part of these financial statements

# Vineyard Music (UK) Limited

## Statement of Cash Flows For the year ended 31 December 2015

	Notes	2015 £	2014 £
<b>Cash Flows from operating activities</b>			
Net cash used in operating activities	19	<u>(21,563)</u>	<u>(3,565)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments	4	2,177	2,297
Proceeds from the sale of property, plant and equipment		1,843	1,641
Purchase of property, plant and equipment		<u>(14,404)</u>	<u>(10,968)</u>
<b>Net Cash Used in investing activities</b>		<u>(10,384)</u>	<u>(7,030)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(31,947)	(10,595)
Cash and cash equivalents at the beginning of the reporting period		316,803	327,398
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>284,856</u>	<u>316,803</u>

The notes form part of these financial statements

# Vineyard Music (UK) Limited

## Notes to the financial statements For the year ended 31 December 2015

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### 1. Accounting policies

#### a) Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with the exception of investment properties which are stated at market value, items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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<sup>th</sup> July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

Due to the level of cash and unrestricted reserves held the trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS102 a restatement of comparatives was needed. No restatements were required. The Charity's transition date for applying FRS 102 was 1<sup>st</sup> January 2015. With the exception of investment properties there has been no change in accounting policies.

#### b) Incoming resources

*Donations and gifts* – income from donations and gifts is included in incoming resources when receivable.

*Royalties* – income from royalties is included in incoming resources in the period in which it is received. This is a departure from Financial Reporting Standards 102, Paragraph 23.29 which requires royalties to be recognised on an accruals basis. Due to a lack of timely information it is not possible to reliably measure royalty income not yet received. The trustees confirm that the accounts give a true and fair view.

*Sales* – sales are accounted for on an accruals basis.

#### c) Resources expended

All expenditure is shown gross and is accounted for on an accruals basis. For accounting purposes expenditure is allocated as follows:

*Charitable expenditure* – all direct charitable expenditure relates to the operation of the activities of the Charity.

*Governance* – costs relating to the general running of the Charity and governance infrastructure.

Costs connected with the property, which the Charity uses for its own occupation are included in designated funds, all other outgoing resources are included in unrestricted funds.

Support costs are not apportioned as the Trustees are of the opinion that the Charitable company only has a single charitable activity.

#### d) Grant making policy

Grants are made in accordance with the Memorandum of Association to charitable organisations both in the UK and overseas for the furtherance of the kingdom, church planting and relief of those in conditions of need or hardship as the Trustees from time to time think fit.

#### e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition, other than donated freehold land and buildings which is included at valuation at the date of the donation. The charitable company carries out annual impairment reviews where there is



# Vineyard Music (UK) Limited

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 1. Accounting policies (continued)

indication that the carrying amount of an asset may not be recoverable. Depreciation is provided on all tangible fixed assets other than land at rates calculated to write off the cost or revalued amount on a straight line basis over their expected useful economic lives as follows:

Freehold land	Not depreciated
Freehold buildings	2% per annum
Office equipment	4 years
Fixtures and fittings	4 years
Computer equipment	2 years

**f) Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**g) Stock**

Stock is valued at the lower of cost and net realisable value. The amount of stock recognised as an expense in the period is £29,553.

**h) Pension costs**

The pension costs charged in the accounts represent the contributions payable by the Charity during the year.

**i) Foreign currencies translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

**j) Accumulated funds**

Funds held by the Charity are either:

*Unrestricted general funds* – these are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees;

*Designated funds* – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**k) Investments**

Investments are stated at market value. Investments in property are revalued annually as at the year end to determine fair market value, valuations are carried out by two local estate agents. A view is taken between the two valuations as to the fair value of the investment. Any gains or losses on investments are recognised in the Statement of Financial Activities.

### 2. Voluntary income

	Unrestricted funds	Designated funds	Total 2015	2014
	£	£	£	£
Gifts in kind	-	-	-	20
	-	-	-	20

# Vineyard Music (UK) Limited

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 3. Incoming resources from charitable activities

Incoming resources from charitable activities relate to sales and royalty income through the sales of Christian literature and audio materials as follows:

	Unrestricted funds	Designated funds	Total 2015	2014
	£	£	£	£
Royalty income	381,121	-	381,121	434,767
Retail sales	50,854	-	50,854	51,329
Conference income	3,190	-	3,190	27,252
	<u>435,165</u>	<u>-</u>	<u>435,165</u>	<u>513,348</u>

The percentage of retail sales attributable to geographical markets outside the United Kingdom was 8.4% (2014 – 7.1%).

Royalty income attributable to geographical markets outside the United Kingdom was 75.0% (2014 – 81.0%).

### 4. Investment income

	Unrestricted funds	Designated funds	Total 2015	2014
	£	£	£	£
Interest receivable	2,177	-	2,177	2,297
	<u>2,177</u>	<u>-</u>	<u>2,177</u>	<u>2,297</u>

### 5. Other incoming resources

	Unrestricted funds	Designated funds	Total 2015	2014
	£	£	£	£
Other income	13,803	-	13,803	6,227
Other trading activities	1,200	-	1,200	2,400
	<u>15,003</u>	<u>-</u>	<u>15,003</u>	<u>8,627</u>

### 6. Total resources expended

	Staff costs	Depreciation	Other costs	Total 2015	2014
	£	£	£	£	£
Direct charitable expenditure	93,784	-	248,775	342,559	410,003
Governance	-	-	7,639	7,639	7,344
Support costs	74,567	15,828	48,478	138,873	124,296
Total resources expended	<u>168,351</u>	<u>15,828</u>	<u>304,892</u>	<u>489,071</u>	<u>541,643</u>

## Vineyard Music (UK) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2015

#### 6. Total resources expended (continued)

##### Governance costs

	2015 £	2014 £
Auditors' remuneration	6,450	6,687
Trademark (Forresters)	522	-
Hothorpe (Trustees)	188	-
Companies House fees	28	13
HR Services	-	354
CRB checks	90	90
PRS	226	65
CMPA	100	100
Information Commissioner	35	35
	<u>7,639</u>	<u>7,344</u>

##### Grant making

No grants were made in the year or in the previous year.

#### 7. Trustees and related parties

The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in the Memorandum of Association. No portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company. Unless prior written authority of the Charity Commission has been obtained no member of its Board of Directors shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company.

Vineyard Churches UK & Ireland is a related party due to one of the six Trustees of Vineyard Music (UK) Limited also being Trustees of Vineyard Churches UK & Ireland. During the year the Company recharged staff time to Vineyard Churches UK & Ireland totalling £9,672 (2014 - £8,579). Vineyard Churches UK & Ireland reimbursed expenses totalling £1,380 (2014 - £4,577). At the year end the company was owed £NIL (2014 - £6) by Vineyard Churches UK & Ireland, this amount is included in trade debtors.

# **Vineyard Music (UK) Limited**

## **Notes to the financial statements (continued)**

**For the year ended 31 December 2015**

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### **4. Trustees and related parties (continued)**

Hull Vineyard is a related party due to one of the five Trustees of Vineyard Music (UK) Limited also being a Trustee of Hull Vineyard and due to the charities sharing key management personnel. The Hull Vineyard Church office rented the second floor of the Vineyard Music (UK) Limited office at 252 Cottingham Road until June 2015. A monthly rent of £200 is paid by Hull Vineyard as well as half the utility bills which amounted to £926 (2014 - £2,369). The Company recharged staff time totalling £1,928 (2014 - £2,244) to Hull Vineyard. At the year end the company was owed £370 (2014 - £1,349) by Hull Vineyard, this amount is included in trade debtors.

Mr J Cook, a Trustee, received emoluments, for his role as an employee of the charity of £33,965 (2014 - £33,595) during the year and company pension contributions of £1,019 (2014 - £1,008) were also made on his behalf, £85 (2014 - £84) of pension contributions were outstanding at the year end. This is in accordance with permission obtained from the Charity Commission on the 24 August 2005 and the rewording of the Memorandum and Articles of Association.

Out of pocket expenses were reimbursed to Trustees and related parties as follows:

Mr J Cook was reimbursed £380 (2014 - £1,253) for travel and £159 (2014 - £337) for other expenses.

The company made a Christmas gift to the Trustees of the following values:

A McNeil - £NIL (2014 - £NIL), S Barber - £NIL (2014 - £104), N Briggs - £NIL (2014 - £104), N Hemming - £NIL (2014 - £104).

# Vineyard Music (UK) Limited

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 5. Employees

The average number of employees during the year was:

	2015 Number	2014 Number
Charitable activities	2	2
Management and administration	3	3
	<u>5</u>	<u>5</u>
	2015 £	2014 £
Wages and salaries	150,618	145,775
Social security costs	13,215	12,672
Pension costs	4,518	4,250
	<u>168,351</u>	<u>162,697</u>

There are no employees earning more than £60,000 per annum during this year or last year.

During the year a number of employees' time was reimbursed from connected organisations; the Finance Manager gave 20% of his time to the finances of Vineyard Churches UK&I and the Media Marketing Assistant gave 11% of his time to the media requirements of the Hull Vineyard Church, a total of £11,600 (2014 - £10,236) is received from these organisations.

### 6. Taxation

The company is a registered charity and under the provision of the Corporation Tax Act 2010 is exempt from taxation.

### 10. Net movement in funds

	2015 £	2014 £
<b>Net movement in funds is arrived at after charging:</b>		
Auditors' remuneration		
Audit fee	6,450	6,687
Other operating leases	2,800	2,800
Foreign exchange losses	(203)	264
Depreciation	15,828	14,164
Profit on disposal of fixed assets	<u>(895)</u>	<u>(1,034)</u>

# Vineyard Music (UK) Limited

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 11. Tangible fixed assets

	Freehold land and buildings £	Office equipment £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2015	267,962	47,384	29,730	10,351	355,427
Additions	-	9,205	5,199	-	14,404
Disposals	-	(10,301)	(1,973)	(2,236)	(14,510)
At 31 December 2015	<u>267,962</u>	<u>46,288</u>	<u>32,956</u>	<u>8,115</u>	<u>355,321</u>
<b>Depreciation</b>					
At 1 January 2015	39,922	31,693	26,601	7,184	105,400
Charge for year	3,709	7,922	1,754	2,443	15,828
Eliminated on disposal	-	(9,353)	(1,973)	(2,236)	(13,562)
At 31 December 2015	<u>43,631</u>	<u>30,262</u>	<u>26,382</u>	<u>7,391</u>	<u>107,666</u>
<b>Net book value</b>					
At 31 December 2015	<u>224,331</u>	<u>16,026</u>	<u>6,574</u>	<u>724</u>	<u>247,655</u>
At 31 December 2014	<u>228,040</u>	<u>15,691</u>	<u>3,129</u>	<u>3,167</u>	<u>250,027</u>

Freehold land and buildings were donated to the company during the year ended 31 December 2003 and have been included at the valuation at that date. They were valued by Staniforth Estate Agents in August 2003.

### 12. Investments

	Property £	Total £
<b>Cost or valuation</b>		
As at 1 <sup>st</sup> January 2015	30,000	30,000
Revaluation in the year	<u>3,400</u>	<u>3,400</u>
As at 31st December 2015	<u>33,400</u>	<u>33,400</u>

All investment assets are held to provide an investment return and all investment assets are held within the UK.

The investment property was originally purchased in 2012 for £148,000 in which Vineyard Music (UK) Limited have a 20% share.

## Vineyard Music (UK) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2015

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#### 13. Debtors

	2015	2014
	£	£
Trade debtors	2,941	3,553
VAT	68	2,417
Prepayments	6,556	5,932
	<u>9,565</u>	<u>11,902</u>

#### 14. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	2,590	1,752
Taxation and social security costs	4,752	4,777
Other creditors	11,769	16,451
Accruals	7,219	7,058
	<u>26,330</u>	<u>30,038</u>

#### 15. Pension costs

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,518 (2014 - £4,250). Contributions amounting to £742 (2014 - £754) were owing at the year end.

# Vineyard Music (UK) Limited

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 16. Net incoming/(outgoing) resources for the year

	Balance at 1 January 2015 £	Incoming resources £	Expended resources £	Gross transfer between funds £	Gains and Losses	Balance at 31 December 2015 £
Unrestricted funds	372,784	452,345	(485,362)	-	3,400	343,167
Designated funds	228,040	-	(3,709)	-	-	224,331
	<u>600,824</u>	<u>452,345</u>	<u>(489,071)</u>	<u>-</u>	<u>3,400</u>	<u>567,498</u>

The unrestricted funds represent the free funds of the Charity which are not designated for particular purposes.

The designated funds represent the property donated during 2003 (net of depreciation) which the Charity uses for its own occupation.

Depreciation on the property is charged to this designated fund.

### 17. Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2015 are represented by:			
Tangible fixed assets	23,324	224,331	247,655
Investments	33,400	-	33,400
Current assets	312,773	-	312,773
Creditors: amounts falling due within one year	(26,330)	-	(26,330)
	<u>343,167</u>	<u>224,331</u>	<u>567,498</u>

### 18. Commitments under operating leases

Minimum lease payments under non-cancellable operating leases fall due as follows

	2015 £	2014 £
Expiry date:		
Less than one year	2,760	2,760
Between two and five years	5,520	8,280
More than five years	-	-
	<u>8,280</u>	<u>11,040</u>



# Vineyard Music (UK) Limited

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 19. Reconciliation of net movement in funds to net cash flow from operating activities

	Notes	2015 £	2014 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)		(33,326)	(17,351)
Adjustments for			
Depreciation charge	11	15,828	14,164
Gain on investment	12	(3,400)	-
Dividends, interest and rents from investments	4	(2,177)	(2,297)
Profit on Sale of fixed assets	10	(895)	(1,034)
Decrease/ (increase) in stock		3,778	(2,441)
Decrease in debtors	13	2,337	3,522
(Decrease)/ increase in Creditors	14	(3,708)	1,872
<b>Net Cash used in operating activities</b>		<b>(21,563)</b>	<b>(3,565)</b>