



**Smailes Goldie**  
Chartered Accountants

# Vineyard Churches UK & Ireland

## Financial Statements

**31 December 2017**

FRIDAY



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03/08/2018  
COMPANIES HOUSE



# **Vineyard Churches UK and Ireland**

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## Trustees' Report For the year ended 31 December 2017

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The Trustees and Directors of the company present their Annual Report together with audited financial statements for the year ended 31 December 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the annual report and financial statements of the charity. 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 (as amended by Update Bulletin 1 published on 2<sup>nd</sup> February 2016).

### 1 Objectives and Activities

The primary object of the company is the advancement of the Christian faith including missionary activities in the United Kingdom and overseas and the planting of new churches. From this five key objectives can be drawn: To provide pastoral oversight, training and resourcing to the members and associate members of Vineyard Churches UK and Ireland (thereafter VCUKI) and to oversee the planting of new Vineyard congregations in the UK and Ireland and to support international missions.

We believe that these lead to the propagation of Christian beliefs, which bring hope and reason to those in need, spread ethical values to society as a whole and contribute to social action.

- 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.
- b. **Summary of Objectives**  
The Company is established to:
  1. Provide oversight to the senior pastors of existing churches and facilitate the planting of new churches.
  2. Bring together churches who hold common values and practices.
  3. Do all it can to help people become all that they can in Christ, by helping, serving and strengthening our churches. VCUKI believes this can only be achieved through the building and sustaining of strong relationships among the churches, based on love, openness and trust.
- c. **In Meeting our Objectives , we adhere to five main values:**  
Exercising spiritual authority supported by minimal structural authority - our understanding is that authority resides in the spiritual and relational aspects of ministry as well as in the structure.
  1. Self-governing legally – we want local churches to be free to express and govern themselves within the context of the values and theology of VCUKI.
  2. Relationships are key amongst leaders who like to be together and work together and are key to maintaining a highly trust-based movement.
  3. Minimal bureaucracy - our organisation's structure is built on people who, for as long as possible, continue to remain as Senior Pastors. By maintaining a system where those in church government are also on the front line of pastoral ministry, we hope to avoid losing the vision in the process of carrying it out.
  4. Low profile - the role of VCUKI is to support and encourage pastors and leaders and to provide resources to the movement.

## Trustees' Report (continued) For the year ended 31 December 2017

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### 1 Objectives and Activities (Continued)

#### d. Strategies for achieving objectives

##### 1. Church Planting

During the period of these accounts the number of Vineyard Churches stands at 120 (2016 – 124) with ten satellite churches.

##### 2. Coaching

The coaching initiative continued this year, the aim is for each new Church Planter and existing Senior Pastor to have a coach to aid and assist them in the journey of planting or running a church. Currently there are a number of people who are on the training programme, allowing, as VCUKI certified coaches, the true empowerment of leaders to be all God made them to be, whilst also building a healthy, dynamic, life giving church culture and a healthy balance between being and doing, a vital challenge, as we look after our leaders.

##### 3. Events

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

- a. National Leaders Conference in January, entitled More, once again numbers were at capacity of the venue 1,500 (2016 – 1,500), teaching came from speakers such as Charles Montgomery, Julian Adams, John and Debby Wright and Danielle Stickland.
- b. Dreaming The Impossible in May, entitled Tribe, a conference aimed at young people aged between 11-18. It's an opportunity to meet Jesus in worship and ministry as well as catch up with other youth from around the Vineyard. Held at the Newark Showground, the event was attended by over 1,000 delegates (2016 – 900).
- c. Theology Symposium held in June and entitled, Just Theology, held at Loughborough University and attended by 44 delegates (2016 – No Event). With the aim to encourage scholarly debate, worship and prayer, whilst going deeper into the current theological issues.
- c. Cause to Live For Conference held in November, aimed at the 18-30's for a time of encouragement, envisioning and equipping for, the cause of Jesus Christ, again the event was held at Trent Vineyard and was attended by 890 delegates (2016 – 750).

##### 4. Areas

The primary work of the movement is carried out through local churches, these are grouped together geographically into areas, typically with 10-12 churches per area. Different activities have been carried out in different areas but the main activities include:

- a. Relationships – encouraging networking, cooperation and encouragement amongst the church leaders within the area, investing time in Senior Pastors and worship leaders and looking at potential church planters and church growth.
- b. Teaching and Training facilitated by HUB training centres around the country, Trustee training days and the Nominated Trustee website. Worship events within areas took place in the London & South East areas in September.
- c. Pastoral Support – Area Leaders spend time supporting Senior Pastors and this can include dealing with difficult local issues that arise as well as general mentoring where required.

##### 5. Regions

Each region has a cluster of churches grouped together by area. The pastoral support and care for those churches is facilitated by an Area Leader. These Area Leaders work together with their Regional Leader to provide leadership, vision and encouragement. The five Regional Leaders all report in to the National Leadership Group which enables the national strategy and its local implementation to be disseminated quickly.

## Trustees' Report (continued) For the year ended 31 December 2017

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### 1 Objectives and Activities (continued)

#### 6. Trademarks

Part of our role is to articulate what it means to be a local Vineyard Church and at the same time to protect the reputation of all Vineyard Churches. One way we do this is by registering the Vineyard name and associate devices as Trademarks and licensing these to accredited individuals who are planting churches.

#### 7. Taskforces

- a. Church Planting – continues to be a high priority for the Vineyard Movement. Led by James Rankine from Cardiff Vineyard.
- b. International Missions – we estimate that half of the Vineyard Churches in the UK and Ireland are actively involved in supporting overseas mission. They support church planting efforts, ministry to the poor and advancing social justice to those around the world. This is led by Nick Sutton from Coventry Vineyard.
- c. Children – the purpose of this taskforce is to facilitate the on-going development of children's ministry in the churches, the team meet to build relationships, facilitate regional networking and share resources. This is led by Katie Wilson from Belfast City Vineyard.
- d. Theological Education. Priority is given to teaching sound theological values and their application, promoting the lifelong learning of scriptures and initiating the continual application of practical teaching. This is led by Jason Clark from Sutton Vineyard.

#### 8. VCUKI Grant giving policy and philosophy

Often the primary work of the charity is carried out through some of our specific local churches, as they are commonly in direct contact with our target group. Additionally, they have existing skills and resources on which we may "piggy back". Thus by giving them grants, to cover their marginal costs for these tasks, we are able to fulfil our objects in a highly efficient and focussed manner without having to carry extra overhead. So we make grants to them in the context of specific objectives and tasks which help us to achieve the charity's overall objectives, namely:

- a. Firstly, within the UK and Ireland to assist in pastoral oversight of individual churches by means of area and regional leaders.
- b. Secondly, to assist in the training and resourcing of the member churches via means of theological training and other leadership training.
- c. Thirdly, to assist in the planting of new churches within the UK and Ireland.
- d. Fourthly, to assist in the development of theological knowledge within the UK and internationally.
- e. Fifthly, to assist the global Vineyard Movement to train and equip leaders to advance the Christian faith through missions in the UK and overseas.

It is further understood that on the receipt and expenditure of the grants these churches will, annually, account for the expenditure as well as describe the nature and details of the activities they have undertaken in helping us fulfil our objectives.

9. Trustee Training – during the year the Trustees, headed up by Peter Sturrock, ran a number of 'roadshows' with the aim of gathering a number of local church trustees to a central venue for a time of training and teaching on a number of trustee related topics, 206 delegates attended in total across the 6 venues.

# Vineyard Churches UK and Ireland

## Trustees' Report (continued) For the year ended 31 December 2017

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### 1 Objectives and Activities (continued)

#### 10. Plans for the Future

The movement's focus continues to be:

- a. Church Planting and Church Development.
- b. HUB (Vineyard Training Programme) to equip leaders and potential leaders in their gifting, focusing on three main areas of leadership training: spiritual formation, hands-on experience for ministry and biblical training. More churches are running these programmes.
- c. To use the strategic reserves in developing and growing Vineyard Churches five priorities in the UK see paragraph 2a(3).
- d. Run a number of national events, including:
  1. National Leaders Conference in January 2018.
  2. Worship Leaders Retreat in March 2018.
  3. Dreaming the Impossible Conference in May 2018
  4. Soul Care for senior Pastors gatherings in May 2018
  5. Youth Worship School in October 2018.
  6. Cause to Live For Conference in November 2018.

### 2 Financial Review

Trustees believe that the internal financial controls conform to guidelines issued by the Charity Commission.

The principal stream of income of the charity continues to consist of regular contributions from local Vineyard Churches. These are supplemented by one-off gifts to initiate new projects.

During this period major grants were made totalling £235,355 (2016 - £211,732), a detailed breakdown is included in note 7 to the accounts.

Total incoming resources for the period amounted to £1,123,689 (2016 - £1,000,814), all applied for general purposes, except for that given at various conferences and restricted to that offering.

Total resources expended for the period amounted to £1,149,259 (2016 - £946,560).

Leaving reserves at the year-end of £790,924 (2016 - £816,494).

#### a. Reserves policy

In line with Charity Commission guidance, the Trustees have reviewed their policy on the unrestricted funds not committed or invested in tangible fixed assets (the free reserves) and find the charity should have:

1. Operating Reserves equivalent to 6 months of core expenditure in the current year. At present the free liquid reserves are £333,980 which represents 6.0 months of expenditure at 2017 levels.
2. Designated Funds – Fixed Assets, this represents resources in the charity's fixed assets. The fund is therefore not readily available for other purposes.
3. Strategic Reserves are unrestricted funds over and above those needed for operating reserves and designated reserves to be used for strategic developments as identified by the Trustees for the five key strategies of the movement: Church health and growth, Developing tomorrow's leaders, Worship, Kingdom impact and Church planting. Each of these now has a significant level of new activity associated with them and we currently estimated that of the £456,639 available in strategic reserves approximately £150,000 has now been committed.

## Trustees' Report (continued) For the year ended 31 December 2017

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### 2 Financial Review (continued)

Reserves policy (continued)

b. Investment policy

In the current investment climate, our policy has been to hold reserves on deposit at the highest rate of interest that can be earned safely and ethically.

### 3 Structure, Governance and Management

VCUKI is a company limited by the guarantee of its members and is also registered as a charity in England and Wales (No 1099748) and in Scotland (No SCO41285). The memorandum and articles of association (last amended on 15 December 2009) of the charity act as its governing document.

The key groups are shown below. In the case of the first two, their members are listed on page 8.

#### a. Trustees

The Trustees' role is to oversee the financial affairs of VCUKI, to consider and manage risk, and to ensure compliance with legislation and regulations.

The Trustees also form the board of directors of the company, and they meet at least 3 times per year with intervening zoom calls. They are appointed in conjunction with the Leadership Group on expertise and need, and in general are leaders or members of churches in the movement. The group consults widely with experts about emerging issues affecting VCUKI.

Peter Sturrock, a lawyer, acted as legal advisor and Company Secretary. He retired in June 2017 and resigned as a Trustee in October 2017.

The council of reference continued to meet in 2017, this group consists of people with senior positions within their fields of expertise including legal, accountancy and HR professions to advise on strategic, development and professional matters.

The Trustees have given due consideration to Charity Commission published guidance on the operations of the Public Benefit requirement.

#### The process of selection and induction of Trustees:

Our Trustees would typically be Christian and either church leaders or professionals of some standing and repute. Additionally they would have become familiar with the workings and business of VCUKI through being a church pastor or voluntary leader within a local Vineyard church. Also they would be checked to see that they are in good standing as follows:

- a. They are not an undischarged bankrupt;
- b. They have not been convicted of any offence involving dishonesty or deception;
- c. They have no criminal record;
- d. They are not banned from the Charity Commission in the UK;
- e. 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;
- f. They have not been removed from being concerned in the management or control of anybody under Section 7 of the Law Reform (miscellaneous Provisions) (Scotland) Act 1990;
- g. They have not been removed as a Trustee by the Charity Commission or the High Court.

# Vineyard Churches UK and Ireland

## Trustees' Report (continued) For the year ended 31 December 2017

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### 3 Structure, Governance and Management (continued)

#### Trustees (Continued)

**Induction process** – all new Directors / Trustees are supplied with the following:

Recent financial accounts;

Overview of the business;

Articles and Memorandum of Association;

Staff handbook;

Health and safety / risk assessments;

Induction talk and orientation covering the practical aspects of the charity's objectives;

By way of information our current Trustees are all Senior Pastors of, or leaders in churches within the Vineyard Churches UK denomination.

The charity provides Trustee and Director Insurance cover to the amount of £1 million pounds.

#### b. Vineyard Leadership Group

The Leadership Group is responsible for the day to day governance, leadership and strategy of VCUKI which they execute in conjunction with the Trustees. The Leadership Group consists of 12 people. They meet physically at least 4 times per year and also have conference calls at other times as needed. They focus particularly on the twin areas of church development and church planting.

Members of the Leadership Group are not paid by the Movement and we depend on the generosity of their own churches.

#### c. Area Leaders

The UK and Ireland is divided into 14 areas. Area Leaders coordinate and support churches in their areas: East Anglia, East Midlands, Essex, Ireland, Kent, London, North East, North West, Scotland, South Central, South Coast, South West, West Country and Wales and West Midlands.

#### Regional Leadership and Regionalisation

The Leadership Group and the Trustees have clustered 'the areas' together into five regions, and are listed here: Ireland, London, North/Midlands/ Scotland, South East and South West where they still operate as areas but come under a Regional Leader. This allows primarily a clearer line of connection and communication between the local church and the Leadership Group.

#### d. Risk Management

A formal risk management procedure is followed to assess business risks and implement risk management strategies. Major strategic, operational and financial risks to which VCUKI may be exposed have been identified and prioritised in terms of potential impact and likelihood of occurrence. Systems have been established to mitigate those risks. The action plan is reviewed annually as required to ensure its validity. As part of this process, the Trustees have reviewed the risk to the reputation and image of VCUKI, and a comprehensive process has been established to mitigate the risks we face in this area.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

An annual budget approved by the Trustees.

Regular consideration by the Trustees of financial reports.



# Vineyard Churches UK and Ireland

## Trustees' Report (continued) For the year ended 31 December 2017

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### 3 Structure, Governance and Management (continued)

#### Risk Management (continued)

Delegation of authority and segregation of duties.

Identification and management of risks.

The setting of pay and remuneration for key management personnel is arrived at by looking at equivalent roles in the local community such as the headmaster of a large comprehensive school or within the charitable sector, a cost of living rise is given based on the Office of National Statistics average earnings 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.

### 4 Reference and Administrative Details

#### National Directors

John and Debby Wright

#### Vineyard Leadership Group

Jeremy & Elaine Cook

James & Jen Rankine

Andrew & Harmony Smith

John & Debby Wright

Chris & Maggie Parsons

Andrew & Rosie McNeil

Hull Vineyard

Cardiff Vineyard

Belfast Vineyard

Trent Vineyard

West Suffolk Vineyard

Birmingham Vineyard

#### Trustees

Jeremy Cook (Chairman)

Peter Sturrock

Kim Hurst

Clive Sillito

Robert Byk

John Wright

Resigned as trustee October 2017

#### Company Secretary

Thomas Bell

Appointed October 2017

#### Registered Name

Vineyard Churches UK and Ireland

#### Working Name

Vineyard Churches

#### Principal and Registered Office

The Vineyard Centre

Vulcan Street

Hull

HU6 7PS

#### Bankers

Bank of Scotland

33 Old Broad Street

London

BX2 1LB

# Vineyard Churches UK and Ireland

## Trustees' Report (continued) For the year ended 31 December 2017

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### 4 Reference and Administrative Details (continued)

<b>Auditors</b>	Smailes Goldie Chartered Accountants Regent's Court Princess Street Hull HU2 8BA
<b>Insurers</b>	CaSE Insurance for Charities Manor House 1 The Crescent Leatherhead Surrey KT22 8DH
<b>Independent Financial Adviser</b>	Solomon's The Old Bakery 2D Edna Road Raynes Park London SW20 8BT
<b>Registration Number</b>	Charity England & Wales 1099748 Charity Scotland SC041285 Company 4839046
<b>Country of Incorporation</b>	England and Wales
<b>Data Controller</b>	Z8211138

# Vineyard Churches UK and Ireland

## Trustees' Report (continued) For the year ended 31 December 2017

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### 5 Statement of Trustees' responsibilities

The trustees (who are also directors of Vineyard Churches UK & Ireland for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2005/ 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

The auditors, Smailes Goldie Chartered Accountants, 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

22 June 2018

# Vineyard Churches UK and Ireland

## Independent Auditors' Report

### To the trustees and members of Vineyard Churches UK and Ireland

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We have audited the financial statements of Vineyard Churches UK & Ireland (the 'charitable company') for the year ended 31<sup>st</sup> December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> December 2017, 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
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Vineyard Churches UK and Ireland**

## **Independent Auditors' Report**

### **To the trustees and members of Vineyard Churches UK and Ireland**

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#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

# Vineyard Churches UK and Ireland

## Independent Auditors' Report

### To the trustees and members of Vineyard Churches UK and Ireland

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#### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Bramall BSc FCA (Senior Statutory Auditor)

for and on behalf of Smailes Goldie

Chartered Accountants and Statutory Auditors

Stephen Bramall is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Regent's Court

Princess Street

Hull

HU2 8BA

22 June 2018

# Vineyard Churches UK and Ireland

## Statement of Financial Activities Including Income and Expenditure Account For the year ended 31 December 2017

	Note	Restricted funds	Unrestricted funds	2017 Total £	2016 Total £
<b>Income and endowments from:</b>					
Income from donations	2	98,826	770,706	869,532	794,928
Income from charitable activities	3	-	238,570	238,570	199,173
Income from other trading activities		-	-	-	24
Investment income	4	-	3,208	3,208	5,425
Other income	5	-	12,379	12,379	1,264
<b>Total Income</b>		<b>98,826</b>	<b>1,024,863</b>	<b>1,123,689</b>	<b>1,000,814</b>
<b>Expenditure on:</b>					
<b>Charitable activities</b>					
Leadership		56,705	747,535	804,240	670,583
Church planting & development		-	345,019	345,019	275,977
<b>Total</b>	<b>6</b>	<b>56,705</b>	<b>1,092,554</b>	<b>1,149,259</b>	<b>946,560</b>
<b>Net Income / (expenditure)</b>		<b>42,121</b>	<b>(67,691)</b>	<b>(25,570)</b>	<b>54,254</b>
<b>Reconciliation of funds</b>					
Fund balances at 1 January 2017	16	-	816,494	816,494	762,240
<b>Fund balances at 31 December 2017</b>		<b>42,121</b>	<b>748,803</b>	<b>790,924</b>	<b>816,494</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 Churches UK and Ireland**  
**(Company Registration No. 4839046)**  
**Balance Sheet**

**As at 31 December 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		1,305		1,014
			<u>1,305</u>		<u>1,014</u>
<b>Current assets</b>					
Debtors	13	25,339		14,281	
Investments – cash deposits		300,000		300,000	
Cash at bank and in hand		665,130		675,514	
		<u>990,469</u>		<u>989,795</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(200,850)</u>		<u>(174,315)</u>	
<b>Net current assets</b>			789,619		815,480
<b>Net assets</b>			<u>790,924</u>		<u>816,494</u>
<b>Reserves</b>					
Designated fixed asset funds	16		1,305		1,014
Restricted funds	16		42,121		-
Unrestricted funds	16		<u>747,498</u>		<u>815,480</u>
			<u>790,924</u>		<u>816,494</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 22 June 2018 and signed on its behalf by:

J Cook  
 Trustee



The notes form part of these financial statements



# Vineyard Churches UK and Ireland

## Statement of Cash Flows For the year ended 31 December 2017

	Notes	2017 £	2016 £
<b>Cash Flows from operating activities</b>			
Net cash (used in) / provided by operating activities	18	<u>(10,476)</u>	<u>90,018</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		3,208	5,425
Proceeds from the sale of property, plant and equipment		-	589
Purchase of property, plant and equipment		(3,116)	-
<b>Net Cash provided by investing activities</b>		<u>92</u>	<u>6,014</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(10,384)	96,032
Cash and cash equivalents at the beginning of the reporting period		975,514	879,482
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>965,130</u>	<u>975,514</u>
<b>Analysis of cash and cash equivalents</b>			
		<b>2017 Total £</b>	<b>2016 Total £</b>
Cash in hand		965,130	975,514
<b>Total cash and cash equivalents</b>		<u>965,130</u>	<u>975,514</u>

The notes form part of these financial statements

# Vineyard Churches UK and Ireland

## Notes to the financial statements For the year ended 31 December 2017

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### 1 Accounting policies

#### 1.1 Statement of compliance

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1st January 2015. The financial statements are prepared under the historical cost convention.

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.

#### 1.2 Funds accounting

Unrestricted funds are those which are not subject to any special restrictions and they can be used as the Trustees decide in furtherance of the general objectives of the charity.

Restricted funds are those which are subject to special restrictions as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds are part of unrestricted funds and are amounts the Trustees have set aside to cover particular expenditure. At 31 December 2013 the Trustees set up a designated fund to cover the net book value of tangible fixed assets.

#### 1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income received by way of donations and gifts is included in the Statement of Financial Activities on a receipts basis. Tax recoverable on gift aid donations is recognised in the same period as the gift to which it relates. Investment income is included when receivable. Income from charitable activities is recognised when the activity occurs. Income from other trading activities and other income is recognised when the Charity is entitled to the income and the amount can be reliably measured.

The value of services provided by volunteers has not been included in these accounts.

#### 1.4 Resources expended

Expenditure is recognised on an accruals basis where there is a legal or constructive obligation to make payments to a third party. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and service for beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2016

### 1 Accounting policies (continued)

#### 1.5 Fixed assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. The charitable company carries out annual impairment reviews where there is indication that the carrying amount of an asset may not be recoverable. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or revalued amount on a straight line basis over their expected useful economic lives as follows:

Computers	- 50% per annum on written down value
Fixtures and fittings	- 25% per annum on written down value
Office equipment	- 25% per annum on written down value

#### 1.6 Pensions

The charity makes contributions to The Peoples Pension, the Charities auto-enrolment pension scheme provider. Contributions are charged to the Statement of Financial Activities in the period to which they relate. Pension costs are allocated to the activity in which associated staff costs have been attributed.

#### 1.7 Financial instruments

The Charity has adopted section 11 of FRS 102 in respect of financial instruments. Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at transaction price.

#### 1.8 General information

The Charity is a company limited by guarantee and is incorporated in England and Wales. The address of its Registered offices is: The Vineyard Centre, Vulcan Street, Hull, HU6 7PS.

### 2 Income from donations

	2017 Total	2016 Total
	£	£
Donations from member churches	770,706	737,993
Individual giving	98,826	56,935
	<u>869,532</u>	<u>794,928</u>

Included within donations from member churches above is £10,312 (2016 - £8,825) receivable from outside the United Kingdom.

Included within individual giving is £98,826 (2016 - £56,654) which is restricted income.

### 3 Income from charitable activities

	2017 Total	2016 Total
	£	£
Conference income	<u>238,570</u>	<u>199,173</u>

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 4 Investment income

	2017 Total £	2016 Total £
Interest receivable	3,208	5,425

### 5 Other income

	2017 Total £	2016 Total £
Gain on sale of fixed asset	-	218
Legacy	10,000	-
Other	2,379	1,046
	<u>12,379</u>	<u>1,264</u>

### 6 Total expended on charitable activities

		Church planting & development	Leadership	2017 Total	2016 Total
Basis of allocation		£	£	£	£
<b>Costs directly allocated to activities</b>					
Grants and gifts (see note 7)	Direct	83,767	151,588	235,355	211,731
Other direct costs	Direct	154,383	389,881	544,264	341,171
Staff costs	Time	-	97,717	97,717	108,154
		<u>238,150</u>	<u>639,186</u>	<u>877,336</u>	<u>661,056</u>
<b>Support costs allocated to activities</b>					
Staff costs	Time	60,045	110,195	170,240	163,884
Website and media costs	Usage	13,630	13,630	27,260	28,758
Other support costs	Usage	6,924	14,958	21,882	16,414
Governance (see note 8)	Usage	26,270	26,271	52,541	76,448
		<u>106,869</u>	<u>165,054</u>	<u>271,923</u>	<u>285,504</u>
		<u>345,019</u>	<u>804,240</u>	<u>1,149,259</u>	<u>946,560</u>

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 7 Grants

Grants and gifts made during the period were as follows:

	Church planting & Development	Leadership	2017 Total	2016 Total
	£	£	£	£
<b>Restricted Funds</b>				
VCF Trent (DTI)	-	-	-	-
VIE	-	-	-	18,778
VCF Causeway Coast	-	-	-	2,000
VCF Severn	-	-	-	2,000
VCF Plymouth	-	-	-	2,000
CHARIS	-	-	-	2,000
VCF Cardiff	-	-	-	2,020
VCF Woking	-	-	-	2,070
VCF Aylesbury	-	-	-	1,380
VCF Tyneside	-	-	-	2,000
VCF Dungannon	-	-	-	2,000
Christian Aid	-	-	-	1,158
Home For Good	-	45,326	45,326	-
AVC Kenya	-	1,365	1,365	-
Hope for Justice	-	155	155	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	46,816	46,816	37,406
Individuals	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	470
	<hr/>	<hr/>	<hr/>	<hr/>
	-	46,816	46,816	37,876

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 7 Grants (continued)

	Church Planting & Development £	Leadership £	2017 Total £	2016 Total £
<b>Unrestricted Funds</b>				
AVC Brazil	-	-	-	5,000
Hope For Justice	-	-	-	5,000
Kul Alapitvary	-	-	-	7,500
Tear Fund	-	-	-	20,000
AVC Costa Rica	-	10,000	10,000	-
AVC Himalyan	-	5,000	5,000	-
Vineyard Norden	-	1,000	1,000	-
Ivy Street Project	-	5,000	5,000	-
Open Doors	-	10,000	10,000	-
VCF Hull	-	10,000	10,000	-
VCF Inverness	1,667	-	1,667	-
VCF Manchester	-	2,000	2,000	-
VCF Ashford	3,000	-	3,000	3,000
VCF Belfast	8,500	19,516	28,016	8,500
VCF Cardiff	4,000	-	4,000	4,500
VCF Central Northampton	3,000	-	3,000	3,000
VCF Glasgow	2,350	2,500	4,850	4,700
VCF Leeds	4,000	-	4,000	2,050
VCF North Birmingham	2,250	-	2,250	2,250
VCF Plymouth	3,300	-	3,300	6,000
VCF Rayleigh	4,000	-	4,000	5,000
VCF Reading	4,500	-	4,500	4,500
VCF Severn	3,300	-	3,300	2,000
VCF South Birmingham	10,400	-	10,400	11,630
VCF Sutton	11,750	-	11,750	7,000
VCF Tyneside	3,500	-	3,500	4,870
VCF Winchester	4,500	-	4,500	4,500
VI (Institute)	-	23,102	23,102	22,140
VIE	-	10,000	10,000	10,000
West Suffolk	9,750	-	9,750	10,000
	83,767	98,118	181,885	153,140
Individuals	-	6,624	6,624	20,716
	<u>83,767</u>	<u>151,588</u>	<u>235,355</u>	<u>211,732</u>
Number of Individuals		55	55	49

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 8 Governance costs

	2017 £	2016 £
Staff costs	4,682	6,572
Auditors' fees - audit	5,220	5,100
Meeting costs	8,526	38,771
Legal & professional	16,979	24,409
Other	17,134	1,596
	<u>52,541</u>	<u>76,448</u>

### 9 Taxation

Vineyard Churches UK & Ireland is a registered charity and is accordingly exempt from taxation on its charitable activities.

### 10 Net movement in funds

	2017 £	2016 £
<b>Net movement in funds is arrived at after charging/(crediting):</b>		
Auditors remuneration - audit	5,220	5,100
Depreciation	1,448	2,439
Gain on sale of assets held for sale	-	(218)
Loss on sale of fixed assets	1,377	1,596
	<u>          </u>	<u>          </u>

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 11 Staff costs

	2017 £	2016 £
Staff costs were made up of:		
Wages and salaries	153,173	148,602
Social security costs	12,422	10,606
Pension costs	10,604	18,009
Staff costs charged from other organisations	92,662	101,186
Other staff costs	3,778	206
<b>Total</b>	<b>272,639</b>	<b>278,609</b>
	<b>Number</b>	<b>Number</b>
The average number of staff employed by the charity during the period was:	7.0	7.0

### Key management compensation

Key management includes the Trustees and members of senior management. The compensation paid and payable to key management for employee services is shown below:

	2017 £	2016 £
Wages and salaries	90,345	95,038
Pension costs	7,372	13,115
<b>Total</b>	<b>97,717</b>	<b>108,153</b>

The charity is recharged costs from a number of Vineyard member churches and other related charities in relation to time spent on VCUKI matters.

No employee received emoluments for taxation purposes over £60,000 in either the current or preceding year.

£11,952 (2016 - £3,777) was paid to 5 Trustees (2016 - 2) in respect of travel and subsistence costs and in connection with the Trustee Training Roadshow events and includes £5,101 to Peter Sturrock for hotel bookings, catering and team meals during the events.

Staff costs charged from other organisations includes £14,929 (2016 - £29,189) payable to P Sturrock for company secretarial services and legal advice on various matters as permitted by the charity's governing document, until his retirement in June 2017.



# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 12 Tangible fixed assets

	Computers	Total
	£	£
<b>Cost or valuation</b>		
As at 1st January 2017	7,372	7,372
Additions	3,116	3,116
Disposals	(3,039)	(3,039)
	<hr/>	<hr/>
As at 31st December 2017	7,449	7,449
	<hr/>	<hr/>
<b>Depreciation</b>		
As at 1st January 2017	6,358	6,358
Charge for the year	1,448	1,448
Eliminated on disposal	(1,662)	(1,662)
	<hr/>	<hr/>
As at 31st December 2017	6,144	6,144
	<hr/>	<hr/>
<b>Net book values</b>		
As at 31st December 2017	1,305	1,305
	<hr/>	<hr/>
As at 31st December 2016	1,014	1,014
	<hr/>	<hr/>

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 13 Debtors

	2017 £	2016 £
Prepayments	23,769	12,139
Other debtors	1,570	2,142
	<u>25,339</u>	<u>14,281</u>

### 14 Creditors – Amounts falling due within one year

	2017 £	2016 £
Social security and other taxation	4,777	3,735
Accruals	39,569	50,224
Accruals - Grants	23,102	22,140
Deferred income	133,402	98,216
	<u>200,850</u>	<u>174,315</u>

Deferred income relates to conference fees received in advance.

### 15 Analysis of net assets between funds

	Fixed assets £	Current assets £	Current liabilities £	Total funds £
Designated funds	1,305	-	-	1,305
Restricted funds	-	42,121	-	42,121
Unrestricted funds	-	948,348	(200,850)	747,498
	<u>1,305</u>	<u>990,469</u>	<u>(200,850)</u>	<u>790,924</u>

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 16 Funds

	Balances as at 1 January 2017	Incoming resources	Resources expended	Transfer between funds	Balances as at 31 December 2017
	£	£	£	£	£
<b>Unrestricted fund</b>	815,480	1,021,747	(1,089,729)	-	747,498
National Leaders conference	-	90,652	(55,185)	-	35,467
Church Planting Donation	-	6,654	-	-	6,654
Other Conferences	-	1,520	(1,520)	-	-
<b>Restricted fund</b>	-	98,826	(56,705)	-	42,121
<b>Designated Fixed Asset Fund</b>	1,014	3,116	(2,825)	-	1,305
<b>Total funds</b>	816,494	1,123,689	(1,149,259)	-	790,924

The designated fixed asset fund represents the net book value of fixed assets at the year end. Depreciation costs in relation to the fixed assets are recognised in the designated fund.

Restricted funds have arisen because restrictions have been placed on incoming resources as follows:

National Leaders Conference – Donations received to be split equally between Home for Good, and VCUKI DTI Generation.

Church Planting Donation came from the SW London Vineyard's 30<sup>th</sup> Anniversary offering and is restricted to Church Planting.

Other conferences – monies donated during the National Worship Retreat and was passed onto Vineyard Kenya for their worship initiatives via Vineyard Music (UK) Ltd.

### 17 Related parties

VCUKI objectives and activities include the provision of support and other services to Vineyard Church leaders and pastors and to the affiliated or Vineyard churches that they lead. These Vineyard Churches are usually established as independent charities in their own right, but have common charitable objectives. The charity's Trustees and leadership group are drawn from the senior pastors and members of these Churches. Members' donations disclosed in note 2 include donations received from such member churches.

# Vineyard Churches UK and Ireland

## Notes to the financial statements (continued) For the year ended 31 December 2017

### 17 Related parties (continued)

Vineyard Music (UK) Limited is a related party due to a common Trustee between the two charities. During the year Vineyard Music (UK) Limited recharged the charity for staff time totalling £20,655 (2016 - £9,600) and other expenses totalling £4,086 (2016 - £4,750). At the year-end there was £15,525 (2016 - £10,160) owing to Vineyard Music (UK) Limited relating to income collected on their behalf for the Worship Leaders Retreat 2018.

Hull Vineyard is a related party due to a common Trustee between the two charities. During the year Hull Vineyard recharged the charity for expenses totalling £12,000 (2016 - £3,885), as a contribution to PA services and other expenses. Hull Vineyard does not charge any rent for the use its premises.

A donation of £10,000 (2016 - £NIL) was given to Hull Vineyard to forward on, together with their Christmas church offering, to support the Ukrainian Orphanages that the Hull Vineyard works with.

Trent Vineyard is a related party due to a common Trustee between the two charities. During the year Trent Vineyard recharged the charity for staff time and expenses totalling £30,835 (2016 - £32,408), funds were transferred to Trent for monies received on conferences that Trent ran on behalf of VCUKI during the year this totalled £119,718 (2016 - £106,475) and other recharges totalling £6,450 (2016 - £12,962).

Vineyard International Resourcing UK Limited is a related party due to a common Trustee between the two charities. During the year VCUKI donated an amount of £10,000 (2016 - £28,778) to Vineyard International Resourcing UK Ltd.

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

Notes	2017 £	2016 £
Net (expenditure) / income for the reporting period (as per the Statement of Financial Activities)	(25,570)	54,254
Adjustments for		
Depreciation charge	12 1,448	2,439
Profit on the sale of assets held for sale	5 -	(218)
Loss on sale of fixed assets	1,377	1,596
Dividends, interest and rents from investments	4 (3,208)	(5,425)
(Increase) / decrease in debtors	(11,058)	4,362
Increase in creditors	26,535	33,010
<b>Net Cash (used in) / provided by operating activities</b>	<b>(10,476)</b>	<b>90,018</b>

### 19 Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	665,130	675,514
Investments – Cash deposits	300,000	300,000
<b>Total cash and cash equivalents</b>	<b>965,130</b>	<b>975,514</b>