

Company Registration No: 05131178 (England and Wales)

Charity No: 1104220

HARVEST CHURCH LONDON LIMITED

**(A Company limited by guarantee
and not having a Share Capital)**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016



**Faulkner House
Victoria Street
St Albans
Herts AL1 3SE**

**RAYNER ESSEX LLP
CHARTERED ACCOUNTANTS**

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HARVEST CHURCH LONDON LIMITED
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LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2016

Constitution	Harvest Church London is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £10.
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The company is a registered charity governed by its Memorandum and Articles of Association which establishes the objects and powers of the charitable company

Trustees	Paul Naughton (Director) Temi Ewuosho (Director) Tim Collins (Director) Ibironke Jegede (Secretary)
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Company Number	05131178
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Charity Number	1104220
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Registered Office	50 Holloways Lane Welham Green North Mymms Hatfield Hertfordshire AL9 7NS
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Principal Office	Leadership Training Centre 40-43 North End Road Wembley Middlesex HA9 0AT
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Independent Examiner	Neil Heyes FCA Rayner Essex LLP Faulkner House Victoria Street St Albans Herts AL1 3SE
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Solicitors	Wellers Law Group 65 Leadenhall Street London EC3A 2AD
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Bankers	Barclays Bank Plc Basildon Branch Essex SS14 1HH
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HARVEST CHURCH LONDON LIMITED
(A Company limited by guarantee and not having a Share Capital)

**TRUSTEES ANNUAL REPORT FOR THE PURPOSES OF SECTION 162 OF THE
CHARITIES ACT 2011 AND DIRECTORS' REPORT FOR THE PURPOSE OF SECTION 415
OF THE COMPANIES ACT 2006**

FOR THE YEAR ENDED 31ST DECEMBER 2016

The trustees present their report the financial statements of the charity for the year ended 31 December 2016.

The legal and administrative information set out on page 2 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting: 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) (effective 1 January 2015).

Structure, Governance and Management

Harvest Church London was incorporated on 18 May 2004 and registered as a charity on 9 June 2004.

Recruitment and Appointment of Trustees

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as trustees.

The trustees are appointed from the complement of 24 leaders, all of whom volunteer their services to the charity. Full meetings of the trustees are held quarterly, with meetings of sub-committees held in between.

Day to day management and running of the charity are the responsibility of the Pastors, Paul and Joanne Naughton, supported by a team of 24 leaders. The team meets monthly.

Risk management

The trustees regularly review an assessment of the risks to which the organisation is exposed, particularly business, operational and financial risks, and introduce procedures and reporting regimes to manage and reduce the identified risks.

Organisational structure

Harvest Church London is a registered charity and is constituted as a company, limited by guarantee. Its objects and powers and other constitutional matters are set out in its Memorandum and Articles of Association. It is governed by a Board of Trustees who are responsible for setting the strategic direction of the organisation and for establishing policy. A scheme of delegation is in place for the day to day running of the charity.

Objectives and Activities

Our main objectives are to advance the Christian faith and to relieve persons who are in conditions of need & hardship or sick and to relieve the distress caused thereby.

The principal activity of the charity during the period was to advance the Christian faith in London and other parts of the world and to relieve poverty and hardship. We are a multi-cultural organisation, and our members include ex addicts, single parents and people living in poverty as well as doctors, lawyers and diplomats.

Specifically Harvest Church's aims are to:

- Reach out to people in the UK, offering spiritual, emotional and practical support
- Nurture and support people in life and in their faith
- Train and equip potential leaders
- Release people into service and ministry

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**TRUSTEES ANNUAL REPORT FOR THE PURPOSES OF SECTION 162 OF THE
CHARITIES ACT 2011 AND DIRECTORS' REPORT FOR THE PURPOSE OF SECTION 415
OF THE COMPANIES ACT 2006**

FOR THE YEAR ENDED 31ST DECEMBER 2016

Objectives and Activities (continued)

We achieve our aims by offering a range of activities including:

- A network of around 40 small groups which offer support, mentoring and friendship
- Personal development and inner healing weekends
- A 30 week leadership development programme
- Multi-cultural and outreach days
- Informal counselling and practical support
- National and International conferences and Mission

Achievements and Performance

Harvest Church has continued to serve the interests of its members, donors, and the wider community through its established programmes.

We provide community outreach activities to reach out to our communities with God's message of love and healing.

Through our network of weekly men, women, youth and children's cells, we train, coach and equip budding leaders at all levels.

The charity is committed to training and developing its volunteers and continues its programme of both formal and informal training for volunteers in its various departments.

This year the charity has continued its outreach and evangelism activities to the wider community. These include:

Linking Lives - a new project to support lonely elderly people in the Brent area which was publicly recognised by the Mayor of Brent

Harvest Soup Kitchen- a new fortnightly soup kitchen for the homeless

Homeless Project – donating clothing and bedding to the homeless.

Local Outreach –building relationships, befriending and prayer for local people in Wembley area

11 Plus Mock Exams – supporting families preparing children for 11 plus exams.

The Trustees confirm that in the exercise of their powers as charity trustees, they have had due regard to the published guidance from the Charities Commission on the operation of the public benefit requirements and the aims of the charity are carried out for the public benefit.

During the year:

What did we achieve in 2016?

- Launched our second service on a Sunday at 9am, coupled with a monthly 2:30 pm youth service for our young people.
- Our technical team made a great breakthrough enabling our 11am services to be 'live' on Periscope and Facebook and then uploaded onto YouTube by the next day
- Donated medical equipment to a Community Health Centre in Kenya
- Christmas lunch on Jesus -following on from the success of 2015, we raised enough donations to purchase 110 hampers. With Harvest contributing a further £1000, we were able to give out 150 hampers with enough food to feed a family for 4 days to some of the most disadvantaged families in Brent for Christmas 2016
- Hosted National conferences with a Christian Ethos - Conferences held in 2016 included our Glory Conference with Prophet Cathy Lechner and Pastor Ken Gott in September 2016. We also hosted some outstanding worldwide ministries throughout the year including Dr Jerry Savelle, Terri Savelle Foy, Rev Kola Ewuosho, Apostle Duane Swilley and Prophet Nana

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**TRUSTEES ANNUAL REPORT FOR THE PURPOSES OF SECTION 162 OF THE
CHARITIES ACT 2011 AND DIRECTORS' REPORT FOR THE PURPOSE OF SECTION 415
OF THE COMPANIES ACT 2006**

FOR THE YEAR ENDED 31ST DECEMBER 2016

Financial Review

The financial statements have been prepared in accordance with the Companies Act 2006 the Statement of Recommended Practice: Accounting and Reporting by Charities (issued March 2005), FRS102 and the Charity's governing documents.

The surplus for the year of £56,285 is reflected in the reserves, which now stand at £1,058,360

Investment policy

Other than retaining a level of funds to meet the reserve policy of the charity, most of the funds are to be utilised in meeting the main objectives of Harvest Church London. The trustees consider it to be prudent to utilise part of the funds in investing in its own freehold property which has since increased in value and more importantly provided a permanent base for all its activities. As available funds increase over and above the amount required by the reserve policy the trustees will review the investment policy to ensure that the returns Harvest Church London receives is maximised whilst not detracting funds from its main objectives.

Reserves policy

The Trustees regularly review the risks faced by the charity and are satisfied that appropriate policies and procedures are in place. The main risk is that members giving would fall below the level required to meet all the obligations of the charity. To counter the impact of this the charity keeps its running costs to a minimum in order to build its cash reserves. The charity is now generating additional income from premises hire.

The Trustees have agreed that free reserves of the charity should be sufficient to sustain activity for at least 12 months. At 31 December 2016, free reserves (being unrestricted funds not earmarked for loan and interest repayments) amounted to £32,545. This level would enable the charity to continue all its core activities for at least 12 months.

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**TRUSTEES ANNUAL REPORT FOR THE PURPOSES OF SECTION 162 OF THE
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FOR THE YEAR ENDED 31ST DECEMBER 2016

Trustees

The Trustees during the year under review were:

Paul Naughton
Temi Ewuosho
Ibironke Jegede
Tim Collins

Trustees' Responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires Trustees, as directors of the company, to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of the profit or loss for the year. In preparing these 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 charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In addition, the trustees confirm that:

- in the exercise of their powers as charity trustees, they have had due regard to the published guidance from the Charity Commission on the operation of the public benefit requirements; and
- the aims of the charity are carried out for the public benefit.

Small Company Exemptions

The report of the Trustees' has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and was approved by the Board on 18th September 2017 and signed on its behalf by:



Ibironke Jegede
Secretary



HARVEST CHURCH LONDON LIMITED
(A Company limited by guarantee and not having a Share Capital)

INDEPENDENT EXAMINER'S' REPORT TO THE

MEMBERS OF HARVEST CHURCH LONDON LIMITED

I report on the accounts of the company for the year ended 31 December 2016, which are set out on pages 8 to 14.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeds £25,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

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

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Neil Heyes FCA
Rayner Essex LLP
Faulkner House
Victoria Street
St Albans
Herts
AL1 3SE

Date: 18th September 2017

HARVEST CHURCH LONDON LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income & Expenditure Account)

FOR THE YEAR ENDED 31ST DECEMBER 2016

	Notes	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
Incoming resources:					
Tithes & offerings		383,423	-	383,423	451,413
Rental Income		2,750	-	2,750	1,025
Bookshop sales		2,685	-	2,685	2,165
Café Sales		2,038	-	2,038	1,724
Gift Aid		75,314	-	75,314	69,017
Investment Income		178	-	178	189
Sundry Income		-	-	-	-
Total incoming resources	2	466,388	-	466,388	525,533
Resources expended					
Costs of generating funds	3	130,541	-	130,541	85,082
Charitable activities	3	271,807	-	271,807	331,914
Governance costs	3	7,755	-	7,755	33,535
Total resources expended		410,103	-	410,103	450,531
Net incoming resources before other recognised gains and losses		56,285	-	56,285	75,002
Other recognised Gains and Losses		-	-	-	-
Net movement in funds	4	56,285	-	56,285	75,002
Reconciliation of funds					
Fund Balances Brought Forward	10	1,002,075	-	1,002,075	927,073
Transfers between funds	10	-	-	-	-
Fund balances carried forward	10	1,058,360	-	1,058,360	1,002,075

All activities are classified as continuing. There were no recognised gains or losses for 2016 or 2015 other than those recorded in the Statement of Financial Activities.

The notes on pages 12 to 16 form part of these financial statements.

HARVEST CHURCH LONDON LIMITED
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BALANCE SHEET

AS AT 31ST DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed Assets					
Tangible assets	7		1,598,333		1,600,685
Current Assets					
Stock		2,197		2,858	
Debtors	8	780		1,426	
Cash at bank and in hand		62,145		103,760	
Total Current Assets		65,122		108,044	
Creditors: Amounts Falling Due within One Year	9	(24,895)		(3,000)	
Net Current Assets			40,227		105,044
Total Assets Less Current Liabilities			1,638,560		1,705,729
Long Term Liabilities			(580,200)		(703,654)
			1,058,360		1,002,075
The Funds of the Charity					
Reserves	10		1,058,360		1,002,075
Total Funds			1,058,360		1,002,075

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477(2) of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the Board of Trustees on 18th September 2017. and signed on its behalf.

Paul Naughton
Director

The notes on pages 10 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2016

1. Accounting Policies

Basis of Accounting

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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015)- Charities SORP(FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the companies Act 2006.

The charity has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required. No adjustment to comparative figures was considered necessary

Fund accounting

Unrestricted general funds are available for use at the discretion of the trustees in furtherance of the general objects of the charitable company.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

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 from tithes & Offerings is fully recognised in the year it is received.
- Café & Bookshop income is recognised when the items are sold.
- Rental income is recognised in the year when invoiced

Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure excludes VAT where it is recoverable.

- Costs of generating funds comprise the costs associated with the maintenance of our premises and the production of PR literature.
- Charitable expenditure comprises those costs incurred by the charity in achieving its objectives including the holding or supporting of conferences and events, pastoral care and support to other Ministries. 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.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, other costs are apportioned on an appropriate basis.

HARVEST CHURCH LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2016

1. Accounting Policies (continued)

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Computer equipment	25% straight line
Office equipment	25% straight line

2. Incoming resources

The income was derived from the charity's principal activities which were carried out mainly in the UK. The charity's main sources of income centre around the donations received from its members and income derived from running the café and bookshop facilities that are provided to its members.

3. Total resources expended

	<u>Costs of Generating Funds</u>	<u>Charitable Activities</u>	<u>Governance Costs</u>	<u>2016 Total funds</u>	<u>2015 Total Funds</u>
Costs directly allocated to activities					
Staff Salaries	-	128,775	-	128,775	126,843
Support to Other Ministries	-	47,302	-	47,302	81,351
Cell Ministries Expenses	-	18,899	-	18,899	14,228
Conference costs	-	15,546	-	15,546	20,234
Books etc.	-	4,411	-	4,411	6,353
Café Purchases	-	1,415	-	1,415	3,501
Foodstuffs for events	-	17,764	-	17,764	27,198
Pastoral care	-	5,057	-	5,057	5,155
Travel & Hotels	-	23,369	-	23,369	38,297
PR (Literature & Brochures)	8,037	-	-	8,037	1,294
Examination & Accountancy Fees	-	-	3,000	3,000	3,000
Professional Fees	-	-	4,755	4,755	30,535
Subscriptions	-	3,381	-	3,381	-
	8,037	265,919	7,755	281,711	357,989
Support Costs allocated to activities	-				
Telephone	-	3,335	-	3,335	3,719
Office Stationery	-	2,553	-	2,553	5,035
Light and Heat	15,562	-	-	15,562	-
Premises Running Expenses	22,997	-	-	22,997	19,719
Repairs and Renewals	18,369	-	-	18,369	12,264
Office Expenses	6,919	-	-	6,919	7,571
Bank Charges	1,179	-	-	1,179	-
Loan Interest Paid	35,784	-	-	35,784	14,609
Equipment & accessories	4,773	-	-	4,773	11,702
Insurance	2,694	-	-	2,694	2,782
Miscellaneous	3,868	-	-	3,868	3,998
Depreciation	10,359	-	-	10,359	11,143
	130,541	271,807	7,755	410,103	450,531

Expenditure codes were revised in 2015, and again in 2016 in order to more accurately classify expenses incurred.

HARVEST CHURCH LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2016

4. Net Movement In Funds

The movement of funds is stated after charging or (crediting):

	2016	2015
	£	£
Depreciation of owned assets	10,359	11,143
Independent Examiner's remuneration	3,000	3,000
	<u>13,359</u>	<u>14,143</u>

5. Taxation

No provision for UK corporation tax has been made since the Trustees are of the opinion that all of the charity's income is applied for charitable purposes.

6. Trustees and Employees

	2016	2015
	£	£
Wages and salaries	118,488	116,156
Employers' national insurance	9,329	10,687
Employers' pension costs	958	-
	<u>128,775</u>	<u>126,843</u>

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

	2016	2015
	Number	Number
Direct charitable activities	-	-
Management and administration	4	3
	<u>4</u>	<u>3</u>

No one individual employee received remuneration of £60,000 or higher.

HARVEST CHURCH LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2016

7. Tangible Fixed Assets	Freehold property	Fixtures & Fittings	Office Equipment	Total
	£	£	£	£
Cost				
At 1 st January 2016	1,567,255	31,316	67,818	1,666,389
Additions	-	72	7,935	8,007
At 31 st December 2016	<u>1,567,255</u>	<u>31,388</u>	<u>75,753</u>	<u>1,674,396</u>
Depreciation				
At 1 st January 2016	-	23,779	41,925	65,704
Charge for the year	-	1,902	8,457	10,359
	<u>-</u>	<u>25,681</u>	<u>50,382</u>	<u>76,063</u>
Net Book Value				
At 31 December 2016	<u>1,567,255</u>	<u>5,707</u>	<u>25,371</u>	<u>1,598,333</u>
At 31 December 2015	<u>1,567,255</u>	<u>7,537</u>	<u>25,893</u>	<u>1,600,685</u>
8. Debtors			2016	2015
			£	£
Other debtors			780	1,426
			<u>780</u>	<u>1,426</u>
9. Creditors: Amounts Falling within one year			2016	2015
			£	£
Accruals			3,000	3,000
Short term loans			20,000	-
Other creditors			1,895	-
			<u>24,895</u>	<u>3,000</u>
10 Creditors: Amounts falling due after more than one year			2016	2015
			£	£
Interest free loan			20,000	40,000
Bank loan			560,200	663,654
			<u>580,200</u>	<u>703,654</u>

The bank loan is secured against the Charity's Property.

HARVEST CHURCH LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2016

11. Funds

**General
Unrestricted Fund**

£

At 1st January 2016	1,002,075
Net incoming (outgoing resources)	56,285
Transfer between funds	-
	<hr/>
At 31st December 2016	<u>1,058,360</u>

12. Analysis of Assets between Funds

**Undesignated
General
Funds**

£

Fixed Assets	1,598,333
Stock	2,197
Debtors	780
Cash at bank and in hand	62,145
Creditors	(605,095)
	<hr/>
At 31st December 2016	<u>1,058,360</u>

13. Operating Lease Commitments

At 31st December 2016 the charity had no commitments under non-cancellable operating leases.

14. Members liability

The liability of the members is restricted to £10 on the event of the winding up of the organisation.