

**OXFORDSHIRE COMMUNITY CHURCHES**  
(A company limited by guarantee and not having a share capital)  
**Annual Report and Financial Statements for the year ended 31st August 2019**

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**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2019 (continued)**

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 August 2019. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 (FRS 102) (effective 1 January 2015).

**Reference and administrative details of the charity, its trustees and advisers**

**Status** Oxfordshire Community Churches is a company limited by guarantee and not having a share capital, registered in England and Wales, number 03223210.  
The company has charitable status and is registered with the Charity Commission under registration number 1056921.

**Registered Charity name** Oxfordshire Community Churches

**Other working names of charity** OCC, Stepping Stones and The King's School, OpenGate, Edge Housing and Witney CAP Debt Centre.

<b>Directors and trustees</b>	SA Jones (Chairman)	JF Green
	PNC Allen	JP Jacob
	AJ O'Connell	GJ Le (resigned 21 <sup>st</sup> October 2019)
	SBM Young	DJ Kirk

All the above served throughout the year except as indicated. The directors of the company are also the trustees of the charitable activities. The power of appointment or removal of trustees rests with the trustees. New trustees are selected from the congregations of Oxfordshire Community Churches after consultation with the charity members.

**Principal address and registered office** The King's Centre, Osney Mead, Oxford, OX2 0ES.

**Auditors** The auditors are Baldwins Audit Services of Pillar House, 113/115 Bath Road, Cheltenham, GL53 7LS. They have indicated their willingness to be reappointed to office under the Companies Act 2006.

**Bankers** Barclays Bank plc, Market Square, Witney, Oxfordshire, OX28 6BJ.

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2019 (continued)**

## **Objectives And Activities**

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

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

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

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

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

Oxfordshire Community Churches is a group of eleven established churches working in three regional groupings, one in West Oxfordshire (including churches in Aston & Cote, Carterton, Chipping Norton and Witney), one in Oxford city and North Oxfordshire (including Oxford Community Church, the Leys Community Church and LifeHouse Community Church which works in Banbury, Bicester and Kidlington) and one working in South Oxfordshire and the Vale of White Horse (the OpenGate group of churches – including those in Abingdon, Didcot and Wantage). Each local church congregation covers expenditure from the donations and gifts it receives. The balance of the income is passed to Regional Funds to meet the pastoral and ministry expenses relating to that region and they in turn fund the costs incurred in supporting the charity as a whole.

The charity's wholly owned trading subsidiary, The King's Centre Limited, provides conference, exhibition and other event facilities, including catering, at The King's Centre. Profits from the subsidiary are donated to the charity.

## **How Our Activities Deliver Public Benefit**

The charity carries out a wide range of activities in pursuance of its charitable objectives. In making decisions, the trustees have complied with the Charity Commission's public benefit guidance under the Charities Act 2011 when exercising any powers or duties to which the guidance is relevant, and consider that the charity's activities provide benefit both to those who worship within Oxfordshire Community Churches and the wider community of our villages, towns and cities in the UK, Europe and the World. More detail on public benefit delivered can be found in the Strategic Report on pages 5 to 14.

## **Volunteers**

The trustees gratefully acknowledge the massive amount of time, energy, passion, faith and skills that the hundreds of volunteers contribute to the charity across all its activities. These volunteer contributions cannot be measured in monetary terms, but without its volunteers the charity would not be able to provide all the activities that it does for the public in general or its congregations.

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2019 (continued)**

## **Structure, Governance and Management**

### ***Governing instrument***

Oxfordshire Community Churches is a registered charity, number 1056921 and company, limited by guarantee in England and Wales, number 03223210. The charity is governed by its Memorandum and Articles of Association dated 13<sup>th</sup> September 2009.

The company's activities are regulated by the Memorandum and Articles of Association. The objects of the company are:

- To advance the Christian religion
- To advance education
- To relieve those who are poor, in conditions of need, hardship or distress or who are aged or sick
- To promote other charitable objects as decided by the directors from time to time

### ***Recruitment, appointment, induction and training of trustees***

As set out in the Articles of Association new trustees, who are respected members of the Christian faith and community, are nominated by the charity members and appointed by existing trustees as the need arises. The trustees are concerned to maintain a healthy balance of skills and experience required to oversee the breadth of charity activity. New trustees are given copies of the charity's governing documents and relevant Charity Commission publications as part of their induction process.

### ***Corporate governance***

To facilitate the smooth running of the charity, the directors have established a number of sub-committees. All of these sub-committees have a director among their members, and report to the directors. This facilitates the effective and smooth running of the charity.

- The OCC Executive – meets regularly to discuss and implement charity wide issues especially regarding medium-term strategic development and management of the charity to achieve its strategic aim and purpose.
- Coordination Team – meets every few weeks to assist in implementing decisions of the Executive, and to deal with detailed issues and policies that are common across the charity.
- Regional Leadership Teams – meet regularly to discuss and develop the spiritual life of the charity within our regional groups.
- The King's School Governors – oversee and develop Christian education through The King's School
- The King's Centre Board of Directors – meets regularly to oversee and develop The King's Centre facility and operation as the trading subsidiary.
- Remuneration Committee – determines the remuneration policy and staff salaries with reference to specifically designed pay scales, inflation rates and publicly available information regarding remuneration packages of other charities and organisations. Anyone involved in this Committee who is remunerated by the charity is not involved in decisions relating to their own remuneration.

### ***Group structure and relationships***

The charity has a wholly owned non-charitable subsidiary, The King's Centre Limited. The subsidiary carries out non-charitable trading activities to raise funds for the charity, with all of its profits being transferred to the charity under a Deed of Covenant. At times, the charity also works in co-operation with other charities, organisations and individuals in pursuit of its charitable objectives.

### ***Social investment***

The charity does not have a social investment activity as recognized under the Charities SORP (FRS 102).

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**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
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**STRATEGIC REPORT**

**Achievements and Performance**

During the year ended 31 August 2019 the charity has sought to fulfil the calling of Christ and its charitable purposes for the public benefit as follows:

**1      *To advance the Christian religion***

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

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

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

Various pastors and volunteer leaders travelled overseas in order to teach, advise and support churches, missionaries and Bible colleges. These trips were undertaken at a cost of £16,832 (2018: £24,274) to Oxfordshire Community Churches and without charge to those we visit. Nations and continents visited include Africa, Asia, Belgium, Canada, France, Germany, India, Poland, USA and those nations listed below in point 3.

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

**2      *To advance education***

The main focus of our vision to advance education is The King's School in Witney. See the school report below.

In addition, in partnership with Chapel St Community Schools Trust, Oxfordshire Community Churches continued to provide leadership support for a free school in Oxford – Tyndale Community School. This school opened in September 2013 and serves a community where there had previously been insufficient school places. The school is fully subscribed again for the academic years 2019-20 and 2020-21. Local congregations have also supported and encouraged members to support local authority and academy trust run schools by acting in voluntary roles such as sitting on local governing bodies, strengthening the leadership and management of these schools.

Oxfordshire Community Churches has also run various training courses, including training in Biblical studies, Christian ministry, pastoral care and social engagement. These courses were open to all and had an impact in changed lives and strengthened relationships for those who attended.

In addition, many of our local churches run discipleship programs, ministry development courses and leadership training, helping people deepen their Biblical understanding and its application to everyday life, such as in relationships, parenting, engagement in social care and money-management. These congregation-led training courses are also serving their regions and the charity as whole.

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

There has been support of individual workers, relief and development work both in the UK and overseas. A total of £36,442 (2018: £45,493) has been paid out both from central funds, and with further significant support from individual local churches, for work both in the UK and overseas. Through these activities we have been able to help people in many nations including, India, Macedonia, Poland and Uganda.

Whilst Oxfordshire is a generally affluent county, many of our churches are working into areas of poverty and hardship. The churches have continued to help alleviate this through care for the homeless, food bank support, CAP Money courses, community lunches, Thrive youth teams and Street Pastors. There is a separate report below from the Edge Housing Project, run as part of the charity.

Christians Against Poverty Debt Centres continue to be run in Witney, Chipping Norton and Didcot, offering free debt counselling to those in need. These Centres offer free help to people in debt, regardless of belief, background or situation.

The congregations in Abingdon and the Leys have continued to work in partnership with the charity Innovista International to support 'Thrive teams', releasing Youth Workers and volunteers to focus on working with young people in relatively deprived areas to improve their life opportunities. This year these teams have been able to launch a number of new activity groups to reach more young people, and have trained a group of volunteers in order to launch a new mentoring program for secondary school pupils from disadvantaged backgrounds.

Through a bursary scheme of £77,547 (2018: £72,249), we have been able to help The King's School offer fees assistance to families who could not otherwise afford to send their children to the school.

**4      *Other activities***

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

The King's Centre Limited, the trading subsidiary company of Oxfordshire Community Churches, had another good year and was able to pay for repairs to the building whilst still generating a surplus of £18,390 (2018: £116,544); this was remitted to the charity as a donation. More details of the trading subsidiary are shown in the Financial Review And Results For The Year below and in note 10 to the financial statements.

## **Regional and Departmental Reports**

### **Central Region**

The Central Region of OCC began the year as three churches with Sunday services in five locations (Osney, Blackbird Leys, Bicester, Banbury and Kidlington). During the course of the year, we have closed the Kidlington congregation, after a number of members moved away from the area, with remaining church members re-joining the Bicester congregation. At the same time, the total number of adults gathering has grown slightly to around 350.

The next generation Each of our churches runs regular (normally, weekly) activities to train the children in the Christian faith. There is a weekly youth group and a Girl Guiding group at The King's Centre in Osney. We continue to support Tyndale Community School (a Christian primary school) through recruiting governors, training school leaders and the provision of a part-time chaplain.

We also continue to serve around 30 university students, including providing most with a personal mentor. In the coming year, we also plan to train two recent graduates through a volunteer intern scheme.

Training We have arranged training in foundational Christian leadership skills (STEP course: 18 participants) and in applied theology (Upper Room: 9 participants), the latter of which has also been developed to be ready for adoption by other churches. We have also provided training in pastoral care and in prophetic ministry. In the coming year, we will re-run STEP training, support five Upper Room groups across a wider group of churches and run more regular pastoral training.

Following five years of on-the-job training, the assistant pastor of Oxford Community Church has been appointed to lead an independent local church, which was otherwise struggling to recruit effective leadership. The appointment of a new assistant pastor for OCC has been agreed, who we also look forward to training in a similar manner.

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**Community Services and Outreach** We have continued to develop a range of activities to serve local communities, which both meet real needs and also commend the benefits of the Christian faith to non-members. These include:

- In Bicester: an over-50s club, re-opening the West Bicester Community Centre, a youth group
- In Blackbird Leys: support for Thrive Leys (a youth charity), a craft club, a board games club, a toddler group
- In Osney: a large and thriving toddler group, with associated sewing club and Saturday brunch gathering
- In Cumnor: worship services in a care home

Each of our churches runs Alpha courses, which are often attended by people who first connected through one of the above activities – some of whom have now begun to follow Christ.

**Overseas** We have also continued to support Christian workers in nations in Asia, and in west and east Africa, whose work includes relief and development, and in some locations encouraging local believers to realise their potential in serving both their local communities and neighbouring nations.

**West Region**

We have continued to develop the spiritual life of the church congregations in West Oxfordshire and their local communities. Sunday church meetings and a variety of courses designed to address specific aspects of Christian living for all ages have been available to all and open to the wider community without charge. This includes courses on parenting and marriage alongside a number of Alpha courses. Each church also engages in community projects including a wide variety of initiatives for children and young people.

The churches in West Oxfordshire have continued to gather together: initiating new activities and strengthening our congregations and local evangelistic work. Each church has its own leadership structure within the charity and an individual budget to fund its work.

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

Each of our local churches run discipleship programs, ministry development courses and leadership training, helping people deepen their Biblical understanding and its application to everyday life. These congregation-led training courses are also serving their regions and the charity as whole.

Whilst West Oxfordshire is an affluent district, there are many in considerable need. The churches have continued to help alleviate this through food bank support, CAP (Christians Against Poverty) Money Courses, community lunches and street pastor initiatives.

This year has marked the launch of several Life Skills projects in the churches, in partnership with Christians Against Poverty. These free courses aim to help those on a low income to live better, covering topics such as eating well on a budget, making your money go further, dealing with pressure and cooking on a budget. To date the churches have trained six Life Skills coaches, and started launching 12-week courses. A new sling library has been started to provide families with free access to baby slings.

Christians Against Poverty Debt Centres continue to be run in Witney and Chipping Norton, offering free debt counselling to those in need. These centres offer free help to people in debt, regardless of belief, background or situation.

Bursaries have been given to offer fees assistance to families who could not otherwise afford to send their children to The King's School.

**OpenGate Region**

The work of restructuring in the Abingdon congregation continued, resulting in a stronger, and more generationally diverse team providing leadership. Unfortunately, the lead pastor of the church died during this year, presenting a significant challenge; the region will be working with the church to ensure that it continues to focus on its objective of advancing the Christian religion through this challenging time.

OpenGate Churches have continued to develop the spiritual life of the church congregations in South Oxfordshire and Vale of the White Horse (Abingdon, Didcot and Wantage) and their local communities. Two other churches (Swindon and Henley) are members of the group but run as separate charities; we continue to support them in their charitable objectives where they overlap with ours, including in this area.

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Sunday church meetings and a variety of courses designed to address specific aspects of Christian living for all ages have been available to all and open to the wider community without charge. The Alpha and Journeys courses are two examples that have been widely used. The charity has made some of its expertise available to other churches, e.g. in Brussels, to help them develop better strategies. Regional gatherings of churches have continued, initiating new activities and strengthening our congregations and local evangelistic work.

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

Whilst South Oxfordshire and Vale of the White Horse are generally affluent areas, many of our churches are working into areas of poverty and hardship. The churches have continued to help alleviate this formally through food bank support, CAP Money courses, Thrive youth teams and Street Pastors, and informally by helping members of our congregations to provide pastoral care to those in need in their work and community contexts.

A Christians Against Poverty Debt Centre is being run in Didcot, offering free debt counselling to those in need. These Centres offer free help to people in debt, regardless of belief, background or situation. The congregation in Abingdon has continued to work in partnership with the charity Innovista International to support 'Thrive teams', releasing Youth Workers and volunteers to focus on working with young people in relatively deprived areas to improve their life opportunities.

The church in Wantage has been engaged in discussions with a developer and the local authorities to ensure that the community centre build on a significant development is truly suitable and effective for the local communities.

**Edge Housing - Reducing homelessness in Oxford**

During the 7 years we have been running, we have provided over 30,000 bed nights in a warm and safe environment to those sleeping rough, from hostels or other vulnerable accommodation. Unlike statutory agencies we can house men who do not have a local connection. During the year, we increased the number of properties we manage from 5 to 7 and the number of people housed each night from 22 to 28.

House 6 was an important precedent in that it was the first house bought specifically for the project, unlike the others which we sublet. A couple from a local church wanted to invest with the twin aims of producing a financial return and addressing Oxford homelessness. We have a model that can make this work, giving around an 8% return on the house-buyer's investment. We operate this house in collaboration with the addiction charity Turning Point, with an intensive programme for tenants and a staff presence 6 days a week. This house has developed a particularly strong community feel and peer group support.

'Move-on Pod' - House 7 is an innovative timber construction in the garden of one of the ongoing houses, built by the owner as a demonstration of a low cost/high quality solution to the city's housing shortage. One of our tenants gets to use this as a very stylish move-on home.

'From Health to Hope' S\* came to us following the immediate closure of his work. This affected his income, accommodation, his community, friendships, and his relationship with his partner. Unable to cope, he found drink was the only thing which took away the anxiety and pain. Soon he was drinking daily with the promise to himself that tomorrow he would change. However, weeks turned to months and he found himself running out of friends to stay with and the lies to his partner continued to build. He was told by a GP that his liver was in such a bad state he could die if he drank again. This was his turning point, he came to Edge underweight, in a financial mess, with serious health conditions and a court case of non-payments coming up. He left with his finances in shape, sober for over 9 months and in good health. He also bought a minibus and transformed it into a camper van, and after our input encouraging him to be honest with his partner, he is rebuilding his relationship with hope in their future. S\* *"You not only gave me my health back and a home, but also hope for something better."*

Our houses also support church families working overseas, and support church members engaged in local ministries.



**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
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**Snapshot:**

- 28 Residents
- 9 accessed courses
- 11 into employment
- 5 rebuilt relationships with their children
- 11 came straight from rough sleeping
- 5 came straight from prison
- 15 have serious drug and alcohol issues and are recovering

**The King's School**

During the year, The King's School successfully taught around 180 children between the ages of 3 and 16. GCSE results were well above the national average for non-selective schools. 2019 was the second year of examination of reformed GCSEs for the majority of subjects. The overall pass rate (GCSE Grade 4 and above) was high in comparison to recent years. The proportion of top grades (GCSE Grades 7-9) was lower than in previous years. This was not unexpected given the varying ability ranges of the students between years. There were very pleasing results across the range of subjects: 93% of all grades were in the range 9-4. 27% of all grades were in the range 9-7.

As a school with a faith designation, pupils are encouraged into following the Christian faith in accordance with the wishes of the parents who send their children to the school. Young people were taken to Zambia to reach out to poor and disabled children in very needy circumstances, to put their faith into practice. Pupils served local families through supporting the Besom charity.

Teachers continue to work vocationally at the school, receiving salaries significantly lower than a salary in a state school and much less than in other independent schools. The fees remain at 33% of the average fee of local independent schools, and are therefore much more accessible to parents, some of whom are also supported through the churches' system of fee assistance. Parents continue to offer a significant amount of voluntary time, and several have made financial donations in addition to the fees. The church continues to support the costs of the building mortgage, so also keeping the fee level low for parents. Costs on the site have risen sharply due to lifecycle costs of key infrastructure. A marketing drive towards more successful open days and digital presence has been initiated to keep numbers high.

The school was inspected by the Independent Schools' Inspectorate (ISI) in December 2018 and found to be fully compliant in all areas of regulation and education inspected. The parent and staff questionnaire demonstrated overwhelming support for the quality of the school and its management. The appointment of an Operations Manager to replace staffing lost from the church and to release educational staff from management has proved very successful in delegating key responsibilities.

The school rearticulated its vision and mission during the current year. There are some significant staff and governor changes expected in the coming year and the churches will be overseeing the appointment processes in order to secure the right leadership and management for the future.

**Fundraising**

The charity does not use professional fundraisers or commercial participators to raise funds. Church congregations are invited to tithe and give gifts for general use as well as for designated and restricted purposes from time to time. The school charges moderate fees for the provision of a very good standard of education in a Christian setting. A very small amount of fundraising is done, mainly by the school children, by way of bake sales and small sponsored events. The Charity's wholly owned trading subsidiary, The King's Centre Limited, raises funds by renting out the rooms not used by the Charity and provides a high standard of front of house and catering service if required; profits from the trading subsidiary are gifted to the holding Charity by way of a Deed of a Covenant. The Charity does not approach vulnerable people or members of the public to donate to the Charity.

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**Financial Review And Results For The Year**

The charity continues to operate under relatively healthy financial conditions. As such the trustees are confident in the charity as a going concern. This is illustrated in the following areas of operation:

***Churches***

Tithe and other unrestricted voluntary income through the local churches increased in the year to £1,002,559 (2018: £981,358). In light of the ongoing difficult economic climate for many people throughout the year, the trustees are very grateful for the considerable generosity of individuals within the OCC family of churches.

***The King's School***

The school's pupil numbers remained relatively steady, partially reflecting continued marketing activity. The school also incorporates Stepping Stones Foundation Unit, continuing its provision for Early Years.

***The King's School Building Fund***

Funds have continued to come in and are being used to service the bank loan taken out for the development that took place between 2009 and 2011. Loan repayments totalling £132,501 (2018: £282,288) were made in the year.

***The King's Centre Limited***

Oxfordshire Community Churches trading subsidiary, The King's Centre Limited, hires out rooms and provides associated services to customers at The King's Centre; this activity generated income of £581,612 in the year (2018: £534,331). The King's Centre staff have continued strong marketing to build income. Economic pressures still present a challenge, but there are increased numbers of new and returning clients. The trading subsidiary also makes a contribution to the charity towards the costs of using the building in accordance with Charity Commission guidance on trading subsidiary companies.

***Freehold properties***

The freehold properties are included at valuation based on their existing use. The properties were revalued in the year 2017-18 and the revalued amounts stated in Note 8 to the accounts; unrealised gains are shown in the Revaluation reserve. The King's Centre, Oxford was valued at £3,700,000 and The King's School, Witney at £2,625,000. Both properties are being maintained in good order and are collateral for the loan taken out to develop The King's School.

***Reserves***

The majority of the charity's income is derived from school fees, regular gifts and donations from a wide range of sources; these are forecast to cover the budgeted monthly expenditure at both Oxfordshire Community Churches and The King's School. General reserves are monitored monthly and the trustees ensure that short term commitments do not exceed funds available. The trustees consider that a level of general reserves equivalent to one month's expenditure is adequate and not excessive for the needs of the charity, and aims to keep at least the amount of the reserves in easily accessible bank balances. The tangible fixed assets of the Group total £6,337,984 (2018: £6,351,615) and would obviously take some time to liquidate, but the trustees do not consider that this will be necessary for any reason in the foreseeable future.

The closing balance sheet position regarding reserves and funds is summarised below and detailed information can be found in notes 14 to 19 to the accounts:

<b>Reserve or fund</b>	<b>Amount at 31 August 2019</b>	<b>Amount at 31 August 2018</b>
Revaluation reserve	£1,766,801	£1,766,801
General reserves	£215,629	£150,171
General funds	£3,272,680	£2,919,853
Designated funds	£49,485	£289,531
Restricted funds	£119,802	£96,238
<b>Balance Sheet Total</b>	<b>£5,424,397</b>	<b>£5,222,594</b>

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***Designated and restricted and funds***

There are a number of designated and restricted funds which are accounted for separately. The detail for these is shown in note 16 for designated funds and note 17 for restricted funds, and any Gift Aid claimed is allocated to the same fund as the donation.

**Public Benefit**

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. Examples of this public benefit can be found in the other parts of this Report. The Charity constitutes a public benefit entity as defined by FRS102.

**Future Plans**

***Medium to long-term strategy***

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

- To be local churches that are outwardly focused in our communities and are responding to the needs of each local community.
- To further develop our regional groups of churches, which have increasingly devolved governance, to increase our effectiveness in our aims and objectives.
- To plant churches that follow our mission statement and so increase our geographical base.
- To continue to develop the facilities of The King's Centre, in order to serve our larger mission, and to encourage more external business and community use of the Centre.
- To seek to reduce the outstanding mortgage debt for The King's School, on or ahead of the agreed payment schedule, although this may be delayed due to the need for some major expenditure on the Windrush building.

***Current year (2019-20)***

During the current year we intend to:

- Continue to devolve governance of the spiritual life and charitable activities of our churches to regional teams including the establishment of robust governance teams (i.e. sub-committees of the charity trustees).
- Continue to strengthen and develop the trustee body, with new trustees and an increased connection with regional leadership teams.
- Each of the regions and The King's School will continue to develop and implement a three to five year plan (including goals and staffing strategy).
- Continue the stability and growth of pupil numbers at The King's School through continued marketing and public relations initiatives.
- Strengthen and develop congregation leadership teams and outreach initiatives throughout the charity.
- Implement a Finance Sub-committee of the trustees to monitor charity-wide finances.

**Covid-19 Response**

The onset of the coronavirus pandemic in 2020 has seen us enter unprecedented and uncharted waters. The world has become a different place and consequently affected us all. Oxfordshire Community Churches are no exception to that and we have tried to respond appropriately. As churches our first concern is a pastoral one, both for our church members and for those in the communities around us, especially the vulnerable and those in particular need of support, whether it be financial hardship or a lack of emotional well-being brought about by isolation.

**Churches**

All the churches have moved their gatherings to an online platform until such time as it is safe to meet face to face again. Our church members have responded in various ways to help their local communities, with many offering voluntary support for the many existing projects and new initiatives that have sprung up over the last few months. Many of the churches have taken up specific offerings to help those in financial need. Regular contact with other members as well as friends and neighbours has been encouraged.

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2019 (continued)**

Of course, some members will have seen their own income drop through being furloughed or, worse still, having no paid work at all. This could have repercussions on the income that churches receive from their members, although, at the time of writing, we are pleased to say that income has been maintained at a good level. However, it remains an area of concern and is being reviewed regularly. Churches have been asked to prepare budgets for 2020-21 based on three scenarios: giving continuing at the pre-virus level; a 10% income drop; and a 25% income drop.

The personnel committee had already undertaken a salary review before the lockdown restrictions came into effect. However, income needs to be kept under review in order to see if salary increases for 2020-21 are affordable. In worst case scenarios, we would have to consider salary cuts or staff reductions if income drops substantially.

For the future, the trustees are confident that churches will continue to provide ongoing care for their members and involvement in serving their local communities.

***The King's School***

The school has been affected similarly to other schools across the country. Once pupils were asked to stay at home, apart from the children of key workers, the school staff put in a mammoth effort to move education to an online platform, including working through the Easter holidays to achieve this. School staff attended in person on a rota basis to care for those children still in school, whilst at the same time taking responsibility for online classrooms to ensure that our students did not suffer in their education.

The biggest concern financially was whether any families would have difficulty in paying their school fees if their employment situation was to change. Some savings are being made, e.g. utility bills with some of the school building closed down, and it is hoped that savings made would cover any immediate shortfall in fees. Also, a number of staff have been furloughed, taking advantage of the government's Job Retention Scheme.

In the longer term, parents have been told that fees will be frozen for the first term of the new year in September 2020 as a gesture of goodwill, with a likely increase in January 2021 for the rest of the academic year.

***The King's Centre Ltd (TKCL)***

The biggest cause of concern in this crisis has been our trading subsidiary. As a conference and events centre, the building was closed immediately as the restrictions started and it is likely we will have little or no income for the rest of the current financial year. Almost all the staff were furloughed at the beginning of April, taking advantage of the government's Job Retention Scheme. Salaries have been topped up to 100% to ensure that staff are not financially disadvantaged.

The result of this is that the subsidiary will be unable to pay rent or profit to the charity for this financial year, together budgeted at £93K. In addition, it is likely to make a trading loss of £75-80K for the year. As the trading subsidiary has historically been a profitable company, and loss is caused solely by the circumstances of the pandemic, the trustees have agreed that a short to medium term loan of £80K to the trading company is appropriate, and justified to maintain a positive cash balance in TKCL.

This entirely unexpected hiatus in the trading subsidiary has given the trustees opportunity to review the strategic purpose of the company and to make appropriate adjustments in the ongoing vision for the company. Detailed projections have been drawn up which show that the company should once again trade at a profit in the coming years, albeit with an anticipated gradual return to pre-pandemic levels. The target for repayment of the loan is 2 years with a maximum of 3. As part of the return to profitable trading, some staff redundancies are inevitable in order to ensure a tight control of expenditure.

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2019 (continued)**

***Cash Flow and Reserves***

There are some measures in reducing cash outflow that we have already been granted: deferment of PAYE & NIC payments to HMRC; deferment of VAT payment (from TKCL); and a 6-month mortgage capital repayment holiday from Barclays.

The main cashflow issues to deal with are the loan to TKCL from the charity, and the deficit caused by the budgeted £93K rent and profit which will not be paid to the charity from TKCL. This is in addition to the £40K budgeted deficit in the charity relating to The King's Centre costs. To mitigate the latter there will be some savings in building costs with the premises being closed for a few months. Overall, there will be around £200k to cover from our cash reserves. This should still leave us with some contingency in excess of one month's salary costs (around £130K) which we regard as an absolute minimum to retain.

In the event of our cashflow requirements being in excess of the above, our bank has already given a positive response to the possible need of an overdraft facility.

***The Future***

The trustees are confident in the ongoing ability of the charity, and its trading subsidiary, not only to survive the current crisis but to return to thriving in the future.

**Principal Risks And Uncertainties**

The trustees have assessed the major risks to which the charitable company may be exposed and have ensured that adequate systems are in place to mitigate those risks. These systems include our Safeguarding policy, Staff Management policy, Staff Handbook, Health & Safety policy, and monthly financial reporting.

The trustees have given consideration to the major risks to which the charity is exposed; the nature of those risks, likelihood of those risks and the measures taken to manage them. These include governance risks, operational risks, financial risks, external risks and compliance with law and regulation. Where a significant risk is identified an action plan of steps is drawn up and implemented to mitigate the significant risk. Risks are then periodically monitored, reviewed and assessed. The trustees are satisfied at this time that systems and procedures are established in order to manage and control the major risks to the charity. In particular, insurance cover is in place, regular financial reviews take place and appropriate Disclosure and Barring Service (DBS) checks are made regularly. Department appropriate health and safety training is given. Basic fire and emergency evacuation training is given and also fire warden training. A generic office risk assessment, the main office hazard assessment and activity/event risk assessments are made. Separation of financial responsibilities within the charity ensures risks are minimised internally. The regular monitoring of the cash flow position makes the charity less susceptible to variations in monthly income. All new projects, their impact on the charity and associated funding are assessed before a commitment is made to start a project.

Extensive youth work and children's work and community work within and in addition to church services naturally means that the charity is exposed to a high degree of risk in working with children and vulnerable adults. Safeguarding training is held for all employees and volunteers who work with or regularly come into contact with children and vulnerable adults, even if only indirectly. DBS checks are also made for these workers, and are regularly repeated, with training seminars conducted at least at the recommended intervals. Workers are not permitted to work with children and vulnerable adults unless they have completed training and passed DBS checks.

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2019 (continued)**

**Statement Of Directors' And Trustees' Responsibilities**

The trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 the group and of the incoming resources and application of resources, including the income and expenditure of the charitable company and the group for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether 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 the group, 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement Of Disclosure Of Information To Auditors**

In so far as the trustees are aware:

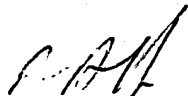
- there is no relevant audit information of which the charitable company and group's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

Baldwins Audit Services have been re-appointed as auditors of the charity.

In approving the Directors' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report was approved by the board of directors on 24 August 2020 and signed on its behalf:



.....  
R. ALLEN

Director

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF OXFORDSHIRE COMMUNITY CHURCHES**

### **Opinion**

We have audited the financial statements of Oxfordshire Community Churches (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the consolidated statement of financial activities; the consolidated balance sheet; company balance sheet; the consolidated cash flow statement 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 group's and parent charitable company's affairs as at 31 August 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **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 group and parent 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 group's or parent 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.*

### **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 strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, 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 group's and parent 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 group or the parent 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**

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 part 4 of the Charities (Accounts and Reports) regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 and 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.

*Baldwins Audit Services*

**David Cary (Senior Statutory Auditor)  
For and on behalf of Baldwins Audit Services  
Statutory Auditor**

27 August 2020  
.....  
**Pillar House  
113/115 Bath Road  
Cheltenham  
Gloucestershire  
GL53 7LS**



# OXFORDSHIRE COMMUNITY CHURCHES

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and expenditure account) for the year ended 31st August 2019

	Notes	Unrestricted funds General £	Designated (Note 16) £	Restricted funds (Note 17) £	Total funds £	2018 as restated Total funds £
<b>INCOME FROM</b>						
Gifts and donations		1,333,527	138,238	158,449	1,630,214	1,562,236
Charitable activities:						
School & Preschool fees and other income		793,862	-	8,113	801,775	779,871
Other Charitable activities		71,214	14,303	201,613	287,130	187,173
Income from trading activities:						
Trading subsidiary activities		581,612	-	-	581,612	534,331
Other income		1,209	-	1,500	2,709	1,071
<b>TOTAL INCOME</b>		<b>2,781,224</b>	<b>152,541</b>	<b>369,675</b>	<b>3,303,440</b>	<b>3,044,682</b>
<b>EXPENDITURE ON</b>						
Charitable activities:						
School & Preschool	2	774,356	-	11,462	785,818	786,261
Other Charitable activities	2	1,305,894	186,179	336,046	1,828,119	1,759,196
		2,080,250	186,179	347,508	2,613,937	2,545,457
Trading activities:						
Trading subsidiary activities	3	473,627	-	-	473,627	353,666
Other expenditure		1,134	-	-	1,134	943
<b>TOTAL EXPENDITURE</b>		<b>2,555,011</b>	<b>186,179</b>	<b>347,508</b>	<b>3,088,698</b>	<b>2,900,066</b>
(Losses) on financial instruments held at fair value through income and expenditure	27	(12,939)	-	-	(12,939)	(222,876)
<b>NET INCOME/(EXPENDITURE)</b>	5	<b>226,213</b>	<b>(33,638)</b>	<b>22,167</b>	<b>214,742</b>	<b>144,616</b>
Transfers between funds	18 & 19	205,011	(206,408)	1,397	-	-
<b>NET MOVEMENT IN FUNDS</b>	19	<b>418,285</b>	<b>(240,045)</b>	<b>23,564</b>	<b>201,803</b>	<b>(78,260)</b>
Unrealised gains on revaluation of properties for charity use	8, 9 & 19	-	-	-	-	870,800
<b>NET MOVEMENT IN FUNDS</b>		<b>418,285</b>	<b>(240,045)</b>	<b>23,564</b>	<b>201,803</b>	<b>792,540</b>
<b>TOTAL FUNDS brought forward as previously reported</b>	19	<b>5,059,701</b>	<b>289,531</b>	<b>96,238</b>	<b>5,445,470</b>	<b>4,430,054</b>
Prior period errors noted	27	(222,876)	-	-	(222,876)	-
<b>TOTAL FUNDS brought forward as restated</b>	19	<b>4,836,825</b>	<b>289,531</b>	<b>96,238</b>	<b>5,222,594</b>	<b>4,430,054</b>
<b>TOTAL FUNDS carried forward</b>	19	<b>5,255,110</b>	<b>49,486</b>	<b>119,802</b>	<b>5,424,397</b>	<b>5,222,594</b>

The notes on pages 21 to 30 form part of these financial statements.

The full comparative Statement of Financial Activities (including Income and expenditure account) for the year ended 31 August 2018 is shown in note 28 to the financial statements on page 30.

**OXFORDSHIRE COMMUNITY CHURCHES**  
**CONSOLIDATED BALANCE SHEET at 31st August 2019**

	Notes	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £	2018 as restated Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	8	6,337,984	-	-	6,337,984	6,351,615
<b>CURRENT ASSETS</b>						
Debtors	11	170,287	-	29,696	199,983	149,842
Cash at bank and in hand		621,486	49,485	95,384	766,355	699,677
		791,773	49,485	125,080	966,338	849,519
<b>CREDITORS</b>	12					
<i>Amounts falling due within one year:</i>						
Bank loan (secured)		134,816	-	-	134,816	128,000
Creditors and accruals		160,514	-	5,278	165,792	151,668
Social security and other taxes		30,763	-	-	30,763	23,940
		326,093	-	5,278	331,371	303,608
<b>NET CURRENT ASSETS</b>		465,680	49,485	119,802	634,968	545,911
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,803,664	49,485	119,802	6,972,952	6,897,526
<b>CREDITORS</b>	12					
<i>Amounts falling due after more than one year:</i>						
Bank loan (secured)		(1,312,740)	-	-	(1,312,740)	(1,452,056)
Interest rate swap held at fair value		(235,815)	-	-	(235,815)	(222,876)
<b>NET ASSETS</b>		5,255,109	49,485	119,802	5,424,397	5,222,594
<b>FUNDS AND RESERVES</b>						
Revaluation reserve	14 & 19	1,766,801	-	-	1,766,801	1,766,801
General reserves	15 & 19	215,629	-	-	215,629	150,171
General funds	19	3,272,680	-	-	3,272,680	2,919,853
Designated funds	16 & 19	-	49,485	-	49,485	289,531
		5,255,110	49,485	-	5,304,595	5,126,356
Restricted funds	17 & 19	-	-	119,802	119,802	96,238
<b>TOTAL FUNDS AND RESERVES</b>	19	5,255,110	49,485	119,802	5,424,397	5,222,594

Approved by the board of directors on 26 August 2020 and signed on its behalf:



Director

The notes on pages 21 to 30 form part of these financial statements.

# OXFORDSHIRE COMMUNITY CHURCHES

## BALANCE SHEET at 31st August 2019

	Notes	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £	2018 as restated funds £
<b>FIXED ASSETS</b>						
Tangible assets	8	6,333,661	-	-	6,333,661	6,346,343
Investment in subsidiary company	10	1	-	-	1	1
		<u>6,333,662</u>	<u>-</u>	<u>-</u>	<u>6,333,662</u>	<u>6,346,344</u>
<b>CURRENT ASSETS</b>						
Stock		-	-	-	-	-
Loan		-	-	-	-	-
Debtors	11	156,885	-	29,696	186,581	127,462
Cash at bank and in hand		535,860	49,485	95,384	680,729	655,327
		<u>692,745</u>	<u>49,485</u>	<u>125,080</u>	<u>867,310</u>	<u>782,789</u>
<b>CREDITORS</b>	12					
<i>Amounts falling due within one year:</i>						
Bank loan (secured)		134,816	-	-	134,816	128,000
Creditors and accruals		61,343	-	5,278	66,621	87,008
Social security and other taxes		26,584	-	-	26,584	16,599
		<u>222,743</u>	<u>-</u>	<u>5,278</u>	<u>228,021</u>	<u>231,607</u>
<b>NET CURRENT ASSETS</b>		<u>470,002</u>	<u>49,485</u>	<u>119,802</u>	<u>639,290</u>	<u>551,182</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,803,664</u>	<u>49,485</u>	<u>119,802</u>	<u>6,972,952</u>	<u>6,897,526</u>
<b>CREDITORS</b>	12					
<i>Amounts falling due after more than one year:</i>						
Bank loan (secured)		(1,312,740)	-	-	(1,312,740)	(1,452,056)
Interest rate swap held at fair value		(235,815)	-	-	(235,815)	(222,876)
<b>NET ASSETS</b>		<u>5,255,109</u>	<u>49,485</u>	<u>119,802</u>	<u>5,424,397</u>	<u>5,222,594</u>
<b>FUNDS AND RESERVES</b>						
Revaluation reserve	14 & 19	1,766,801	-	-	1,766,801	1,766,801
General reserves	15 & 19	215,629	-	-	215,629	150,171
General funds	19	3,272,680	-	-	3,272,680	2,919,853
Designated funds	16 & 19	-	49,485	-	49,485	289,531
		<u>5,255,110</u>	<u>49,485</u>	<u>-</u>	<u>5,304,595</u>	<u>5,126,356</u>
Restricted funds	17 & 19	-	-	119,802	119,802	96,238
<b>TOTAL FUNDS AND RESERVES</b>	19	<u>5,255,110</u>	<u>49,485</u>	<u>119,802</u>	<u>5,424,397</u>	<u>5,222,594</u>

Approved by the board of directors on 26 August 2020 and signed on its behalf:

Director P. ALLEN

The notes on pages 21 to 30 form part of these financial statements.

# OXFORDSHIRE COMMUNITY CHURCHES

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st August 2019

	2019 £	2018 £
<b><u>Reconciliation of cash flows from operating activities</u></b>		
Net incoming resources per Statement of Financial Activities	214,742	144,616
Depreciation of tangible fixed assets	13,631	14,990
(Increase)/decrease in debtors	(50,141)	156,725
Increase in creditors (excluding bank loan and derivative)	20,947	35,241
<b>Net cash provided by operating activities</b>	<u>199,179</u>	<u>351,572</u>
<b><u>Cash flows from investing activities</u></b>		
Purchase of tangible fixed assets	-	(3,000)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(3,000)</u>
<b><u>Cash flows from financing activities</u></b>		
Repayment of borrowing	(132,501)	(282,288)
<b>Net cash used in financing activities</b>	<u>(132,501)</u>	<u>(282,288)</u>
<b>Increase in cash and cash equivalents in the year</b>	<u>66,678</u>	<u>66,284</u>
<b>Cash and cash equivalents at 1 September</b>	<u>699,677</u>	<u>633,393</u>
<b>Cash and cash equivalents at 31 August</b>	<u><u>766,355</u></u>	<u><u>699,677</u></u>
<b><u>Analysis of cash and cash equivalents</u></b>		
Cash	7,443	3,437
Bank Current account balances	758,912	696,240
	<u><u>766,355</u></u>	<u><u>699,677</u></u>

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019

### 1 Accounting policies

#### *i Basis of preparation*

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice. The Charity is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties.

The principal accounting policies adopted are set out below and have been applied consistently throughout the group, accounts and the prior year.

#### *ii Going concern*

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

#### *iii Basis of consolidation*

The consolidated financial statements incorporate the results of the Charity and its wholly owned trading subsidiary The King's Centre Limited on a line by line basis. The consolidated entity is referred to as "the Group". No separate Statement of Financial Activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

#### *iv Cash flow statement*

The Charity prepares a consolidated cash flow statement and the consolidated accounts, in which the Charity's results are included, are available to the public on the Charity Commission website. The Charity has therefore taken advantage of the exemption conferred by FRS 102 Section 1 not to prepare a cash flow statement.

#### *v Income*

Incoming resources are accrued and included in the Statement of Financial Activities (SOFA) when the Group is entitled to the income, receipt can be quantified and is probable, and they are deferred when they relate to future accounting periods.

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

Where the trading subsidiary takes deposits from customers to reserve a room booking for a future date, this income is treated as deferred when the future date is after the year end and may be refundable in full.

#### *vi Expenditure*

Expenditure is recognised in the financial statements on an accruals basis and includes irrecoverable VAT.

Costs of Charitable activities consists of all expenditure relating to the objects of the charity including costs of supporting charitable activities and projects.

Support costs which are not directly attributable to an expense activity are allocated to those categories based on appropriate parameters of the use derived from the resources; for example hours spent by staff, proportion of building space utilised, etc.

#### *vii Debtors and creditors*

Debtors and creditors having no interest rate and being receivable or payable within one year are recorded at transaction price.

#### *viii Operating leases*

Rentals payable under operating leases are charged to the SOFA evenly over the period of the lease.

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

### 1 Accounting policies (continued)

#### *ix Tangible fixed assets*

Low cost assets (<£3,000), including those acquired by local church congregations, are taken to the SOFA on acquisition. Other fixed assets (£3,000 or more) are depreciated on the following bases at rates estimated to write off each asset over the term of its useful life. Batches of items below this threshold are capitalised where they form part of one specific project. The rates in use are as follows:

Furniture and equipment	20 - 25% straightline per annum
Vehicles	20% straightline per annum
Assets acquired by trading subsidiary	18% reducing balance basis per annum

Freehold land and buildings are stated at revalued amounts, with subsequent additions at cost, as set out in notes 8 and 9. The directors consider that cost alone is the most appropriate method for valuing the remaining assets.

The directors consider that there is no impairment to the fixed assets.

#### *x Fixed asset investment*

The Charity owns the total share capital of the trading subsidiary, The King's Centre Limited, which is shown at cost. The directors consider that there is no impairment of this investment.

#### *xi Fund structure*

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

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

General funds may be used for any purpose within the Charity's objects.

General reserves are the proportion of General funds that have been designated by the directors specifically to build a fund to cover one month's running expenditure.

#### *xii Pension contributions*

The charity operates defined contribution group personal schemes for its employees. The charge in the SOFA represents the employer contributions payable to the schemes in respect of the accounting period; these contributions are allocated between activities and funds on the same time basis as employee salaries are allocated.

#### *xiii Taxation*

The Charity is exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The fully owned trading subsidiary does not generally pay UK corporation tax because its policy is to pay taxable profits to the Charity under Gift Aid using a Deed of Covenant.

#### *xiv Financial instruments*

The Charity and wholly owned trading subsidiary have financial assets and financial liabilities of a kind that qualify as basic and complex financial instruments.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. Changes in the fair value of derivatives are recognised in income/(expenditure) for the year. A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### *xv Collateral*

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

#### *xvi Key judgements and estimates used in preparing these financial statements*

The Charity makes estimates and assumptions concerning the future, for example depreciation rates. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

There are no other critical accounting judgements not covered by the above accounting policies.

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

2 Expenditure on Charitable activities	Unrestricted funds		Restricted funds	Unrestricted	Total	2018 Total
	General	Designated	funds	General		
	Direct costs	Direct costs	Direct costs	Support costs (See Note 4)		
	£	£	£	£		
School and Preschool	753,185	-	11,462	21,171	785,818	* 786,261
Other Charitable activities:						
Local churches	166,577	-	81,305	-	247,882	333,843
Overseas work	-	-	34,042	-	34,042	44,404
Regional activities	-	13,833	-	-	13,833	10,963
Church Pastors and OCC area expenditure	724,873	65,121	-	113,340	903,134	* 880,949
The King's Centre (OCC building)	139,754	7,685	-	-	147,439	207,438
NYR facility	161,550	-	-	-	161,550	121,334
Edge - housing and employment projects	-	-	201,127	-	201,127	117,072
Witney CAP Debt Centre	-	-	19,572	-	19,572	13,008
Sphere Church Network	-	99,540	-	-	99,540	30,385
	1,192,554	186,179	336,048	113,340	1,828,119	1,759,196
Total expenditure on Charitable activities	1,945,739	186,179	347,508	134,511	2,613,937	2,545,457
*The 2018 figures above have been adjusted to correct the allocation of expenditure on the New Yatt Road site from School & Preschool spending to Other Charitable Activities spending; overall expenditure totals have not changed.						
3 Expenditure on trading subsidiary activities						
Staff generating funds	208,020	-	-	-	208,020	180,685
Operating costs of subsidiary	263,332	-	-	2,275	265,607	172,981
	471,352	-	-	2,275	473,627	353,666
4 Analysis of support costs (General fund only)					2019 £	2018 £
School & Preschool:						
Finance and human resources staff costs			Note 2	21,171	21,171	17,881
Other Charitable activities:						
Finance and human resources staff costs				81,841	81,841	64,749
Governance:						
Staff costs				11,704	11,704	11,048
Auditor's remuneration				11,160	11,160	10,800
Legal advice and property valuations				7,551	7,551	9,533
Trustee indemnity Insurance				1,084	1,084	872
			Note 2	113,340	113,340	97,002
Total support costs for Charitable activities				134,511	134,511	114,863
Trading subsidiary:						
Auditor's remuneration			Note 3	2,275	2,275	2,250
Governance costs have been allocated to activities as incurred and on the basis of time spent. Costs of finance and human resources staff have been allocated on the basis of time spent in relation to each activity.						
5 Net income/(expenditure) for the year						
	Unrestricted funds		Restricted funds	Total	2018 Total	
	General	Designated	funds			
	£	£	£	£	£	
Group net income/(expenditure) for the year is stated after charging:						
Auditors' remuneration	13,435	-	-	13,435	13,050	
Depreciation of tangible fixed assets (Note 8)	13,631	-	-	13,631	14,980	
Expenditure on operating leases	95,585	-	-	95,585	47,814	
Loan interest	92,665	-	-	92,665	100,783	
Staff costs	1,661,404	15,743	88,414	1,765,561	1,716,919	
Staff salaries and wages	1,383,741	13,545	78,424	1,475,710	1,445,249	
Director's remuneration (Note 6)	96,863	-	-	96,863	89,504	
Employer's National Insurance contributions	113,332	1,521	5,946	120,799	113,093	
Employer's Pension contributions	67,468	677	4,044	72,189	69,073	

During the year the average number of staff employed by the charity was 94 (2018:102).

The average number of full-time equivalent employees was 61 (2018: 58).

None of the employees received remuneration in excess of £60,000 in the year (2018: none).

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

### 6 Directors' remuneration and expenses (Charity and Group)

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

	Remuneration					2018
	Fees & salaries £	Pension £	Employer's National Insurance	Expenses £	Total £	Total £
S Jones	45,560	2,278	5,194	6,736	59,768	56,870
B Jones	11,008	542	318	421	12,289	11,660
A O'Connell	35,702	1,773	4,023	6,325	47,823	38,296
	<b>92,270</b>	<b>4,593</b>	<b>9,535</b>	<b>13,482</b>	<b>119,880</b>	<b>106,826</b>

Total remuneration (including pension contributions) £96,883 (2018: £89,504)

Expenses paid to directors are in respect of travel, telephone, hospitality and resources costs that related to Charitable activities and not in their role as a director. Also during the year £1,084 has been paid for trustee indemnity insurance cover (2018: £872). There was no other remuneration or expenses paid to the directors.

### 7 Related party transactions

As is usual with a charity of this type, the directors, and persons connected to them, have made donations to the charity in the year. These donations were made with no conditions attached that would, or might, require the charity to alter significantly the nature of its existing activities. The aggregate total amount of these donations, which are spread across General, designated and restricted funds, amounted to £59,314 in the year (2018: £69,388).

During the year, gifts totalling £1,600 (2018: £1,440) were made by the charity to a relative of one of the directors to support their voluntary development work in Asia; the identity of the director and relative are withheld on the grounds of safeguarding. This gift was made on the same terms as similar gifts made to other individuals who are not related to a director of the charity.

### 8 Tangible fixed assets (Charity and Group)

	Freehold property £	Office and other equipment £	Minibus £	Charity Total £	Subsidiary Company Equipment £	Group Total £
<b>Cost or valuation</b>						
At 1 September 2018	6,325,000	187,828	6,000	6,518,828	7,715	6,526,543
Additions at cost	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 August 2019	<b>6,325,000</b>	<b>187,828</b>	<b>6,000</b>	<b>6,518,828</b>	<b>7,715</b>	<b>6,526,543</b>
<b>Accumulated depreciation</b>						
At 1 September 2018	-	166,485	6,000	172,485	2,443	174,928
Charge for year	-	12,682	-	12,682	949	13,631
Eliminated on disposals	-	-	-	-	-	-
At 31 August 2019	<b>-</b>	<b>179,167</b>	<b>6,000</b>	<b>185,167</b>	<b>3,392</b>	<b>188,559</b>
<b>Net book value</b>						
At 31 August 2019	<b>6,325,000</b>	<b>8,661</b>	<b>-</b>	<b>6,333,661</b>	<b>4,323</b>	<b>6,337,984</b>
At 31 August 2018	<b>6,325,000</b>	<b>21,343</b>	<b>-</b>	<b>6,346,343</b>	<b>5,272</b>	<b>6,351,615</b>

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

Freehold property is pledged as security for the bank loan under a fixed and floating charge.



# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

### 9 Valuation of freehold property (Charity and Group)

If the freehold properties were stated at cost, with depreciation charged at 1% straightline per annum from acquisition of the property, the amount carried in the accounts would be £5,709,687 at 31 August 2019 and £5,777,310 at 31 August 2018. At the instruction of Barclays Bank PLC, The King's School buildings were valued by Carter Jonas and The King's Centre building was valued by Savills (UK) Ltd, Chartered Surveyors, as at 31 August 2018 on the basis of existing use and in accordance with the RICS Valuation - Global Standards, July 2017.

The revaluation surplus of £870,800 was added to the Revaluation reserve in the year to 31 August 2018 and is shown on the face of the SOFA.

### 10 Subsidiary company

The charity's wholly owned trading subsidiary company is The King's Centre Limited (registered company number 04953556). This company lets out the meeting rooms at The King's Centre and provides catering facilities on a commercial basis. The charity owns the sole issued £1 share in the company, which gifts all its profits to the charity under a Deed of Covenant.

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

	2019 £	2018 £
Turnover	581,612	534,331
Cost of sales	(156,854)	(140,865)
Gross profit	424,758	393,466
Administrative expenses	(406,388)	(276,922)
Net profit gifted to the charity	18,390	116,544
Assets	139,312	86,291
Liabilities	(139,311)	(86,290)
Net assets	1	1

### 11 Debtors

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
<i>All falling due within one year:</i>				
Trade debtors	57,367	39,307	20,713	3,736
Gift Aid tax recoverable	76,438	64,151	76,438	64,151
Amounts owed by subsidiary undertaking	-	-	35,833	6,553
Other debtors	36,172	19,572	30,340	27,308
Prepayments and accrued income	30,006	26,812	23,257	25,714
	199,983	149,842	186,581	127,462

### 12 Creditors

	Group		Charity	
	2019 £	2018 as restated £	2019 £	2018 as restated £
<i>Amounts falling due within one year:</i>				
Bank loan - repayable by instalments	134,816	128,000	134,816	128,000
Trade creditors	78,017	25,161	39,576	21,283
HM Revenue & Customs	30,762	23,940	26,583	16,599
Other creditors	19,602	45,645	13,433	43,716
Accruals and deferred income	68,174	80,862	13,613	22,009
	331,371	303,608	228,021	231,607
<i>Amounts falling due after more than one year:</i>				
Bank loan - repayable by instalments:				
Due in more than one year but less than five years	539,283	500,000	539,283	500,000
Due in more than five years	773,477	952,056	773,477	952,056
	1,312,740	1,452,056	1,312,740	1,452,056
Interest rate swap held at fair value through income and expenditure	235,815	222,876	235,815	222,876
	1,548,555	1,674,932	1,548,555	1,674,932

The bank loan is secured by way of a fixed and floating charge over the company's properties. Creditors include pension contributions due of £10,170 (2018: £9,224). All brought forward deferred income (customer deposits) at 31 August 2018 has been allocated as income in the year ended 31 August 2019. Deferred income at 31 August 2019 amounted to £13,486 (2018: £20,834).

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

### 13 Bank loan and financial derivative product

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

Part of the amount borrowed was obtained with a financial derivative product of Barclays Bank. Under the terms of this product, £1.5 million of the original loan is effectively at a fixed rate of 4.49% interest per annum for 15 years until 1 June 2026; the remainder of the loan is at a variable rate of 2.550% above base rate. From June 2026 the whole of the loan then outstanding will be at a variable rate of interest.

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

### 14 Revaluation reserve (Charity and Group)

This reserve arises from revaluations of the freehold properties in Oxford and Witney. The latest valuation was as at 31 August 2018 as shown in Note 9.

### 15 General reserves (Charity and Group)

General reserves represent contingency funds being set aside out of General funds to achieve a level equivalent to one month's expenditure, in order to acknowledge that most of the general funds would need time to be realised as cash.

### 16 Designated funds (Charity and Group)

Funds designated by the trustees are as follows and are held as cash and bank balances:

	Opening £	Income £	Expenditure £	Transfers £	Closing £
<b>1 September 2017 to 31 August 2018</b>					
TKS Building fund	152,000	16,413	(86,413)	(102,000)	-
Gift Aid tax recoverable	220,963	189,180	(34,371)	(130,287)	245,465
Mission fund	2,182	3,359	-	-	5,521
S Thomas support fund	13,532	37,198	(64,840)	17,378	3,266
Area Education fund	3,195	-	(3,195)	-	-
Community Projects fund	3,190	-	-	-	3,190
Sphere fund	-	21,654	(30,383)	13,309	4,580
Edge Housing fund	10,810	103,100	(102,963)	(6,300)	4,647
TKC Maintenance fund (see narrative re deficit)	(6,188)	-	-	7,000	812
Regional support funds	16,834	17,035	(10,963)	(856)	22,050
	<u>416,498</u>	<u>387,919</u>	<u>(313,128)</u>	<u>(201,758)</u>	<u>289,531</u>
<b>1 September 2018 to 31 August 2019</b>					
TKS Building fund	-	1,955	-	1,469	3,424
Gift Aid tax recoverable	245,465	-	-	(245,465)	-
Mission fund	5,521	7	-	-	5,528
S Thomas support fund	3,266	47,011	(84,185)	17,407	3,499
Community Projects fund	3,190	-	(935)	-	2,255
Sphere fund	4,580	87,534	(99,542)	18,085	10,657
Edge Housing fund	4,647	-	-	(4,647)	-
TKC Maintenance fund	812	-	(7,684)	7,000	128
Regional support funds	22,050	16,034	(13,833)	(257)	23,994
	<u>289,531</u>	<u>152,541</u>	<u>(186,179)</u>	<u>(206,408)</u>	<u>49,485</u>

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

Gift Aid recovered was designated up to 31 August 2018 for servicing the loan for The King's School building development between 2009 and 2011. From 1 September 2018 the trustees agreed to move this designated fund to general funds, with OCC regions receiving Gift Aid and having responsibility for funding the loan repayments, regardless of Gift Aid received.

The Mission fund provides for unbudgeted overseas mission support.

The S Thomas support fund represents the balance due to S Thomas regarding his ministry travel in the UK and overseas.

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

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

The Sphere fund was created to manage the funds of the newly formed Salt & Light Sphere of churches led by the Oxfordshire Community Churches Chair of trustees SA Jones.

Edge Housing provides accommodation and support for vulnerable people, many of whom have experienced homelessness.

From 1 September 2018 the whole of the funds for Edge Housing have been deemed Restricted Funds.

The King's Centre (TKC) Maintenance fund receives specific donations as well as transfers from General funds towards small improvements and repairs to the Centre. This fund was temporarily in deficit at 31 August 2017 as repairs were undertaken in the year in the knowledge that income would be transferred from general funds in the following accounts year.

Regional support funds arise mostly from offerings taken at regional celebrations.

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

### 17 Restricted funds (Charity and Group)

The following details the charity's restricted funds - all are income funds and held as cash and bank balances:

	Opening	Income	Expenditure	Transfers	Closing
	£	£	£	£	£
<b>1 September 2017 to 31 August 2018</b>					
The King's School restricted	23,818	10,667	(8,413)	-	26,072
Salem School	1,311	570	(1,311)	-	570
Missionary support	7,701	43,898	(43,093)	-	8,506
Rwanda Development	3,067	-	-	-	3,067
Witney CAP Debt Centre	22,524	17,220	(13,008)	-	26,738
Edge Housing fund	10,467	19,098	(14,108)	-	15,457
Other funds	31,834	106,643	(132,104)	9,457	15,830
	<u>100,722</u>	<u>198,098</u>	<u>(212,037)</u>	<u>9,457</u>	<u>96,238</u>
<b>1 September 2018 to 31 August 2019</b>					
The King's School restricted	26,072	8,113	(11,462)	-	22,723
Salem School	570	360	-	-	930
Missionary support	8,506	32,125	(28,932)	-	11,699
Rwanda Development	3,067	5	-	-	3,072
Witney CAP Debt Centre	26,738	20,013	(19,573)	-	27,176
Edge Housing fund	15,457	225,352	(201,126)	1,227	40,910
Other funds	15,830	83,707	(86,415)	170	13,292
	<u>96,238</u>	<u>369,675</u>	<u>(347,508)</u>	<u>1,397</u>	<u>119,802</u>

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

Salem School is a school in Kazakhstan.

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

Rwanda Development has been set up to develop ministries within Rwanda.

The Witney Christians Against Poverty Debt Centre offers debt counselling for local people in financial difficulty.

Edge Housing received a grant and also transferred general funds to restricted funds in order to employ a support worker for their housing projects.

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

### 18 Transfers between funds (Charity and Group)

#### 1 September 2017 to 31 August 2018

Reason	From fund	To fund	£
Servicing King's School building loan	Gift Aid tax recovered	General funds	130,288
Part repayment of loan	TKS Building fund	General funds	152,000
Contributions towards ministry support	General funds	S Thomas support fund	18,000
Church contributions to regions	Local Church General	Regional Designated funds	676
Contribution from King's Centre surplus	General funds	TKC Maintenance fund	7,000
Gifts from regions to Sphere Designated fund	General funds	Sphere designated fund	18,713
Gifts to regions for Area costs	Regional Designated funds	Area General funds	858
Approved transfer - General to Restricted	Local Church General	Local Church Restricted	9,457
Contribution to Area costs	Edge General funds	Area General funds	6,300
Contribution to Area costs	Steve Thomas support fund	Area General funds	624
Contribution to Area costs	Sphere Designated fund	Area General funds	5,403
Contribution to Area costs	Local Church General	Area General funds	34,529
Building up general reserves	General funds	General reserves	15,100
Designated by directors (2 years' contributions)	General funds	TKS Building fund	50,000
School use of reserves	School General reserves	General funds	<u>21,916</u>

#### 1 September 2018 to 31 August 2019

Reason	From fund	To fund	£
Servicing King's School building loan	Gift Aid tax recovered	General funds	245,465
Restricted funds identified and transferred	General funds	TKS Building Fund	1,469
Contributions towards ministry support	General funds	S Thomas support fund	18,000
Steve Thomas Expenditure to Sphere	Steve Thomas Designated	Sphere Designated	593
Contribution from King's Centre surplus	General funds	TKC Maintenance fund	7,000
Gifts from regions to Sphere Designated fund	General funds	Sphere designated fund	17,000
Edge Housing - move all funds to Restricted	Edge Designated Funds	Edge Restricted funds	4,647
Approved transfer - General to Restricted	Local Church General	Local Church Restricted	170
Area transfer to Sphere	Area General funds	Sphere Designated fund	1,284
Contribution to Area costs	Edge Restricted funds	Area General funds	3,420
Contribution to Area costs	Local Church General	Area General funds	5,655
Contribution to Area costs	Designated Regional funds	Area General funds	257
Contribution to Area costs	Sphere Designated fund	Area General funds	492
Contribution to Area costs	Local Church General	Area General funds	39,691
Building up general reserves	General funds	General reserves	93,550
Loan Repayment Contribution	General funds	Loan repayment contribution	35,000
School use of reserves	School General reserves	General funds	<u>41,093</u>

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

### 19 Reconciliation of movements on funds and reserves (Charity and Group)

Designated and restricted funds, and General reserves are held in cash and bank balances. The Revaluation reserve is held in the property and General funds are held in a combination of property, cash and bank balances and other balance sheet assets.

	Revaluation reserve £	General reserves £	General funds £	Designated funds £	Restricted funds £	Total £
At 1 September 2017	896,001	156,987	2,859,846	416,498	100,722	4,430,054
Transfers between funds	-	-	192,301	(201,758)	9,457	-
Transfers to reserves	-	15,100	(15,100)	-	-	-
Transfers from reserves	-	(21,916)	21,916	-	-	-
Revaluation surplus	870,800	-	-	-	-	870,800
Surplus/(deficit) for the year	-	-	83,766	74,791	(13,941)	144,616
At 31 August 2018	1,766,801	150,171	3,142,729	289,531	96,238	5,445,470
At 1 September 2018	1,766,801	150,171	3,142,729	289,531	96,238	5,445,470
Transfers between funds	-	-	205,011	(206,408)	1,397	-
Transfers to reserves	-	106,551	(106,551)	-	-	-
Transfers from reserves	-	(41,093)	41,093	-	-	-
Prior period error	-	-	(222,876)	-	-	(222,876)
(Losses) on financial instruments held at fair value	-	-	(12,939)	-	-	(12,939)
Surplus/(deficit) for the year	-	-	226,213	(33,638)	22,167	214,742
At 31 August 2019	1,766,801	215,829	3,272,680	49,485	119,802	5,424,397

### 20 Legal status

The charity is a company limited by guarantee and not having a share capital, incorporated and registered in England & Wales number 03223210. The company has charitable status and is registered with the Charity Commission under registration number 1056921. The liability of each member of the company in the event of winding up is limited to £1. At 31 August 2019 the company had 13 members (2018: 25).

### 21 Operating lease commitments (Charity and Group)

As at 31 August 2019, the commitments under operating leases on equipment and properties were as follows - leases on properties have a notice period of 3 months or less:

	2019 £	2018 £
Edge Housing property leases - due within one year	96,575	61,600
Edge Housing property leases - due between two and five years	2,600	2,600
	<u>99,175</u>	<u>64,200</u>
Office equipment - due within one year	2,331	2,331
Office equipment - due between two years and five years	3,029	5,360
	<u>5,360</u>	<u>7,691</u>
Total operating lease commitments	<u>104,535</u>	<u>71,891</u>

### 22 Capital commitments (Charity and Group)

Neither the Charity nor the wholly owned trading subsidiary had any capital commitments at 31 August 2019 or 31st August 2018.

### 23 Contingent liabilities (Charity and Group)

The charity and company had no contingent liabilities at 31 August 2019 (2018: None).

### 24 Incoming resources and net increase in funds

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

	Year ended 31 Aug 2019 £	Year ended 31 Aug 2018 £
Total incoming resources	2,829,812	2,691,014
Net increase in funds	<u>214,742</u>	<u>144,615</u>

## OXFORDSHIRE COMMUNITY CHURCHES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

#### 25 Volunteers

The directors gratefully acknowledge the massive amount of time, energy, passion and skills that the hundreds of volunteers contribute to the charity across all its activities. These volunteer contributions cannot be measured in monetary terms, but without its volunteers the charity would not be able to provide all the activities that it does for the public in general or its congregations.

#### 26 Post Balance Sheet Events

In March 2020, as a result of the Covid-19 pandemic, the country was placed into lockdown. Whilst this has resulted in significant changes in how the charity operates, there has been no significant impact to date on income received. The group has taken advantage of various government initiatives, such as the job retention scheme and deferral of tax payments, to smooth the group's cashflows; a 6 month mortgage capital repayment holiday has also been agreed.

The King's Centre Limited, the wholly owned trading subsidiary of the charity, was closed due to government restrictions imposed. As a conference and events centre, it is not expected to reopen fully until these restrictions are eased, and little or no income is expected for the remainder of the financial year to 31 August 2020. This situation has given the opportunity for the directors to perform a full strategic review resulting in changes to the ongoing vision of the company as well as some restructuring of roles and responsibilities. Detailed projections have been drawn up which indicate the company will return to profitability in the future. The charity are fully supportive of these initiatives and the trustees have agreed that sufficient reserves are held within the charity such that financial support would be made available to The King's Centre Limited in the future should it be required.

The trustees do not believe that there is any financial impact on the financial statements for the year ended 31 August 2019 as a result of this subsequent event. Please refer to the trustees report on pages 2 to 14 for further information.

#### 27 Prior Period adjustment

The fair value of the interest rate swap was inappropriately valued at nil in the prior period. As a result, the prior period liability relating to the interest rate swap has been increased by £222,876 (as valued by Barclays, who provided the swap) with a corresponding reduction in net income/(expenditure) and unrestricted general funds.

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2019 (continued)

### 28 Full Comparative Consolidated Statement of Financial Activities (Including Income and expenditure account) for the year ended 31 August 2018 as restated

	<u>Notes</u>	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £
<b>INCOME FROM</b>					
Gifts and donations		1,094,268	280,539	187,429	1,562,236
Charitable activities:					
School & Preschool fees and other income		769,204	-	10,667	779,871
Other Charitable activities		59,793	107,380	-	167,173
Income from trading activities:					
Trading subsidiary income		534,331	-	-	534,331
Other income		1,071	-	-	1,071
<b>TOTAL INCOME</b>		<b>2,458,667</b>	<b>387,919</b>	<b>198,096</b>	<b>3,044,682</b>
<b>EXPENDITURE ON</b>					
Charitable activities:					
School & Preschool	2	777,848	-	8,413	786,261 *
Other Charitable activities	2	1,242,444	313,128	203,624	1,759,196 *
		2,020,292	313,128	212,037	2,545,457
Trading activities:					
Trading subsidiary expenditure	3	353,666	-	-	353,666
Other expenditure		943	-	-	943
<b>TOTAL EXPENDITURE</b>		<b>2,374,901</b>	<b>313,128</b>	<b>212,037</b>	<b>2,900,066</b>
(Losses)/gains on financial instruments held at fair value through income and expenditure	27	(222,876)	-	-	(222,876)
<b>NET INCOME/(EXPENDITURE)</b>		<b>83,766</b>	<b>74,791</b>	<b>(13,941)</b>	<b>144,616</b>
Transfers between funds	18 & 19	192,301	(201,758)	9,457	-
<b>NET MOVEMENT IN FUNDS</b>	19	<b>53,191</b>	<b>(126,967)</b>	<b>(4,484)</b>	<b>(78,260)</b>
Unrealised gains on revaluation of properties for charity use	8, 9 & 19	870,800	-	-	870,800
<b>NET MOVEMENT IN FUNDS</b>		<b>923,991</b>	<b>(126,967)</b>	<b>(4,484)</b>	<b>792,540</b>
<b>TOTAL FUNDS brought forward</b>	19	<b>3,912,834</b>	<b>416,498</b>	<b>100,722</b>	<b>4,430,054</b>
<b>TOTAL FUNDS carried forward</b>	19	<b>4,836,825</b>	<b>289,531</b>	<b>96,238</b>	<b>5,222,594</b>

\* The above figures have been adjusted to correct the allocation of expenditure on the New Yatt Road site from School & Preschool spending to Other Charitable Activities spending; overall expenditure totals have not changed.