

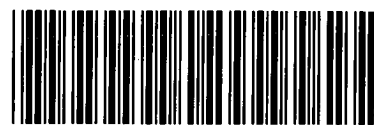
## **OXFORDSHIRE COMMUNITY CHURCHES**

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

### **Annual Report and Financial Statements for the year ended 31st August 2018**

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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 2018 (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 2018. 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.

**Directors and trustees**

SA Jones (Chairman)	JF Green
PNC Allen	JP Jacob
AJ O'Connell (appointed 6 <sup>th</sup> September 2017)	GJ Le
SBM Young (appointed 6 <sup>th</sup> September 2017)	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.

**Company Secretary** M Biddlecombe (resigned 20 March 2018)

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

**Auditors** The auditors are Baldwins Audit Services of Churchill House, 59 Lichfield Street, Walsall, WS4 2BX. 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 2018 (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 want to be a community together, serving and caring for one another. We are committed to everyone who joins us feeling part of the church family and playing an active role.

Whether or not people respond to Jesus in faith, we want to follow his example by doing good to all, both in this country and overseas, especially to those who are poor or in conditions of need, hardship or distress. We are concerned to help all people, whatever their age, race or gender. We are involved in educational work to extend Biblical understanding 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 they interact with every day; by praying, by visiting the sick and others in need, in leadership of the church congregations, in administration and also through classroom assistance in the school. The financial resources of the church are given by the 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 directors 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 10.

## **Volunteers**

The directors 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 2018 (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.

- Management Team – meets every few weeks to assist in medium-term strategic development and management of the charity to achieve its strategic aim and purpose
- 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 – oversee and develop The King's Centre facility and operation, and also 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).

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2018 (continued)**

**STRATEGIC REPORT**

**Achievements And Performance**

During the year ended 31 August 2018 the charity has sought to fulfil the calling of Christ and its charitable purposes for the public benefit as follows:

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

Oxfordshire Community Churches has continued to develop the spiritual life of the church congregations in Oxfordshire and their local communities. Each of these congregations has undertaken a variety of activities which advance the Christian religion. Sunday church meetings and a variety of courses designed to address specific aspects of Christian living for all ages have been available to all and open to the wider community without charge. The Alpha and Journeys courses are two examples that have been widely used. Some of the charity's congregations have engaged in a national initiative called "The Turning" and have also helped other churches to do so, both locally and elsewhere in the UK and Europe. 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. In the OpenGate regional grouping (working in the South of Oxfordshire) the development of a stronger regional leadership has this year enabled a thorough review of the leadership and activities of the Abingdon congregation, leading to increased focus and effectiveness in taking the Christian message to the local community; the leadership were also able to support other churches outside the charity, in Swindon and Henley, in managing leadership transition so that their work in these areas can continue and develop.

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 £24,274 (2017: £28,978) 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***

At 31 August 2018, The King's School had 188 (2017: 201) pupils from the ages of 2½ to 16 on their roll; as previously, the numbers were higher and lower throughout the school terms and were lower at the end of this year as the leaving year 11 class was the largest the school has had. The King's School has also completed the implementation of the new national GCSE requirements across all subjects in the year and has welcomed links with and visitors from schools in the Netherlands and India.

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 2018-19 and 2019-20. 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**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2018 (continued)**

At The King's Centre, Oxfordshire Community Churches has 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.

**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 £45,493 (2017: £34,142) has been paid out from central funds, 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 China, India, Kazakhstan, 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.

Christian's 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 Witney Christians Against Poverty Debt Centre had a brought forward balance of £17,625 at 1 September 2016 when it was first incorporated into the Oxfordshire Community Churches charity; this has been shown in the Consolidated SOFA on page 13 as a separate amount brought forward.

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 subsidy of £72,249 (2017: £81,652), 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 a very good year and generated a surplus of £116,544 (2017: £34,520); 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.

**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.

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2018 (continued)**

## **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 £981,358 (2017 £941,358). The individuals in our congregations around the county contributed £124,000 to a special offering in the year to 31 August 2017 (before Gift Aid) and we were able to make a one off payment against the outstanding mortgage of £152,000 which was paid in February 2018. In light of the ongoing difficult economic climate for many people throughout the year, the directors 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 which was this year more than offset by the largest Year 11 class the school has had reaching the end of their schooling at The King's School. 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 £282,288, including the one off payment of £152,000 mentioned above (2017: £126,597) 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 £534,331 in the year (2017: £381,749). 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. As shown in note 10, from 1 September 2016, the wholly owned trading subsidiary company has paid staff involved in generating funds directly, rather than the charity paying these costs. The trading subsidiary also started to make a contribution to the charity towards the costs of using the building from 1 September 2016. These changes have been made 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 and the revalued amounts stated in the accounts at 31 August 2018 are shown in Note 8 to the accounts; the resulting unrealised gain of £870,800 was added to the Revaluation reserve in this year. 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. Additional offerings and the majority of the amount received in Gift Aid are designated towards the loan repayments and interest. The reserves of Gift Aid tax recovered, together with undesignated reserves, are monitored monthly and the directors ensure that short term commitments do not exceed funds available. The directors consider that a level of general reserves equivalent to one month's expenditure is adequate and not excessive for the needs of the charity, and aims to keep at least the amount of the reserves in easily accessible bank balances. These reserves are planned to be generated over the next few years through allocating amounts from the main Oxfordshire Community Churches, The King's School and The King's Centre running budgets. The tangible fixed assets of the Group total £6,351,615 (2017: £5,492,805) and would obviously take some time to liquidate, but the directors do not consider that this will be necessary for any reason in the foreseeable future.

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2018 (continued)**

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:

Reserve or fund	Amount at 31 August 2018	Amount at 31 August 2017
Revaluation reserve	£1,766,801	£896,001
General reserves	£150,171	£156,987
General funds	£3,142,729	£2,859,846
Designated funds	£289,531	£416,498
Restricted funds	£96,238	£100,722
Balance Sheet Total	£5,445,470	£4,430,054

***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. Gift Aid relating to these funds is allocated accordingly.

**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

***Current year (2018-19)***

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 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 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



**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2018 (continued)**

**Principal Risks And Uncertainties**

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

The directors 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 directors 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.

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

**OXFORDSHIRE COMMUNITY CHURCHES**  
**TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS (including the Strategic Report)**  
**for the year ended 31<sup>st</sup> August 2018 (continued)**

**Statement Of Disclosure Of Information To Auditors**

In so far as the trustees are aware:

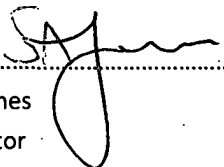
- there is no relevant audit information of which the charitable company and group's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

A resolution proposing that Baldwins Audit Services be re-appointed as auditors of the charity will be put to the Annual General Meeting.

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 June 2019 and signed on its behalf:

  
.....  
SA Jones  
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 2018 which comprise the consolidated statement of financial activities; the consolidated balance sheet; 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 2018, 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 9, 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.



**Nicola Smith (Senior Statutory Auditor)  
For and on behalf of Baldwins Audit Services  
Statutory Auditor**

26.6.19

.....  
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 2018

		Unrestricted funds General	Designated (Note 16)	Restricted funds (Note 17)	Total funds	2017 Total funds
	Notes	£	£	£	£	£
<b>INCOME FROM</b>						
Gifts and donations		1,094,268	280,539	187,429	1,562,236	1,532,212
Charitable activities:						
School & Preschool fees and other income		769,204	-	10,667	779,871	761,961
Other Charitable activities		59,793	107,380	-	167,173	149,842
Income from trading activities:						
Trading subsidiary activities		534,331	-	-	534,331	381,748
Other income		1,071	-	-	1,071	4,701
<b>TOTAL INCOME</b>		<b>2,458,667</b>	<b>387,919</b>	<b>198,096</b>	<b>3,044,682</b>	<b>2,830,464</b>
<b>EXPENDITURE ON</b>						
Charitable activities:						
School & Preschool	2	899,182	-	8,413	907,595	888,990
Other Charitable activities	2	1,121,110	313,128	203,624	1,637,862	1,545,541
		<u>2,020,292</u>	<u>313,128</u>	<u>212,037</u>	<u>2,545,457</u>	<u>2,434,531</u>
Trading activities:						
Trading subsidiary activities	3	353,666	-	-	353,666	301,279
Other expenditure		943	-	-	943	1,292
<b>TOTAL EXPENDITURE</b>		<b>2,374,901</b>	<b>313,128</b>	<b>212,037</b>	<b>2,900,066</b>	<b>2,737,102</b>
<b>NET INCOME/(EXPENDITURE)</b>	5	<b>83,766</b>	<b>74,791</b>	<b>(13,941)</b>	<b>144,616</b>	<b>93,362</b>
Transfers between funds	18 & 19	192,301	(201,758)	9,457	-	-
<b>NET MOVEMENT IN FUNDS</b>	19	<b>276,067</b>	<b>(126,967)</b>	<b>(4,484)</b>	<b>144,616</b>	<b>93,362</b>
Unrealised gains on revaluation of properties for charity use	8, 9 & 19	870,800	-	-	870,800	-
<b>NET MOVEMENT IN FUNDS</b>		<b>1,146,867</b>	<b>(126,967)</b>	<b>(4,484)</b>	<b>1,015,416</b>	<b>93,362</b>
<b>TOTAL FUNDS introduced re prior years</b>	19	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,725</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>4,318,967</b>
<b>TOTAL FUNDS carried forward</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>

The notes on pages 17 to 25 form part of these financial statements.

The full comparative Statement of Financial Activities (including Income and expenditure account) for the year ended 31 August 2017 is shown in note 26 to the financial statements on page 25.

# OXFORDSHIRE COMMUNITY CHURCHES

## CONSOLIDATED BALANCE SHEET at 31st August 2018

	Notes	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £	2017 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	8	6,351,615	-	-	6,351,615	5,492,805
<b>CURRENT ASSETS</b>						
Debtors	11	68,781	79,795	1,266	149,842	306,567
Cash at bank and in hand		391,500	212,610	95,567	699,677	633,393
		460,281	292,405	96,833	849,519	939,960
<b>CREDITORS</b>	12					
<i>Amounts falling due within one year:</i>						
Bank loan (secured)		128,000	-	-	128,000	275,000
Creditors and accruals		148,199	2,874	595	151,668	105,327
Social security and other taxes		23,940	-	-	23,940	35,040
		300,139	2,874	595	303,608	415,367
<b>NET CURRENT ASSETS</b>		160,142	289,531	96,238	545,911	524,593
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,511,757	289,531	96,238	6,897,526	6,017,398
<b>CREDITORS</b>	12					
<i>Amounts falling due after more than one year:</i>						
Bank loan (secured)		(1,452,056)	-	-	(1,452,056)	(1,587,344)
<b>NET ASSETS</b>		5,059,701	289,531	96,238	5,445,470	4,430,054
<b>FUNDS AND RESERVES</b>						
Revaluation reserve	14 & 19	1,766,801	-	-	1,766,801	896,001
General reserves	15 & 19	150,171	-	-	150,171	156,987
General funds	19	3,142,729	-	-	3,142,729	2,859,846
Designated funds	16 & 19	-	289,531	-	289,531	416,498
		5,059,701	289,531	-	5,349,232	4,329,332
Restricted funds	17 & 19	-	-	96,238	96,238	100,722
<b>TOTAL FUNDS AND RESERVES</b>	19	5,059,701	289,531	96,238	5,445,470	4,430,054

Approved by the board of directors on 24 June 2019 and signed on its behalf:

  
SA Jones  
Director


The notes on pages 17 to 25 form part of these financial statements.

# OXFORDSHIRE COMMUNITY CHURCHES

## BALANCE SHEET at 31st August 2018

	Notes	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £	2017 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	8	6,346,343	-	-	6,346,343	5,486,375
Investment in subsidiary company	10	1	-	-	1	1
		<u>6,346,344</u>	<u>-</u>	<u>-</u>	<u>6,346,344</u>	<u>5,486,376</u>
<b>CURRENT ASSETS</b>						
Debtors	11	46,401	79,795	1,266	127,462	301,173
Cash at bank and in hand		<u>347,150</u>	<u>212,610</u>	<u>95,567</u>	<u>655,327</u>	<u>590,626</u>
		<u>393,551</u>	<u>292,405</u>	<u>96,833</u>	<u>782,789</u>	<u>891,799</u>
<b>CREDITORS</b>	12					
<i>Amounts falling due within one year:</i>						
Bank loan (secured)		128,000	-	-	128,000	275,000
Creditors and accruals		83,539	2,874	595	87,008	56,949
Social security and other taxes		16,599	-	-	16,599	28,828
		<u>228,138</u>	<u>2,874</u>	<u>595</u>	<u>231,607</u>	<u>360,777</u>
<b>NET CURRENT ASSETS</b>		<u>165,413</u>	<u>289,531</u>	<u>96,238</u>	<u>551,182</u>	<u>531,022</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,511,757</u>	<u>289,531</u>	<u>96,238</u>	<u>6,897,526</u>	<u>6,017,398</u>
<b>CREDITORS</b>	12					
<i>Amounts falling due after more than one year:</i>						
Bank loan (secured)		(1,452,056)	-	-	(1,452,056)	(1,587,344)
<b>NET ASSETS</b>		<u>5,059,701</u>	<u>289,531</u>	<u>96,238</u>	<u>5,445,470</u>	<u>4,430,054</u>
<b>FUNDS AND RESERVES</b>						
Revaluation reserve	14 & 19	1,766,801	-	-	1,766,801	896,001
General reserves	15 & 19	150,171	-	-	150,171	156,987
General funds	19	3,142,729	-	-	3,142,729	2,859,846
Designated funds	16 & 19	-	289,531	-	289,531	416,498
		<u>5,059,701</u>	<u>289,531</u>	<u>-</u>	<u>5,349,232</u>	<u>4,329,332</u>
Restricted funds	17 & 19	-	-	96,238	96,238	100,722
<b>TOTAL FUNDS AND RESERVES</b>	19	<u>5,059,701</u>	<u>289,531</u>	<u>96,238</u>	<u>5,445,470</u>	<u>4,430,054</u>

Approved by the board of directors on 24 June 2019 and signed on its behalf:

  
SA Jones  
Director

The notes on pages 17 to 25 form part of these financial statements.

# OXFORDSHIRE COMMUNITY CHURCHES

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st August 2018

	2018 £	2017 £
<b><u>Reconciliation of cash flows from operating activities</u></b>		
Net incoming resources per Statement of Financial Activities	144,616	93,362
Depreciation of tangible fixed assets	14,990	17,531
Decrease in debtors	156,725	15,305
Increase in creditors (excluding bank loan)	35,241	12,376
<b>Net cash provided by operating activities</b>	<u>351,572</u>	<u>138,574</u>
<b><u>Cash flows from investing activities</u></b>		
Purchase of tangible fixed assets	(3,000)	(10,547)
<b>Net cash used in investing activities</b>	<u>(3,000)</u>	<u>(10,547)</u>
<b><u>Cash flows from financing activities</u></b>		
Repayment of borrowing	(282,288)	(126,597)
<b>Net cash used in financing activities</b>	<u>(282,288)</u>	<u>(126,597)</u>
<b>Increase in cash and cash equivalents in the year</b>	66,284	1,430
<b>Cash and cash equivalents at 1 September</b>	633,393	614,238
<b>Cash and cash equivalents introduced in year</b>	-	17,725
<b>Cash and cash equivalents at 31 August</b>	<u><u>699,677</u></u>	<u><u>633,393</u></u>
<b><u>Analysis of cash and cash equivalents</u></b>		
Cash	3,437	5,880
Bank Current account balances	696,240	627,513
	<u><u>699,677</u></u>	<u><u>633,393</u></u>



# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2018

### 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 2018 (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.

Having reviewed the financial derivative (interest rate swap) product from Barclays Bank, who provided the long term loan to develop the new building at The King's School in 2009, the directors are of the opinion that the discounted value is not materially different to the fixed market interest rate being paid and have therefore continued to show the creditor at cost.

#### *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 2018 (continued)

2	Expenditure on Charitable activities	Unrestricted funds		Restricted funds	Unrestricted	Total	2017 Total
		General	Designated	funds	General		
		Direct costs £	Direct costs £	Direct costs £	Support costs (See Note 4) £		
	School and Preschool	881,321	-	8,413	17,861	907,595	888,990
	Other Charitable activities:						
	Local churches	201,540	-	132,103	-	333,643	304,139
	Overseas work	-	-	44,404	-	44,404	34,100
	Regional activities	-	10,963	-	-	10,963	18,099
	Church Pastors and OCC area expenditure	493,796	168,817	-	97,002	759,615	762,272
	The King's Centre (OCC building)	207,438	-	-	-	207,438	229,614
	NYR facility	121,334	-	-	-	121,334	104,086
	Edge - housing and employment projects	-	102,963	14,109	-	117,072	80,864
	Witney CAP Debt Centre	-	-	13,008	-	13,008	12,367
	Sphere Church Network	-	30,385	-	-	30,385	-
		1,024,108	313,128	203,624	97,002	1,637,862	1,545,541
	Total expenditure on Charitable activities	1,905,429	313,128	212,037	114,863	2,545,457	2,434,531
3	Expenditure on trading subsidiary activities						
	Staff generating funds	180,685	-	-	-	180,685	177,327
	Operating costs of subsidiary	170,731	-	-	2,250	172,981	123,952
		351,416	-	-	2,250	353,666	301,279
4	Analysis of support costs (General fund only)					2018 £	2017 £
	School & Preschool:						
	Finance and human resources staff costs				Note 2	17,861	20,505
	Other Charitable activities:						
	Finance and human resources staff costs					64,749	55,193
	Governance:						
	Staff costs					11,048	5,196
	Auditor's remuneration					10,800	11,280
	Legal advice and property valuations					9,533	-
	Trustee indemnity insurance					872	871
					Note 2	97,002	72,540
	Total support costs for Charitable activities					114,863	93,045
	Trading subsidiary:						
	Auditor's remuneration				Note 3	2,250	2,350
	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	2017 Total
				General	Designated		
	Group net income/(expenditure) for the year is stated after charging:	£	£	£	£	£	£
	Auditors' remuneration	13,050	-	-	-	13,050	13,630
	Consultancy services from auditor re trading subsidiary	-	-	-	-	-	216
	Depreciation of tangible fixed assets (Note 8)	14,990	-	-	-	14,990	17,531
	Loan interest	-	100,783	-	-	100,783	108,910
	Staff costs	1,667,857	23,383	25,679		1,716,919	1,617,867
	Staff salaries and wages	1,404,116	20,085	21,048		1,445,249	1,378,038
	Director's remuneration (Note 6)	89,504	-	-		89,504	71,965
	Employer's National Insurance contributions	108,086	2,081	2,926		113,093	104,987
	Employer's Pension contributions	66,151	1,217	1,705		69,073	62,877

During the year the average number of staff employed by the charity was 102 (2017:101).

The average number of full-time equivalent employees was 58 (2017: 51).

None of the employees received remuneration in excess of £60,000 in the year (2017: none).

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2018 (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					2017
	Fees & salaries £	Pension £	Employer's National Insurance	Expenses £	Total £	Total £
S Jones	44,449	2,222	5,075	5,124	56,870	42,586
B Jones	10,692	534	334	100	11,660	7,145
A O'Connell	30,093	1,514	3,435	3,254	38,296	N/A
A Barnett (resigned 31 August 2017)	N/A	N/A	N/A	N/A	N/A	-
H Barnett	N/A	N/A	N/A	N/A	N/A	9,260
S Barnett	N/A	N/A	N/A	N/A	N/A	1,254
A Longmore (resigned 10.5.17)	N/A	N/A	N/A	N/A	N/A	8,521
K Neal (resigned 10.5.17)	N/A	N/A	N/A	N/A	N/A	9,545
	85,234	4,270	8,844	8,478	106,826	78,311

Total remuneration (including pension contributions) £89,504. (2017: £71,965)

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 £872 has been paid for trustee indemnity insurance cover (2017: £872). There were no other transactions with, 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 £69,388 in the year (2017: £100,067).

During the previous year, one of the directors benefitted from a bursary contribution from the charity towards school fees for his children who attend the school run by the charity. This bursary fund is available for anyone with children at the school to apply to in order to be considered by a panel for a bursary payment. The bursary school fee payments made by the charity on behalf of the director in the year amounted to £Nil (2017: £7,434).

### 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 2017	5,454,200	195,278	6,000	5,655,478	7,715	5,663,193
Additions at cost	-	3,000	-	3,000	-	3,000
Revaluation surplus	870,800	-	-	870,800	-	870,800
Disposals	-	(10,450)	-	(10,450)	-	(10,450)
At 31 August 2018	6,325,000	187,828	6,000	6,518,828	7,715	6,526,543
<b>Accumulated depreciation</b>						
At 1 September 2017	-	163,103	6,000	169,103	1,285	170,388
Charge for year	-	13,832	-	13,832	1,158	14,990
Eliminated on disposals	-	(10,450)	-	(10,450)	-	(10,450)
At 31 August 2018	-	166,485	6,000	172,485	2,443	174,928
<b>Net book value</b>						
At 31 August 2018	6,325,000	21,343	-	6,346,343	5,272	6,351,615
At 31 August 2017	5,454,200	32,175	-	5,486,375	6,430	5,492,805

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

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2018 (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 £5,777,310 at 31 August 2018 and £5,844,934 at 31 August 2017. 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, during the year on the basis of existing use and in accordance with the RICS Valuation - Global Standards, July 2017.

The revaluation surplus of £870,800 has been added to the Revaluation reserve 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.

From 1 September 2016, the wholly owned trading subsidiary company has paid staff involved in generating funds directly, rather than the charity paying these costs. The trading subsidiary also started to make a contribution to the charity towards the costs of using the building from 1 September 2016. These changes have been made in accordance with Charity Commission guidance on trading subsidiary companies.

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

	2018 £	2017 £
Turnover	534,331	381,749
Cost of sales	(140,865)	(95,022)
Gross profit	393,466	286,727
Administrative expenses	(276,922)	(252,207)
Net profit gifted to the charity	116,544	34,520
Assets	86,291	77,187
Liabilities	(86,290)	(77,186)
Net assets	1	1

### 11 Debtors

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
<i>All falling due within one year:</i>				
Trade debtors	39,307	61,225	3,736	33,233
Gift Aid tax recoverable	64,151	167,000	64,151	167,000
Profit from TKC Ltd - wholly owned subsidiary	-	-	6,553	22,597
Other debtors	19,572	19,699	27,308	19,699
Prepayments and accrued income	26,812	58,643	25,714	58,644
	149,842	306,567	127,462	301,173

### 12 Creditors

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
<i>Amounts falling due within one year:</i>				
Bank loan - repayable by instalments	128,000	275,000	128,000	275,000
Trade creditors	25,161	29,109	21,283	25,545
HM Revenue & Customs	23,940	32,351	16,599	28,828
Other creditors	45,645	20,750	43,716	20,147
Accruals and deferred income	80,862	58,157	22,009	11,257
	303,608	415,367	231,607	360,777

*Amounts falling due after more than one year:*

Bank loan - repayable by instalments:

Due in more than one year but less than five years	500,000	500,000	500,000	500,000
Due in more than five years	952,056	1,087,344	952,056	1,087,344
	1,452,056	1,587,344	1,452,056	1,587,344

The bank loan is secured on the company's properties. The amount falling due within one year for 2017 includes an amount of specific donations and associated gift aid of £152,000 paid off the bank loan in February 2018.

Creditors include pension contributions due of £9,224 (2017: £9,157).

All brought forward deferred income (customer deposits) at 31 August 2017 has been allocated as income in the year ended 31 August 2018. Deferred income at 31 August 2018 amounted to £20,834 (2017: £5,873).

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2018 (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 the General fund 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)

Each year the charity seeks to set aside the Gift Aid tax recovery arising from general funds for special purposes or projects. This and other income specifically designated by the trustees form the designated funds as follows, which are held as cash and bank balances:

	Opening £	Income £	Expenditure £	Transfers £	Closing £
<b>1 September 2016 to 31 August 2017</b>					
TKS Building fund	-	144,080	(10,266)	18,186	152,000
Gift Aid tax recoverable	248,000	198,262	(98,703)	(126,596)	220,963
Mission fund	2,157	5	(257)	257	2,162
S Thomas support fund	9,386	32,132	(56,486)	28,500	13,532
Area Education fund	3,695	1,449	(1,949)	-	3,195
Community Projects fund	3,190	-	-	-	3,190
Edge Housing fund	17,846	76,006	(75,785)	(7,257)	10,810
TKC Maintenance fund	15,267	-	-	(21,455)	(6,188)
Regional support funds	28,227	8,706	(18,099)	(2,000)	16,834
	<u>327,768</u>	<u>460,640</u>	<u>(261,545)</u>	<u>(110,365)</u>	<u>416,498</u>
<b>1 September 2017 to 31 August 2018</b>					
TKS Building fund	152,000	16,413	(66,413)	(102,000)	-
Gift Aid tax recoverable	220,963	189,160	(34,371)	(130,287)	245,465
Mission fund	2,162	3,359	-	-	5,521
S Thomas support fund	13,532	37,198	(64,840)	17,376	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>

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

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

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 has been 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.

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 2018 (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	Introduced	Income	Expenditure	Transfers	Closing
	£	£	£	£	£	£
<b>1 September 2016 to 31 August 2017</b>						
The King's School restricted	18,639	-	17,833	(12,654)	-	23,818
Salem School	265	-	1,046	-	-	1,311
Missionary support	8,557	-	30,886	(31,742)	-	7,701
Mission (France)	756	-	231	(731)	(256)	-
Rwanda Development	4,438	-	-	(1,371)	-	3,067
Witney CAP Debt Centre	-	17,725	17,166	(12,367)	-	22,524
Edge Housing fund	-	-	10,220	(5,078)	5,325	10,467
Other funds	59,120	-	67,540	(91,579)	(3,247)	31,834
	<u>91,775</u>	<u>17,725</u>	<u>144,922</u>	<u>(155,522)</u>	<u>1,822</u>	<u>100,722</u>
<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)	-	26,736
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>-</u>	<u>198,096</u>	<u>(212,037)</u>	<u>9,457</u>	<u>96,238</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 came under the umbrella of Oxfordshire Community Churches at 1 September 2016 and brought with it an existing balance of £17,725.

Edge Housing received a grant and also transferred general funds to a restricted fund 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 2016 to 31 August 2017

Reason	From fund	To fund	£
Servicing King's School building loan	Gift Aid tax recovered	General funds	126,596
Contributions towards ministry support	General funds	S Thomas support fund	28,500
Church contributions to regions	Local Church General	Regional Designated funds	610
Church contributions to loan servicing	General funds	TKS Building fund	18,186
Contribution from King's Centre surplus	General funds	TKC Maintenance fund	7,000
Gifts to regions for Area costs	Regional Designated funds	Area General funds	2,000
Approved transfer-General to Restricted	Local Church General	Local Church Restricted	704
From general to designated for worker	Edge General funds	Edge Restricted funds	5,325
Edge contribution to Area costs	Edge General funds	Area General funds	1,932
France Mission to General Missions	Restricted France fund	Designated Mission funds	257
Assets & repairs paid from TKC Maint Fund	TKC Maintenance fund	General funds	28,455
Building up general reserves	General funds	General reserves	15,100
Approved transfer re Youth Worker	Youth Club restricted	Church General	3,951

#### 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	675
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	856
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	21,916

# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2018 (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 2016	896,001	141,887	2,861,536	327,768	91,775	4,318,967
Transfers between funds	-	-	108,543	(110,365)	1,822	-
Balance b/fwd introduced	-	-	-	-	17,725	17,725
Transfers to reserves	-	15,100	(15,100)	-	-	-
Surplus/(deficit) for the year	-	-	(95,133)	199,095	(10,600)	93,362
At 31 August 2017	896,001	156,987	2,859,846	416,498	100,722	4,430,054
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

### 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 2018 the company had 25 members (2017: 25).

### 21 Operating leases (Charity and Group)

The charity and group had the following future minimum lease payments for each of the following periods:

	2018 £	2017 £
Office equipment - expiring between two years and five years	7,691	10,022
Operating lease payments recognised as expenses during the year	2,331	3,633

### 22 Capital commitments (Charity and Group)

The wholly owned trading subsidiary made commitments for future expenditure before 31st August 2018 - a 3 year contract for plants and their maintenance (total £4,996), and a new booking management system with training and ongoing rental for 3 years (total £13,266). The Charity had no capital commitments at 31 August 2018. (Both the Charity and Group had no capital commitments at 31 August 2017.)

### 23 Contingent liabilities (Charity and Group)

The charity and company had no contingent liabilities at 31 August 2018 (2017: 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 August 2018 £	Year ended 31 August 2017 £
Total incoming resources	2,691,014	2,529,186
Net increase in funds	144,615	93,363

### 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.



# OXFORDSHIRE COMMUNITY CHURCHES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2018 (continued)

### 26 Full Comparative Consolidated Statement of Financial Activities (including Income and expenditure account) for the year ended 31 August 2017

	Unrestricted funds General £	Designated £	Restricted funds £	Total funds £
<b>INCOME FROM</b>				
Gifts and donations	1,030,956	374,167	127,089	1,532,212
Charitable activities:				
School & Preschool fees and other income	744,128	-	17,833	761,961
Other Charitable activities	63,369	86,473	-	149,842
Income from trading activities:				
Trading subsidiary income	381,748	-	-	381,748
Other income	4,701	-	-	4,701
<b>TOTAL INCOME</b>	<b>2,224,902</b>	<b>460,640</b>	<b>144,922</b>	<b>2,830,464</b>
<b>EXPENDITURE ON</b>				
Charitable activities:				
School & Preschool	876,336	-	12,654	888,990
Other Charitable activities	1,141,128	261,545	142,868	1,545,541
	2,017,464	261,545	155,522	2,434,531
Trading activities:				
Trading subsidiary expenditure	301,279	-	-	301,279
Other expenditure:	1,292	-	-	1,292
<b>TOTAL EXPENDITURE</b>	<b>2,320,035</b>	<b>261,545</b>	<b>155,522</b>	<b>2,737,102</b>
<b>NET INCOME</b>	<b>(95,133)</b>	<b>199,095</b>	<b>(10,600)</b>	<b>93,362</b>
Transfers between funds	108,543	(110,365)	1,822	-
<b>NET MOVEMENT IN FUNDS</b>	<b>13,410</b>	<b>88,730</b>	<b>(8,778)</b>	<b>93,362</b>
<b>TOTAL FUNDS introduced re prior years</b>			<b>17,725</b>	<b>17,725</b>
<b>TOTAL FUNDS brought forward</b>	<b>3,899,424</b>	<b>327,768</b>	<b>91,775</b>	<b>4,318,967</b>
<b>TOTAL FUNDS carried forward</b>	<b>3,912,834</b>	<b>416,498</b>	<b>100,722</b>	<b>4,430,054</b>