



BASINGSTOKE COMMUNITY CHURCHES

*North Basingstoke Community Church
East Basingstoke Community Church
South Basingstoke Community Church
West Basingstoke Community Church
Town Centre Community Church
Tadley Community Church
The King's School
Open House*

**ANNUAL REPORT &
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 MARCH 2018

BASINGSTOKE COMMUNITY CHURCHES
ANNUAL REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2018

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TRUSTEES AND ADVISORS

Trustees / Directors

The Trustees / Directors during the year were as follows:

Colin Grant (chair)
Mark Holley (resigned 2 October 2017)
Ben Oliver (appointed 2 October 2017)
Mike Poulton
David Robotham
Jon Smith
Andrew Taylor
Philip Wraight

Company Secretary

Elaine Coombs

Advisors

Bankers

Barclays Bank plc
8 Market Place
Basingstoke
Hampshire RG21 7QA

Auditors

Brewers Chartered Accountants
Bourne House
Queen Street
Gomshall
Surrey GU5 9LY

Registered Office

The Sarum Hill Centre
Sarum Hill
Basingstoke
Hampshire RG21 8SR

Company limited by guarantee number

03476768

Registered Charity Number

1067316

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TRUSTEES' REPORT

The Trustees, who are directors of the Charity for the purposes of company law, present their report and the audited financial statements for the year ended 31 March 2018. Details of Trustees and the Churches' advisors are set out on page 2.

Constitution and Objects

Basingstoke Community Churches are constituted as a Company Limited by Guarantee and governed by its memorandum and articles of association.

The Churches meet in local congregations which have been given local autonomy whilst continuing to work closely together as a family of churches.

The objects of the Company are:

- The advancement of evangelical Christian causes which are pursued through a number of local congregations in the Basingstoke area, and involvement with other churches in the UK and overseas.
- The relief of poverty and hardship in various forms.
- The advancement of education in accordance with Christian principles. This includes the operation of a Christian school.
- Such other charitable purposes beneficial to the community as a whole.

When assessing our activities and achievements, the Trustees have considered the Charity Commission guidance on public benefit, and in particular, the guidance for charities on the advancement of religion.

The Trustees delegate the management of the Company to the local Core Team and the elders of the Basingstoke Community Churches. Some of the Trustees are also elders of the local churches. The Trustees are appointed by ordinary resolution at a general meeting by the members of the Company, most of whom are also elders in the churches.

Structure and organisation

Basingstoke Community Churches is made up of seven local churches in the area, each of which is governed by a team of elders, assisted by an administrator and a treasurer. The local churches develop their own local expression and involvement in the community whilst retaining the overall values and ethos of the whole.

There is a Core Team made up of the main leaders of each of the seven churches along with some other leaders who have a ministry across all the churches – this team oversees corporate strategy and values. The Trustees have legal responsibility for the activities of all the churches. The Core Team and Trustees are served by a team caring for the buildings and a central finance and administration team.

The King's School is now closed at the time of writing. It was managed by governors responsible to the Trustees. The school was for pupils from Pre-school through the Reception Year to Year 11, and took students through to GCSE level.

Induction and Training of Trustees

Trustees are carefully selected for their suitability. Once appointed, they undertake an induction programme in order to fully familiarise them with the workings of the charity.

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Activities and Achievements

This last year has seen so much change in BCCs. April 2017 began with the communication of findings from an external review team that encouraged us to re-imagine how the Church could be more effective in its outreach and impact. There has been much that has been successful over many years, but a desire to see even more achieved. There also remains the challenge to ensure the church is sustainable long term, which necessitates its constant renewal. As BCCs reaches into the sixth decade since the charismatic movement in the UK began and of which the Baptist church, as it was then, was a forerunner, the challenge to not settle but renew remains.

The review highlighted a number of areas for consideration, which in many ways formed much of the focus for this last year. New structures have been established that affect all the Churches: three churches (North, South, East), merged into a new Church currently called Hub Community Church and led by Andy Wright; greater emphasis was brought to Town Centre to be a resource church with a vision beyond itself; greater autonomy was given to Tadley and West to work in their patches and be less Basingstoke-centric. In addition a new core team was established under Phil's leadership, to work apostolically amongst the churches, enhancing the team aspect of this. New financial structures have come into place (commencing April 2018), in which a far higher percentage of tithe income is administered and governed by the local church and leadership, empowering them to allocate resources as they see fit in their church. All of this is to release, empower and enable the churches to be more effective in reaching their areas and impacting society. As one can imagine this has meant lots of change for lots of people and all the commensurate challenges of that. However, we remain one charity with one set of trustees, and so retain certain central functions rather than the potential waste of resource that could occur with duplication.

In spite of all this change we are very aware that structural and financial change is one thing, but personal growth or change in the hearts of people is what we need to see God do, if anything is really going to change. We are also aware that it is still very early days in implementing the review recommendations, and we face some significant challenges. Not least of these is the sale of two of our buildings, to recoup the investment into the closing of The King's School, release resource, facilitate the changing financial structures, and enable the purchase of a building for the new Hub church. This is not coming easily and we have called the church to pray, as we seek God's way forward for this.

The King's School

The final five students continued to be taught and supported by some wonderful people, Mike Hackston, Donna Medhurst, Marianne Bastin, Ray Minifie and Margie Duncan. These guys went beyond the call of duty to enable these final students to finish well, and they take their exams in summer 2018. With this final year coming to an end it really is the ending of an era. The last few years have been hard but most families have now moved on to new educational routes and most have come through the grief and loss associated with the ending of this era. We still wonder what God has for us in the realm of education. The Free School consideration, mentioned in last year's report, stalled because of lack of clarity about government policy on education, and although some news finally came after considerable time awaiting, we are unsure of next steps.

Community Activity

Much continues as ever. What is notable is the ongoing and seemingly increasing favour received by the Churches from the local Council. The Night Shelter has received rave reviews and the desire from the local Council to partner with churches is high. The new Hub Church is in considerable conversation, both at a county and local level, over possible partnership as it seeks a building from which to bless the community and house its gatherings. Street Pastors reached its ten years anniversary and planned a celebration event for July 2018. This is an amazing

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achievement, in which Andy Taylor, Malcolm Murray and many others have been instrumental. Phil Thomas is the current chair. The Chaplain programme continues to gain opportunities, with on-going space to work around the town, and different opportunities such as Chaplains for the railway station, and the law courts arising. The Be Sharpe company, that Chris Blow leads, has become more of a mentoring in DIY skills, and appears to have significant traction. There is so much going on and so many involved across the churches in Basingstoke, that it is difficult to keep track of it all.

Leadership

The review brought about some leadership changes, with Andy Wright being given leadership of the new Hub Church. But he does so with the able support of Margie and Robin Mendelsohn who led North Church, Phil Norris, Farayi Nyakubaya, Sophie Stanford and Graham Clay from East Church, and Dan Wake a further member from the former South Church. This team is transitional and will be re-assessed in 2018-19, but they have worked hard and diligently to see the new Hub Church launched in January 2018 and sustained.

In Tadley new elders have been put in place, Caroline Oates, Alistair Bodin, Jonathan Dunn, and John Braithwaite. This has enabled Hugh Norris to step down after many years of service, both as leader and elder, and for Greg to have a broader team. Town Centre Church have run their second Growing Leaders course, which is excellent, and continue to find ways for newer leaders to grow and express themselves. West Church continue to think creatively about drawing more folks into leadership in a way that is sustainable, yet shares the load. Good progress is being made with the development of different teams to consider different aspects of church life.

Youth Work

After a number of years leading the corporate youth work Mark & Lynne Jones have now stopped. Massive thanks is due to them for their and their teams work. Both Town Centre and the new Hub church are looking to employ youth workers, if they can be found (!), whilst Tadley continues with its Taste programme. It remains a high priority to resource this area, especially with the ending of The King's School.

All in all it's been a challenging year of change. Many activities have continued, which is great, but the desire to be even more focussed on growth and impact and finding ways to do this remain an on-going challenge.

Phil Norris, on behalf of the Core Team

Financial Review

Tithe Income was down a little from the previous year at £648,375 (2017: £712,409). Total Incoming Resources were £1,048,849 (2017: £1,249,880), a decrease on the previous year mainly due to a reduction in school income. Total Expenditure, used to meet our ongoing objectives, was £1,200,351 (2017: £1,453,416), a reduction of 17%, with the change again largely due to the gradual closure of the school. We have also repaid a further £62,000 of the outstanding bank loan which funded our building project. We are so grateful for the faithful giving of God's people.

As set out in Note 6 of the financial statements, gifts and donations made by the churches totalled £155,732 (2017: £139,704) - these comprise gifts made by the churches' leadership and also include amounts specified by the donors. They are made to people and organisations with whom we have an ongoing relationship and therefore accountability in seeing that the money is used appropriately in accordance with the gift. Amongst the many ministries that we support, these received the most financial aid in the last year:

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- Debbie and Elias Santos, working amongst the poor in Mozambique.
- Annie Crowe and her work in Uganda amongst the poor.
- Kate Tolhurst, working in a children's centre in Kasana, Uganda.
- Patti Squire (Pearls of Africa) working with disadvantaged people in Uganda.
- Salt & Light Ministries, the family of churches that we are part of.

The trustees gratefully acknowledge receipt from Hampshire County Council of Early Years Funding for the under 5's in The King's School (this finished in the summer term of 2017).

The reduction in income from The Kings School has not been matched immediately with a reduction in costs as the building still needs to be maintained and staff are still employed. Two members have kindly loaned the charity £275,000 to enable operations to continue, and this will be repaid once the sale of the Bramblys building is completed.

The financial position at 31 March 2018 is considered satisfactory for future activities. Our reserves policy can be found in the accounting policies (note 1 to the financial statements), Our reserves policy is to aim to hold cash balances equal to three to four months of expenditure. Free reserves are unrestricted reserves that are not represented by fixed assets.

The financial statements:

- have been prepared in accordance with the accounting policies set out in notes to the financial statements;
- comply with the charity's governing document;
- comply with the Companies Act 2006; and
- comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Public Benefit. The Trustees have considered the guidance provided by the Charity Commission regarding public benefit and the work of the charity for this year and for the future.

Risk Assessment. The Trustees have given consideration to the major risks to which the charity is exposed and are satisfied that there are measures in place designed to mitigate those risks.

Pensions. The church runs a Group Flexible Retirement Plan, and employees earning in excess of £10,000 p.a. are entitled to receive a 3% employer pension contribution in addition to their salary. All employees are also encouraged to make their own contributions although this is not mandatory. The church has now fully implemented 'auto-enrolment', the government plan to encourage all employees to save more for retirement.

Small company exemptions. The Trustees Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees on 4 October 2018 and signed on their behalf.



Colin Grant, Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASINGSTOKE COMMUNITY CHURCHES

Opinion

We have audited the financial statements of Basingstoke Community Churches (the 'charitable company') for the year ended 31 March 2018 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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' 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

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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, which includes the directors' report, prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 trustees' 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 7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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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: <https://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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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, for our audit work, for this report, or for the opinions we have formed.



Andrew Skilton ACA (Senior Statutory Auditor)
For and on behalf of Brewers, Chartered Accountants, Statutory Auditor
Bourne House
Queen Street
Gomshall
Surrey GU5 9LY

Date: 4/10/18

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STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2018
(Including Income & Expenditure Account)

Notes	INCOME AND ENDOWMENTS	Unrestricted Funds		Restricted Funds	2018 Total Funds	2017 Total Funds
		General £	Designated £	£	£	£
	From:					
	Voluntary Income					
14	Gifts, donations and legacies	9,775	670,457	112,810	793,042	845,822
	Other income	42,000	0	0	42,000	0
	Income Tax Refund	0	134,939	15,854	150,793	154,056
		<u>51,775</u>	<u>805,396</u>	<u>128,663</u>	<u>985,835</u>	<u>999,878</u>
	Investment Income	63	147	15	226	240
3	Charitable Activities	-	1,052	61,735	62,788	249,762
	Total	<u>51,838</u>	<u>806,596</u>	<u>190,414</u>	<u>1,048,849</u>	<u>1,249,880</u>
	EXPENDITURE on:					
4	Charitable Activities	654,079	103,625	442,648	1,200,351	1,453,416
	Total	<u>654,079</u>	<u>103,625</u>	<u>442,648</u>	<u>1,200,351</u>	<u>1,453,416</u>
	Net Income / (Deficit)	<u>(602,240)</u>	<u>702,971</u>	<u>(252,234)</u>	<u>(151,503)</u>	<u>(203,536)</u>
10&11	Transfers between funds	444,929	(689,720)	244,791	-	-
	Net Movement in Funds	<u>(157,311)</u>	<u>13,251</u>	<u>(7,443)</u>	<u>(151,503)</u>	<u>(203,536)</u>
	Total Funds at 1st April 2017	<u>1,675,554</u>	<u>168,263</u>	<u>52,880</u>	<u>1,896,697</u>	<u>2,100,233</u>
	Total Funds carried forward at 31st March 2018	<u>1,518,243</u>	<u>181,514</u>	<u>45,437</u>	<u>1,745,194</u>	<u>1,896,697</u>

There were no recognised gains or losses other than those included in the Statement of Financial Activities.

The notes on pages 14 to 23 form part of these financial statements.

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BALANCE SHEET AS AT 31 MARCH 2018

A company limited by guarantee
Company regn number 03476768

Notes	2018		2017
	£	£	£
	FIXED ASSETS		
7	Tangible fixed assets	2,251,806	2,304,870
	CURRENT ASSETS		
8	Debtors and prepayments	54,102	41,372
	Bank and cash balances	<u>247,680</u>	<u>374,033</u>
		301,782	415,405
9	CREDITORS: Amounts falling due within one year	<u>(372,428)</u>	<u>(321,659)</u>
	NET CURRENT (LIABILITIES) /ASSETS	<u>(70,640)</u>	<u>93,746</u>
	TOTAL FIXED and NET CURRENT (LIABILITIES)/ASSETS	2,181,166	2,398,616
9	CREDITORS: Amounts falling due in 2-5 years	(290,932)	(282,737)
	CREDITORS: Amounts falling due after more than 5 years	<u>(145,041)</u>	<u>(219,182)</u>
	CREDITORS: Amounts falling due after one year	(435,972)	(501,919)
	NET ASSETS	<u>1,745,194</u>	<u>1,896,697</u>
	Represented by FUNDS:		
	Unrestricted Funds:		
	General funds	1,518,243	1,675,554
10	Designated Funds	<u>181,514</u>	<u>168,263</u>
		1,699,757	1,843,817
11	Restricted Funds	45,437	52,880
		<u>1,745,194</u>	<u>1,896,697</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Trustees on 4/10/18 and signed on their behalf by:



Michael Poulton, Trustee

The notes on pages 14 to 23 form part of these financial statements.

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STATEMENT OF CASH FLOWS
For the year ended 31 March 2018

Note	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
	(193,503)	(203,536)
	Adjustments for:	
	53,064	53,186
	17,880	19,657
8	(12,730)	(9,308)
9	40,865	(6,308)
	<u>(94,424)</u>	<u>(146,309)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
9	50,000	225,000
9	(64,042)	(62,264)
	(17,880)	(19,657)
	<u>(31,922)</u>	<u>143,079</u>
	<u>(126,353)</u>	<u>(3,230)</u>
	374,033	377,263
	<u>247,680</u>	<u>374,033</u>

The notes on pages 14 to 23 form part of these financial statements.

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1. Accounting Policies

a. Accounting Policies

Basis of Accounts Preparation

The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Companies Act 2006.

The Trustees allocate general funds for the purpose of paying for a proportion of the running costs of the school. A transfer is made to reflect this.

Basingstoke Community churches meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

FRS 102 has been adopted when preparing these financial statements. The transition date to FRS 102 was 1 April 2015 and the last financial statements prepared under the previous reporting framework were prepared for the year ended 31 March 2016. In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP a restatement of comparative items was needed. No restatements were required.

b. Income

Gifts, tithes and donations are recognised as income when received, together with the associated tax credit.

Legacy income is recognised when it is reasonable to assume that this income will be receivable. It is included in the SOFA at the value based on information provided.

Income from charitable activities is recognised when the charity is considered to be entitled to apply the resource and the likelihood of receipt is established with reasonable accuracy.

c. Expenditure

Expenditure is accounted for on an accruals basis as soon as there is a legal or constructive obligation to transfer economic benefits as a result of past transactions or events, it is probable that the transfer of economic benefit will be required in settlement and the monetary value of the settlement can be measured with sufficient reliability.

Governance costs comprise external audit and all costs of complying with constitutional and statutory requirements.

d. VAT

Due to the nature of the company's activities, it is outside the scope of VAT and therefore it's Income and Expenditure, as stated, is VAT inclusive.

e. Funds

Restricted Funds are separately identified and appropriately described. General Funds are not subject to any restrictions regarding their use and are available for application to the general purposes of the charity. The individual churches' income and expenditure are designated by the Trustees, except where the income is restricted by the donors.

The accounts include all the transactions, assets and liabilities for which the company is responsible in law. They do not include the accounts of groups that are informal gatherings of church members.

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f. Reserves

The reserves policy for Basingstoke Community Churches is to aim to hold three to four months surplus to cover expenditure (equivalent to £250,000 to £300,000) as cash reserves. This is in addition to fixed assets held and used for the churches' aims and purposes. This level of reserves should ensure that at any time of the year the Church is not required to borrow funds on overdraft from its bankers. Any additional reserves are generated with a view to fund longer term projects.

The current level of centrally held undesignated cash reserves stands at £267,540. In addition, the Trustees consider that, if necessary, they would be able to call upon local church funds of £51,360 and so these are included in the overall reserves which stand at £318,900.

g. Fixed Assets and Depreciation

Land and buildings are shown at cost. In January 2015 the Trustees consulted local agents and estimated the market value to be £2.35million.

Sarum Hill - Estimated market value.	£0.9 Million
Bramblys - Estimated market value.	£0.5 Million
Key House - Estimated market value.	£0.95 Million

In January 2017 the Bramblys site only was valued by local agents, Carter Jonas at £675,000 which is in excess of the net book value of £436,000. In May 2018, Key House was revalued at £1.325million, slightly lower than the current net book value.

Fixed assets over £5,000 are capitalised and depreciation is calculated to write off the cost over the estimated useful life as follows:

Land	Nil
Buildings	4% Straight line per annum
Motor Vehicles	25% Straight line per annum
Equipment	25% Straight line per annum

h. Pension Scheme

Basingstoke Community Churches operates a defined contribution pension scheme for staff. The scheme is administered by Standard Life and is a qualifying workplace scheme for auto enrolment.

Employer contributions are charged to the Income and Expenditure Account as they become payable.

i. Redundancy and Severance Pay

The cost of redundancy and severance pay is recognised in the financial statements in the year in which an irrevocable commitment is made to incur the costs. Due to the closure of The Kings School in July 2018, £24,390 of redundancy costs will be incurred in the financial year 2018/19.

j. Leasing Commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

k. Financial Instruments

Basingstoke Community Churches holds only basic financial instruments.

Debtors are measured at historic cost and are held at settlement amount net of discounts less any provision for non-recoverability

Creditors are measured at historic cost and are held at settlement amount net of discounts.

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2. Trustees and connected persons

During the year the following payments were made to Trustees and connected persons:

	salary £	pension contribution £	expenses £
Michael Poulton	16,566	497	1,164
Andrew Taylor	13,183	5,015	3,051
Diane Taylor	7,894	0	652
David Robotham	0	0	282
Ben Oliver	0	0	265
Mark Holley	0	0	239
Philip Wraight	0	0	239
<i>Totals</i>	37,643	5,512	5,892

The company contributed £5,512 (2017 - £5,985) to a Group Personal Pension Plan during the year. There were no outstanding contributions at the year-end.

Approval has been received from the Charity Commission to make payments to Trustees.

Trustees' expenses relate to travel and motor expenses (£4,463), and training and conference fees (£1,429).

Related Parties:

Andy Taylor is a trustee of the 'The Dwelling Place' which received gifts and donations of £262. He is also a trustee of The Starfish Enterprise Trust Ltd, an organization that runs the Night Shelter to which gifts and donations were made in the year (see Note 6) of £15,535

Michael Poulton was also a trustee of Salt & Light Ministries to which gifts and donations were made in the year (see Note 6) of £5,830. He resigned on 5 July 2017.

Philip Wraight is also a trustee of 'The Safe, Basingstoke Ltd' to which gifts and donations were made in the year (see Note 6) of £2,244.

The wife of Andrew Taylor is employed by the church - see above.

The total donations received from trustees and related parties was £36,839 (2017: £47,322).

One trustee has made an unsecured, interest free loan to Basingstoke Community Churches of £25,000. This has not yet been repaid.

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3. Income from Charitable Activities

	Unrestricted Funds		Restricted	Total	2017
	General	Designated	Funds	2018	
	£	£	£	£	£
Events and sundries	-	1,052	0	1,052	7,987
The King's School Contributions	-	-	56,899	56,899	189,238
Early Years Funding	-	-	4,836	4,836	52,537
	-	1,052	61,735	62,788	249,762

4. Cost of Charitable Activities

	Unrestricted Funds		Restricted	Total	2017
	General	Designated	Funds	2018	
	£	£	£	£	£
a					
Direct Charitable Costs					
Missions & Projects Support (note 6)	14,392	12,816	128,524	155,732	139,704
Pastoral & Teaching Staff Costs	396,711	24,180	276,600	697,492	925,351
Training & Events	-	3,736	0	3,736	10,829
Ministry Support	9,428	26,975	0	36,403	37,842
Premises	60,514	34,052	28,304	122,870	119,553
Other School Costs	-	-	3,791	3,791	24,783
	481,046	101,759	437,219	1,020,024	1,258,062
b					
Support & Administration					
Administration Costs	87,461	1,578	4,136	93,175	102,858
Legal & Compliance Costs	1,397	-	985	2,382	5,853
Governance costs: Audit	8,550	-	-	8,550	8,400
Accounts preparation	2,250	-	-	2,250	2,200
Bank charges & Interest	19,671	288	37	19,996	21,926
Trustee Liability Insurance	640	-	-	53,064	53,186
Depreciation	53,064	-	-	53,064	53,186
	173,033	1,866	5,429	180,327	195,354
Total	654,079	103,625	442,648	1,200,351	1,453,416

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5. Other Disclosures

	2018	2017
	£	£
The net incoming resources figure for the year is after charging:		
<i>Staff costs</i>		
Salaries	604,680	838,458
Social Security	51,413	68,579
Employer Pension Contributions	31,189	43,200
Redundancy	60,440	9,936
	<u>747,722</u>	<u>960,173</u>

	<i>Headcount</i>	<i>Headcount</i>
<i>The average number of paid staff (headcount)</i>		
Ministry	12	12
School	11	25
Buildings	3	2
Administration	7	8
	<u>33</u>	<u>47</u>

No staff member received earnings of £60,000 or more.

The key management personnel of the charity comprise of the trustees and the apostolic team.
The total amounts paid in respect of the key management personnel of the charity were £401,678 (2017: £417,525).

	2018	2017
	£	£
Operating lease payments expensed in year	2,509	2,509
Auditor's remuneration – for audit	8,550	8,400
Auditor's remuneration – for accountancy services	2,250	2,200
	<u>10,800</u>	<u>10,600</u>

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6. Support for People and Projects

	2018	2017
	£	£
The church made the following Gifts and Donations in excess of £1,000, including specified gifts from restricted income received.		
BCC gifts to South Central Sphere	8,162	-
South Central Sphere Giving & Conference	14,262	-
Night Shelter	15,535	10,755
Barney Coombes	4,050	-
Pearls of Africa	13,967	-
TKS Gift collection	10,150	-
Bursary Contribution	3,220	-
Tanzania	9,134	-
Foodbank	1,319	1,156
Annie Crowe – Uganda	12,120	14,565
Kakeke Church, Uganda	3,300	-
Pattie Squire, Mengo, Uganda	2,271	3,351
Kate Tolhurst, Kasana, Uganda	12,923	15,372
Tim & Rachel Monger – Tanzania	1,558	2,009
Debbie & Elias Santos – Mozambique	9,420	15,270
Ben & Miriam Price, Brazil	1,531	8,167
Sunil Paul, Nashik, India	3,037	7,896
Salt & Light Ministries Europe	5,830	13,992
The Safe, Basingstoke	-	2,534
Aid to the Balkans	840	1,200
Holidays/trips for poor & needy	3,307	4,698
Paid out from the Be Sharpe		
Legacy Poor Fund	-	3,148
Nalini Paul Nasik Floods	-	2,763
Money Life	600	-
Other	19,197	32,828
Total	155,732	139,704

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7. Analysis of Fixed Assets

	Freehold Land & Property £	Motor Vehicle £	Furnishings and Equipment £	Total £
Cost				
At 1 April 2017	2,914,118	12,431	5,830	2,932,379
Additions	-	-	-	-
Disposals	-	-	(5,830)	-
At 31 March 2018	<u>2,914,118</u>	<u>12,431</u>	<u>-</u>	<u>2,932,379</u>
Accumulated Depreciation				
At 1 April 2017	609,248	12,431	5,830	627,509
Charge for the year	53,064	-	-	53,064
Depreciation on disposals	-	-	(5,830)	-
At 31 March 2018	<u>662,312</u>	<u>12,431</u>	<u>-</u>	<u>680,573</u>
Net Book Value				
At 31 March 2018	<u>2,251,806</u>	<u>-</u>	<u>-</u>	<u>2,251,806</u>
At 1 April 2017	<u>2,304,870</u>	<u>-</u>	<u>-</u>	<u>2,304,870</u>

In January 2015 the Trustees were advised that the market value of the freehold land and buildings to be £2.35 million and now consider the market value to be in excess of that figure.

8. Debtors

	2018 £	2017 £
Gift Aid tax claims	43,704	35,240
Other Debtors and Prepayments	<u>10,398</u>	<u>6,132</u>
	<u>54,102</u>	<u>41,372</u>

9. Creditors

Amounts falling due within one year

Bank Loan	67,562	65,658
Other Loans	275,000	225,000
PAYE and NIC	10,859	17,601
Deferred Income	1,650	0
Accruals	16,335	11,386
Other Creditors	<u>1,022</u>	<u>2,014</u>
	<u>372,428</u>	<u>321,659</u>

Amounts falling due in 2-5 years

Bank Loan	290,932	282,737
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Amounts falling due after 5 years

Bank Loan	145,041	219,182
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Total Creditors	<u>808,401</u>	<u>823,578</u>
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The Bank Loan is secured against Key House and the Sarum Hill Centre.
Three interest free, unsecured loans have been received from members of the church to provide short-term cash flow until the sale of the Brambly property is received.

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10. Designated Funds

	Opening Balance £	Income £	Expenditure £	Transfers £	Closing Balance £
Corporate Funds					
Missional Fund	3,856	0	0	0	3,856
TOPS Oakley Pantomime Soc.	453	360	540	0	273
Elderly	525	0	0	0	525
English Café	798	372	236	0	934
Scholarship Fund	0	0	0	0	0
Sound of Hope Choir	0	400	315	0	85
Youth	222	300	2,514	(1,200)	(3,191)
Prophetic Development	498	0	0	0	498
Supernatural School	464	0	350	0	114
	<u>6,816</u>	<u>1,432</u>	<u>3,955</u>	<u>(1,200)</u>	<u>3,093</u>
Local Church Funds					
North	11,478	113,735	14,642	(99,066)	11,506
South	26,505	170,439	19,352	(138,397)	39,195
East	41,396	106,632	11,042	(93,550)	43,437
West	24,240	76,877	10,442	(65,963)	24,712
Tadley	14,152	97,595	10,033	(85,365)	16,349
Open House	2,179	4,379	1,006	0	5,552
Town Centre	41,412	235,886	33,372	(206,180)	37,746
	<u>161,362</u>	<u>805,543</u>	<u>99,889</u>	<u>(688,520)</u>	<u>178,498</u>
Total Designated Funds	<u>168,263</u>	<u>806,596</u>	<u>103,625</u>	<u>(689,720)</u>	<u>181,515</u>

Corporate Funds: These are monies designated for a specific purpose by the Trustees.

Local Church Funds: Tithes and Offerings are unrestricted funds but they are treated as designated as they come into each local church separately. Transfers are made to reflect costs paid centrally from general funds.

11. Restricted Funds

	Opening Balance £	Income £	Expenditure £	Transfers £	Closing Balance £
The King's School	7,356	64,259	292,972	227,975	6,618
Early Years Funding	0	4,836	21,652	16,816	0
Specified Offerings	27,936	100,772	104,526	0	24,182
Local Church Funds	17,588	20,547	23,498	0	14,637
<i>Total</i>	<u>52,880</u>	<u>190,414</u>	<u>442,648</u>	<u>244,791</u>	<u>45,437</u>

The King's School fund represents the income and costs of running the school. The transfer from general funds to the King's School represents a proportion of the running costs of the school.

Specified offerings include all gifts indicated by the donor to be for specific purposes.

Local Church Funds are given to the local churches for their use as indicated by the donor.

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12. Analysis of Net Assets Between Funds

2018	Unrestricted Funds		Restricted Funds	Total 2018
	General	Designated		
	£	£	£	£
Fixed Assets	2,251,806			2,251,806
Net Current Assets	(297,591)	181,514	45,437	(70,640)
Long Term Liabilities	<u>(435,972)</u>			<u>(435,972)</u>
	<u>1,518,243</u>	<u>181,541</u>	<u>45,437</u>	<u>1,745,194</u>

2017	Unrestricted Funds		Restricted Funds	Total 2017
	General	Designated		
	£	£	£	£
Fixed Assets	2,304,870	0	0	2,304,870
Net Current Assets	(127,397)	168,263	52,880	93,746
Long Term Liabilities	<u>(501,919)</u>	<u>0</u>	<u>0</u>	<u>(501,919)</u>
	<u>1,675,554</u>	<u>168,263</u>	<u>52,880</u>	<u>1,896,697</u>

13. Leases

At the reporting end date the company had the following minimum lease payments under non-cancellable operating leases (all for equipment) which fall due as follows:

	2018	2017
	£	£
Expiring in less than one year	2,509	2,509
Expiring in two to five years	<u>3,423</u>	<u>5,930</u>
	<u>5,932</u>	<u>8,439</u>

14. Discontinuing Operations

The King's School will close at the end of the 2017/18 academic year. The current year includes income and expenditure relating to the school. Income has reduced as no new pupils were enrolled but the costs of running the school could not be cut in proportion to the fall of income.

	2018	2017
	£	£
Income from The King's School	69,095	248,108
Expenditure	<u>314,624</u>	<u>573,977</u>
Deficit generated by The King's School	<u>(245,529)</u>	<u>(325,869)</u>

Other income includes £42,000 (2017:£Nil) non-returnable deposit received on aborted sale of freehold property in the year under review.

15. Events after the end of the reporting period

Basingstoke Community Churches have begun the process of marketing the Brambllys site in excess of the market valuation of £675,000 made in January 2017 and Key House in excess of the market valuation of £1,325,000 valued in May 2018. Both are awaiting planning approval of change of use.

The trustees believe that these property sales will provide sufficient cash and capital resources to enable Basingstoke Community Churches to continue as a going concern.

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**16. STATEMENT OF FINANCIAL ACTIVITIES FOR THE PRECEEDING YEAR
(including Income & Expenditure Account)**

INCOME AND ENDOWMENTS	Unrestricted Funds		Restricted	2017
	<i>General</i>	<i>Designated</i>	Funds	Total
	£	£	£	£
<i>from:</i>				
Voluntary Income				
Gifts, donations and legacies	16,976	727,795	101,051	845,822
Income Tax Refunds	8	135,978	18,070	154,056
	<u>16,984</u>	<u>863,773</u>	<u>119,121</u>	<u>999,878</u>
Investment Income				
Interest receivable	31	180	29	240
Charitable Activities	0	7,987	241,775	249,762
Total	<u>17,015</u>	<u>871,940</u>	<u>360,925</u>	<u>1,249,880</u>
EXPENDITURE on:				
Charitable Activities	662,365	114,030	677,021	1,453,416
Total	<u>662,365</u>	<u>114,030</u>	<u>677,021</u>	<u>1,453,416</u>
Net Income / (Expenditure)	<u>(645,350)</u>	<u>757,910</u>	<u>(316,096)</u>	<u>(203,536)</u>
Transfers between funds	437,287	(752,339)	315,052	0
Net Movement in Funds	<u>(208,063)</u>	<u>(5,571)</u>	<u>(1,044)</u>	<u>(203,536)</u>
Total Funds at 1st April 2016	<u>1,883,617</u>	<u>162,692</u>	<u>53,924</u>	<u>2,100,233</u>
Total Funds carried forward at 31st March 2017	<u>1,675,554</u>	<u>168,263</u>	<u>52,880</u>	<u>1,896,697</u>