

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 2016

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OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS (including the Strategic Report) for the year ended 31st August 2016

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 2016. 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. | |
| Charity name | Oxfordshire Community Churches | |
| Other working names of charity | OCC, Stepping Stones and The King's School. | |
| Directors and trustees | SA Jones (Chairman) PNC Allen AJM Barnett PNC Gale J Green JP Jacob | M Greig (resigned 14 th September 2016) A Longmore (resigned 10 th May 2017) KJ Neal (resigned 10th May 2017) DJ Kirk GJ Le |
| | 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. | |
| Secretary | M Biddlecombe | |
| Principal address and registered office | The King's Centre, Osney Mead, Oxford, OX2 0ES. | |
| Auditors | The auditors are Morgan Cameron Limited, Chartered Accountants and Registered Auditors, of 9 Thorney Leys Park, Witney, Oxfordshire, OX28 4GE. 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

REPORT OF THE DIRECTORS (including the Strategic Report) for the year ended 31st August 2016 (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 church congregations (Abingdon, Aston & Cote, Bicester, Carterton, Chipping Norton, Didcot, Kidlington, Leys, Oxford, Wantage and Witney) meeting in and around Oxfordshire. 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 the churches 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 under gift aid.

How Our Activities Deliver Public Benefit

The charity carries out a wide range of activities in pursuance of its charitable aims. 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.

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

REPORT OF THE DIRECTORS (including the Strategic Report) for the year ended 31st August 2016 (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 13th 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.

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 either a director or the company secretary among their members, and report to the directors. This facilitates the effective and smooth running of the charity.

- Regional Development Team – meets monthly to assist in medium-term strategic development and management of the charity to achieve its strategic aim and objectives
- 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 payscales, inflation rates and publicly available information regarding remuneration packages of other charities and organisations. No-one remunerated by the charity is involved in this committee.

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 gift aid.

Social investment

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

OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS (including the Strategic Report) for the year ended 31st August 2016 (continued)

STRATEGIC REPORT

Achievements And Performance

During the year ended 31 August 2016 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. 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, 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.

Various pastors travelled overseas in order to teach, advise and support churches, missionaries and Bible colleges. These trips were undertaken at a cost of £12,034 (2015: £11,918) to Oxfordshire Community Churches and without charge to those we visit. Nations visited include Belgium, Canada, Denmark, France, Germany, Norway, Poland, Sweden, Switzerland and 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 the end of the charitable company's financial year of 31 August, The King's School had 203 (2015: 204) pupils from the ages of 2½ to 16 on their roll; as in previous years, the numbers were higher and lower at various points throughout the school terms. During the year, Oxfordshire Community Churches continued the transfer of ownership of The King's Pre-school to Highway Church in Bicester, which was completed at the end of January 2017. We are confident that they will continue the successful running of the pre-school.

In partnership with Chapel St Community Schools Trust, Oxfordshire Community Churches continued to provide support for a free school in Oxford – Tyndale Community School. This new school opened in September 2013, and serves a community where there had previously been insufficient school places. The school was fully subscribed for the academic year 2015-16 and continues to grow year on year. It is fully subscribed again for the academic year 2016-17.

At The King's Centre, Oxfordshire Community Churches has run various training courses. These courses were open to all and had an impact in changed lives and strengthened relationships for those who attended.

In addition, many local churches run discipleship programmes and leadership training, helping people deepen their Biblical understanding and its application to everyday life.

OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS (including the Strategic Report) for the year ended 31st August 2016 (continued)

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 £41,720 (2015: £43,585) has been paid out from central funds, with further significant support from individual local churches, for work overseas. Through these activities we have been able to help people in many nations including China, Gabon, India, Nepal, Rwanda and Uganda, Zimbabwe.

Whilst Oxfordshire is a generally affluent county, many of our churches are working into areas of poverty and hardship. Care for the homeless, food banks, CAP Money courses and Street Pastors all help to alleviate these conditions.

Through a subsidy of £69,044 (2015: £69,033), 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 subsidiary trading company of Oxfordshire Community Churches, generated a surplus of £388,392 (2015: £277,245) which was remitted to Oxfordshire Community Churches as a donation. This was used to cover the costs of generating the income and to contribute towards the costs of running the centre.

Financial Review And Results For The Year

The charity continues to operate under healthy financial conditions. As such the Trustees are confident in the charity as an ongoing concern. This is illustrated in the following areas of operation:

Churches

Tithe and other unrestricted voluntary income through the local churches increased from £947,860 to £955,028.

The King's School

The school's pupil numbers remained steady, partially reflecting continued marketing activity. The school also incorporates Stepping Stones Foundation Unit, increasing its provision to include 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 £119,655 (2015: £116,102) were made in the year.

The King's Centre Limited

Our trading subsidiary, The King's Centre Limited, which hires out rooms at The King's Centre, received income of £475,332 (2015: £339,502). This increase in income is a reflection of the continued marketing effort to build on that of previous years. Whilst economic pressures still present a challenge, there are increased numbers of both new and returning clients.

Freehold properties

The freehold properties are included at valuation based on their existing use. The properties were revalued at 31 August 2014 and the surplus arising of £471,001 was added to the Revaluation reserve in that year. The King's Centre, Oxford was valued at £3 million and The King's School, Witney at £2.45 million. Both properties are being maintained in good order and are collateral for the loan taken out to develop The King's School.

OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS (including the Strategic Report) for the year ended 31st August 2016 (continued)

Reserves

The majority of the charity's income is derived from school fees, regular gifts, and donations from a wide range of sources and 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 charity total £5,499,789 (2015: £5,497,399) 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.

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 2016 |
|---------------------|--------------------------|
| Revaluation reserve | £896,001 |
| General reserves | £141,887 |
| General funds | £2,861,536 |
| Designated funds | £327,768 |
| Restricted funds | £91,775 |
| Balance Sheet Total | £4,318,967 |

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 for restricted funds in note 17 to the accounts. 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 develop stronger regional groups of churches, with more 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 (2016-17)

During the current year we intend to:

- Continue to devolve governance of the spiritual life of our churches to regional teams.
- Continue to strengthen and develop the trustee body, with new trustees and an increased connection with regional leadership teams
- Continue transition of leadership roles in our Bicester and Kidlington churches
- Continue the stability of pupil numbers at The King's School through continued marketing

OXFORDSHIRE COMMUNITY CHURCHES

REPORT OF THE DIRECTORS (including the Strategic Report) for the year ended 31st August 2016 (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 Child Protection 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 within and in addition to church services naturally means that the charity is exposed to a high degree of risk in working with children. Safeguarding (Child Protection) training is held for all employees and volunteers who work with or regularly come into contact with children, even if only indirectly. DBS checks are also made on these people, and these are renewed and the seminars conducted at least at the recommended intervals. Workers are not permitted to work with children unless they have completed training and 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.

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.

OXFORDSHIRE COMMUNITY CHURCHES

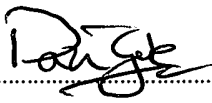
REPORT OF THE DIRECTORS (including the Strategic Report) for the year ended 31st August 2016 (continued)

Auditors

A resolution proposing that Morgan Cameron Limited 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 25 May..... 2017 and signed on its behalf:



PNC Gale

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXFORDSHIRE COMMUNITY CHURCHES

We have audited the financial statements of Oxfordshire Community Churches for the year ended 31 August 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 regulations made under section 154 of the Charities Act 2011. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, 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.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2016, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.


.....
Alan Thornton FCA

Senior Statutory Auditor

.....³⁰ May 2017

For and on behalf of:

Morgan Cameron Limited, Statutory Auditor

9 Thorney Leys Park

Witney

OX28 4GE

OXFORDSHIRE COMMUNITY CHURCHES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and expenditure account) for the year ended 31st August 2016

| | Notes | Unrestricted funds General £ | Designated £ | Restricted funds £ | Total funds £ | 2015 Total funds £ |
|--|---------|------------------------------------|-----------------|--------------------------|---------------------|--------------------------|
| INCOME FROM | | | | | | |
| Gifts and donations | | 1,048,826 | 272,112 | 176,038 | 1,496,976 | 1,476,520 |
| Charitable activities: | | | | | | |
| School & Preschool fees and other income | | 745,175 | - | - | 745,175 | 699,054 |
| Other Charitable activities | | 67,659 | 76,962 | - | 144,621 | 147,466 |
| Income from trading activities: | | | | | | |
| Trading subsidiary activities | | 475,332 | - | - | 475,332 | 339,502 |
| Other income | | 4,659 | 1,172 | - | 5,831 | 6,268 |
| TOTAL INCOME | | 2,341,651 | 350,246 | 176,038 | 2,867,935 | 2,668,810 |
| EXPENDITURE ON | | | | | | |
| Charitable activities: | | | | | | |
| School & Preschool | 2 | 875,592 | - | 6,633 | 882,225 | 683,819 |
| Other Charitable activities | 2 | 1,103,521 | 244,491 | 156,030 | 1,504,042 | 1,542,033 |
| | | 1,979,113 | 244,491 | 162,663 | 2,386,267 | 2,225,852 |
| Trading activities: | | | | | | |
| Trading subsidiary activities | 3 | 265,090 | - | - | 265,090 | 197,324 |
| Other expenditure | | 900 | 750 | - | 1,650 | 1,766 |
| TOTAL EXPENDITURE | | 2,245,103 | 245,241 | 162,663 | 2,653,007 | 2,424,942 |
| NET INCOME | 5 | 96,548 | 105,005 | 13,375 | 214,928 | 243,868 |
| Transfers between funds | 18 & 19 | 76,923 | (76,923) | - | - | - |
| NET MOVEMENT IN FUNDS | 19 | 173,471 | 28,082 | 13,375 | 214,928 | 243,868 |
| TOTAL FUNDS brought forward | 19 | 3,725,953 | 299,686 | 78,400 | 4,104,039 | 3,860,171 |
| TOTAL FUNDS carried forward | 19 | 3,899,424 | 327,768 | 91,775 | 4,318,967 | 4,104,039 |

The notes on pages 16 to 24 form part of these financial statements.

The full comparative Statement of Financial Activities (including Income and expenditure account) for the year ended 31 August 2015 is shown in note 26 to the financial statements on page 24.

OXFORDSHIRE COMMUNITY CHURCHES

CONSOLIDATED BALANCE SHEET at 31st August 2016

| | Notes | Unrestricted funds General £ | Designated £ | Restricted funds £ | Total funds £ | 2015 Total funds £ |
|--|---------|------------------------------------|-----------------|--------------------------|---------------------|-----------------------------|
| FIXED ASSETS | | | | | | |
| Tangible assets | 8 | 5,499,789 | - | - | 5,499,789 | 5,497,399 |
| CURRENT ASSETS | | | | | | |
| Debtors | 11 | 95,790 | 226,082 | - | 321,872 | 146,822 |
| Cash at bank and in hand | | 420,220 | 102,243 | 91,775 | 614,238 | 695,032 |
| | | <u>516,010</u> | <u>328,325</u> | <u>91,775</u> | <u>936,110</u> | <u>841,854</u> |
| CREDITORS | 12 | | | | | |
| <i>Amounts falling due within one year:</i> | | | | | | |
| Bank loan (secured) | | 108,834 | - | - | 108,834 | 115,000 |
| Creditors and accruals | | 93,673 | 557 | - | 94,230 | 98,531 |
| Social security and other taxes | | 33,761 | - | - | 33,761 | 28,088 |
| | | <u>236,268</u> | <u>557</u> | <u>-</u> | <u>236,825</u> | <u>241,619</u> |
| NET CURRENT ASSETS | | <u>279,742</u> | <u>327,768</u> | <u>91,775</u> | <u>699,285</u> | <u>600,235</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>5,779,531</u> | <u>327,768</u> | <u>91,775</u> | <u>6,199,074</u> | <u>6,097,634</u> |
| CREDITORS | 12 | | | | | |
| <i>Amounts falling due after more than one year:</i> | | | | | | |
| Bank loan (secured) | | (1,880,107) | - | - | (1,880,107) | (1,993,595) |
| NET ASSETS | | <u>3,899,424</u> | <u>327,768</u> | <u>91,775</u> | <u>4,318,967</u> | <u>4,104,039</u> |
| FUNDS AND RESERVES | | | | | | |
| Revaluation reserve | 14 & 19 | 896,001 | - | - | 896,001 | 896,001 |
| General reserves | 15 & 19 | 141,887 | - | - | 141,887 | 124,510 |
| General funds | 19 | 2,861,536 | - | - | 2,861,536 | 2,705,442 |
| Designated funds | 16 & 19 | - | 327,768 | - | 327,768 | 299,686 |
| | | <u>3,899,424</u> | <u>327,768</u> | <u>-</u> | <u>4,227,192</u> | <u>4,025,639</u> |
| Restricted funds | 17 & 19 | - | - | 91,775 | 91,775 | 78,400 |
| TOTAL FUNDS AND RESERVES | 19 | <u>3,899,424</u> | <u>327,768</u> | <u>91,775</u> | <u>4,318,967</u> | <u>4,104,039</u> |

Approved by the board of directors on 25 May 2017 and signed on its behalf:



PNC Gale
Director

The notes on pages 16 to 24 form part of these financial statements.

OXFORDSHIRE COMMUNITY CHURCHES

BALANCE SHEET at 31st August 2016

| | Notes | Unrestricted funds General £ | Designated £ | Restricted funds £ | Total funds £ | 2015 Total funds £ |
|--|---------|------------------------------------|-----------------|--------------------------|---------------------|-----------------------------|
| FIXED ASSETS | | | | | | |
| Tangible assets | 8 | 5,499,789 | - | - | 5,499,789 | 5,497,399 |
| Investment in subsidiary company | 10 | 1 | - | - | 1 | 1 |
| | | <u>5,499,790</u> | <u>-</u> | <u>-</u> | <u>5,499,790</u> | <u>5,497,400</u> |
| CURRENT ASSETS | | | | | | |
| Debtors | 11 | 84,088 | 226,082 | - | 310,170 | 188,254 |
| Cash at bank and in hand | | <u>397,300</u> | <u>102,243</u> | <u>91,775</u> | <u>591,318</u> | <u>616,400</u> |
| | | <u>481,388</u> | <u>328,325</u> | <u>91,775</u> | <u>901,488</u> | <u>804,654</u> |
| CREDITORS | 12 | | | | | |
| <i>Amounts falling due within one year:</i> | | | | | | |
| Bank loan (secured) | | 108,834 | - | - | 108,834 | 115,000 |
| Creditors and accruals | | 63,838 | 557 | - | 64,395 | 65,589 |
| Social security and other taxes | | 28,975 | - | - | 28,975 | 23,831 |
| | | <u>201,647</u> | <u>557</u> | <u>-</u> | <u>202,204</u> | <u>204,420</u> |
| NET CURRENT ASSETS | | <u>279,741</u> | <u>327,768</u> | <u>91,775</u> | <u>699,284</u> | <u>600,234</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>5,779,531</u> | <u>327,768</u> | <u>91,775</u> | <u>6,199,074</u> | <u>6,097,634</u> |
| CREDITORS | 12 | | | | | |
| <i>Amounts falling due after more than one year:</i> | | | | | | |
| Bank loan (secured) | | (1,880,107) | - | - | (1,880,107) | (1,993,595) |
| NET ASSETS | | <u>3,899,424</u> | <u>327,768</u> | <u>91,775</u> | <u>4,318,967</u> | <u>4,104,039</u> |
| FUNDS AND RESERVES | | | | | | |
| Revaluation reserve | 14 & 19 | 896,001 | - | - | 896,001 | 896,001 |
| General reserves | 15 & 19 | 141,887 | - | - | 141,887 | 124,510 |
| General funds | 19 | 2,861,536 | - | - | 2,861,536 | 2,705,442 |
| Designated funds | 16 & 19 | - | 327,768 | - | 327,768 | 299,686 |
| | | <u>3,899,424</u> | <u>327,768</u> | <u>-</u> | <u>4,227,192</u> | <u>4,025,639</u> |
| Restricted funds | 17 & 19 | - | - | 91,775 | 91,775 | 78,400 |
| TOTAL FUNDS AND RESERVES | 19 | <u>3,899,424</u> | <u>327,768</u> | <u>91,775</u> | <u>4,318,967</u> | <u>4,104,039</u> |

Approved by the board of directors on 25 May 2017 and signed on its behalf:

PNC Gale
Director

The notes on pages 16 to 24 form part of these financial statements.

OXFORDSHIRE COMMUNITY CHURCHES

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st August 2016

| | 2016 £ | 2015 £ |
|--|-----------------------|-----------------------|
| Reconciliation of net outgoing resources to net cash flow from operating activities | | |
| Net incoming resources | 214,928 | 243,868 |
| Depreciation of tangible fixed assets | 14,404 | 12,142 |
| (Increase)/decrease in debtors | (175,050) | 6,686 |
| Increase/(decrease) in creditors (excluding bank loan) | 1,372 | 7,045 |
| Net cash provided by operating activities | <u>55,654</u> | <u>269,741</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (16,794) | (44,986) |
| Net cash used in investing activities | <u>(16,794)</u> | <u>(44,986)</u> |
| Cash flows from financing activities | | |
| Repayment of borrowing | (119,654) | (116,102) |
| Net cash used in financing activities | <u>(119,654)</u> | <u>(116,102)</u> |
| Increase in cash in the year | <u>(80,794)</u> | <u>108,653</u> |
| Cash and cash equivalents at 1 September | <u>695,032</u> | <u>586,379</u> |
| Cash and cash equivalents at 31 August | <u><u>614,238</u></u> | <u><u>695,032</u></u> |

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2016

1 Accounting policies

i Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) and with the Statement of Recommended Practice "Accounting and Reporting by Charities" FRS102 as revised in 2015 (SORP 2015), together with the reporting requirement of the Companies Act 2006 and the Charities Act 2011. The Charity has adapted the Companies Act formats to reflect SORP 2015 and the special nature of the Charity's activities.

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

The Charity is a public benefit entity as defined by FRS 102.

These financial statements have been prepared on the going concern basis. There are no material uncertainties about the Charity's ability to continue.

The accounting policies have been applied consistently throughout the group, accounts and the prior year.

ii 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.

iii Transition to FRS 102

The new Financial Reporting Standard (FRS 102) applies for the first time this year. In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and SORP 2015 the restatement of corresponding amounts was required; no restatement is required.

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 Operating leases

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

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2016

1 Accounting policies (continued)

viii 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 a straight line basis 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% per annum |
| Vehicles | 20% 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.

ix 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.

x 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.

xi 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.

xii 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.

xiii 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.

xiv Collateral

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

xv 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 2016 (continued)

| 2 Expenditure on Charitable activities | Unrestricted funds | | Restricted funds | Unrestricted funds | | Total | 2015 Total |
|---|--------------------|----------------|------------------|--------------------|-------------------------------|------------------|---------------|
| | General | Designated | | General | Support costs (See Note 4) | | |
| | Direct costs | Direct costs | Direct costs | Support costs | | | |
| | £ | £ | £ | £ | £ | £ | £ |
| School and Preschool | 861,141 | - | 6,633 | 14,451 | 882,225 | 683,819 | |
| Other Charitable activities: | | | | | | | |
| Local churches | 198,112 | - | 112,035 | - | 310,147 | 296,417 | |
| Overseas work | - | - | 43,819 | - | 43,819 | 40,319 | |
| Regional celebration activities | - | 19,214 | - | - | 19,214 | 9,463 | |
| Church Pastors and OCC area expenditure | 508,624 | 168,024 | - | 71,829 | 748,477 | 861,681 | |
| The King's Centre (OCC building) | 217,347 | - | - | - | 217,347 | 182,955 | |
| NYR facility | 107,357 | - | - | - | 107,357 | 97,935 | |
| Edge - housing and employment projects | - | 57,253 | - | - | 57,253 | 51,761 | |
| Youth group | 252 | - | 176 | - | 428 | 1,502 | |
| | 1,031,692 | 244,491 | 156,030 | 71,829 | 1,504,042 | 1,542,033 | |
| Total expenditure on Charitable activities | 1,892,833 | 244,491 | 162,663 | 86,279 | 2,386,267 | 2,225,852 | |
| 3 Expenditure on trading subsidiary activities | | | | | | | |
| Staff generating funds | 178,150 | - | - | - | 178,150 | 135,067 | |
| Operating costs of subsidiary | 84,790 | - | - | 2,150 | 86,940 | 62,257 | |
| | 262,940 | - | - | 2,150 | 265,090 | 197,324 | |
| 4 Analysis of support costs (General fund only) | | | | | | | |
| | | | | | 2016 £ | 2015 £ | |
| School & Preschool: | | | | | | | |
| Finance and human resources staff costs | | | | Note 2 | 14,451 | 17,424 | |
| Other Charitable activities: | | | | | | | |
| Finance and human resources staff costs | | | | | 55,114 | 46,735 | |
| Governance: | | | | | | | |
| Staff costs | | | | | 5,543 | 3,532 | |
| Auditor's remuneration | | | | | 10,320 | 9,720 | |
| Trustee indemnity insurance | | | | | 852 | 493 | |
| | | | | Note 2 | 71,829 | 60,480 | |
| Total support costs for Charitable activities | | | | | 86,280 | 77,904 | |
| Trading subsidiary: | | | | | | | |
| Auditor's remuneration | | | | Note 3 | 2,150 | 2,050 | |
| 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 for the year | | | | | | | |
| | Unrestricted funds | | Restricted funds | Unrestricted funds | | Total | 2015 Total |
| | General | Designated | | General | Support costs | | |
| | £ | £ | £ | £ | £ | £ | £ |
| Auditors' remuneration | 12,470 | - | - | - | 12,470 | 11,770 | |
| Depreciation of tangible fixed assets (Note 7) | 14,404 | - | - | - | 14,404 | 12,142 | |
| Loan interest | - | 114,699 | - | - | 114,699 | 120,588 | |
| Staff costs | 1,466,439 | 11,815 | 23,805 | - | 1,502,059 | 1,340,272 | |
| Staff salaries and wages | 1,243,229 | 11,367 | 20,763 | - | 1,275,359 | 1,068,643 | |
| Director's remuneration (Note 6) | 71,743 | - | - | - | 71,743 | 119,846 | |
| Employer's National Insurance contributions | 95,229 | 448 | 1,934 | - | 97,611 | 94,696 | |
| Employer's Pension contributions | 56,238 | - | 1,108 | - | 57,346 | 57,067 | |

During the year the average number of staff employed by the charity was 104 (2015: 93).

The average number of full-time equivalent employees was 55 (2015: 47).

None of the employees received remuneration in excess of £60,000 in the year (2015: none).

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2016 (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, and one director in her capacity as School Bursar, as expressly permitted by the Memorandum and Articles of Association. Connected persons to a third director were remunerated for work at The King's School and The King's Centre. The following payments were made to or on behalf of directors and connected persons:

| | Remuneration | | | | 2015 |
|--|--------------------------|--------------|---------------|---------------|----------------|
| | Fees & salaries £ | Pension £ | Expenses £ | Total £ | Total £ |
| S Thomas (resigned 15.4.15) | N/A | N/A | N/A | N/A | 51,473 |
| L Thomas | N/A | N/A | N/A | N/A | 7,481 |
| S Jones (appointed 15.4.15) | 35,772 | 1,759 | 4,083 | 41,614 | 38,470 |
| B Jones | 6,645 | 332 | 6 | 6,983 | 7,150 |
| A Barnett | | | | | |
| H Barnett | 8,450 | 442 | - | 8,892 | 8,659 |
| B Barnett | 135 | - | - | 135 | 139 |
| A Longmore (resigned 10.5.17) | 7,663 | 338 | 1,234 | 9,235 | 7,775 |
| K Neal (resigned 10.5.17) | 9,721 | 486 | - | 10,207 | 9,884 |
| | <u>68,386</u> | <u>3,357</u> | <u>5,323</u> | <u>77,066</u> | <u>131,031</u> |
| Total remuneration (including pension contributions) | £71,743 (2015: £119,846) | | | | |

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 £852 has been paid for trustee indemnity insurance cover (2015: £493). 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 £123,211 in the year (2015: £113,891).

During the 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 an panel for a bursary payment. The bursary school fee payments made by the charity on behalf of the director in the year amounted to £7,800 (2015: £4,321).

8 Tangible fixed assets (Charity and Group)

| | Freehold property £ | Office equipment £ | Minibus £ | Total £ |
|--------------------------|------------------------|-----------------------|--------------|------------------|
| Cost or valuation | | | | |
| At 1.9.15 | 5,454,200 | 180,669 | 6,000 | 5,640,869 |
| Additions at cost | | 16,794 | - | 16,794 |
| At 31.8.16 | <u>5,454,200</u> | <u>197,463</u> | <u>6,000</u> | <u>5,657,663</u> |
| Accumulated depreciation | | | | |
| At 1.9.15 | - | 137,470 | 6,000 | 143,470 |
| Charge for year | - | 14,404 | - | 14,404 |
| At 31.8.16 | - | <u>151,874</u> | <u>6,000</u> | <u>157,874</u> |
| Net book value | | | | |
| At 31.8.16 | <u>5,454,200</u> | <u>45,589</u> | <u>-</u> | <u>5,499,789</u> |
| At 31.8.15 | <u>5,454,200</u> | <u>43,199</u> | <u>-</u> | <u>5,497,399</u> |

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 2016 (continued)

9 Valuation of freehold property (Charity and Group)

If the freehold properties were stated at cost, the amount carried in the accounts would be £4,558,199 at 31 August 2016 and 2015. These properties were valued 31 August 2014 by Savills (UK) Ltd, Chartered Surveyors, on the basis of existing use, and in accordance with the RICS Valuation - Professional Standards, January 2014. The directors have considered the need for a further valuation and do not consider that another revaluation is necessary until 2019.

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.

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

| | 2016 | 2015 |
|----------------------------------|----------|-----------|
| | £ | £ |
| Turnover | 475,332 | 339,502 |
| Cost of sales | (66,083) | (43,218) |
| Gross profit | 409,249 | 296,284 |
| Administrative expenses | (20,857) | (19,039) |
| Net profit gifted to the charity | 388,392 | 277,245 |
| Assets | 42,979 | 116,481 |
| Liabilities | (42,978) | (116,480) |
| Net assets | 1 | 1 |

11 Debtors

| | Group | | Charity | |
|---|---------|---------|---------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| <i>All falling due within one year:</i> | | | | |
| Trade debtors | 53,643 | 42,604 | 33,584 | 5,546 |
| Gift Aid tax recoverable | 218,300 | 80,000 | 218,300 | 80,000 |
| Profit from TKC Ltd. | - | - | 8,357 | 78,413 |
| Other debtors | 17,167 | 11,398 | 17,167 | 11,475 |
| Prepayments | 32,762 | 12,820 | 32,762 | 12,820 |
| | 321,872 | 146,822 | 310,170 | 188,254 |

12 Creditors

| | Group | | Charity | |
|--|-----------|-----------|-----------|-----------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| <i>Amounts falling due within one year:</i> | | | | |
| Bank loan | 108,834 | 115,000 | 108,834 | 115,000 |
| Trade creditors | 30,733 | 12,333 | 29,000 | 9,638 |
| HM Revenue & Customs | 33,761 | 28,088 | 28,975 | 23,831 |
| Other creditors | 23,869 | 40,662 | 23,779 | 39,923 |
| Accruals | 39,628 | 45,536 | 11,616 | 16,028 |
| | 236,825 | 241,619 | 202,204 | 204,420 |
| <i>Amounts falling due after more than one year:</i> | | | | |
| Bank loan | 1,880,107 | 1,993,595 | 1,880,107 | 1,993,595 |

The bank loan is secured on the company's properties in Oxford and Witney.
Creditors include pension contributions due of £7,885 (2015: £8,112).

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2016 (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 interest for 15 years until 1 June 2026; the remainder of the loan is at a variable 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 at 31 August 2014 as shown in Note 8.

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:

| | At 1.9.15 | Income | Expenditure | Transfers | At 31.8.16 |
|--------------------------|----------------|----------------|------------------|-----------------|----------------|
| | £ | £ | £ | £ | £ |
| TKS Building fund | - | 24,195 | (54,031) | 29,836 | - |
| Gift Aid tax recoverable | 213,084 | 215,230 | (60,660) | (119,654) | 248,000 |
| Mission fund | 1,765 | 392 | 0 | - | 2,157 |
| S Thomas support fund | (802) | 34,521 | (53,333) | 29,000 | 9,386 |
| Area Education fund | 3,695 | - | - | - | 3,695 |
| Community Projects fund | 3,190 | - | - | - | 3,190 |
| Edge Housing fund | 7,981 | 67,868 | (58,003) | - | 17,846 |
| TKC Maintenance fund | 31,372 | - | - | (16,105) | 15,267 |
| Regional support funds | 39,401 | 8,040 | (19,214) | - | 28,227 |
| | <u>299,686</u> | <u>350,246</u> | <u>(245,241)</u> | <u>(76,923)</u> | <u>327,768</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 that took place between 2009 and 2011.

The Mission fund provides for unbudgeted overseas mission support.

The S Thomas support fund represents the balance due to/(from) 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 Edge Housing fund 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.

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 2016 (continued)

17 Restricted funds (Charity and Group)

The following are the details of the charity's restricted funds, all of which are income funds:

| | At 1.9.15 £ | Income £ | Expenditure £ | Transfers £ | At 31.8.16 £ |
|------------------------------|----------------|----------------|------------------|----------------|-----------------|
| The King's School restricted | 16,128 | 9,144 | (6,633) | - | 18,639 |
| Salem School | 2,059 | 1,460 | (3,254) | - | 265 |
| Missionary support | 13,730 | 34,147 | (39,320) | - | 8,557 |
| Mission (France) | 756 | - | - | - | 756 |
| Rwanda Development | - | 5,683 | (1,245) | - | 4,438 |
| Other funds | 45,727 | 125,604 | (112,211) | - | 59,120 |
| | <u>78,400</u> | <u>176,038</u> | <u>(162,663)</u> | <u>-</u> | <u>91,775</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.

Mission (France) arises from donations to support church development in France.

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

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)

| Reason | From fund | To fund | £ |
|--|------------------------|-----------------------|---------|
| Servicing King's School building loan | Gift Aid tax recovered | General funds | 119,654 |
| Contributions towards ministry support | General funds | S Thomas support fund | 29,000 |
| Designated by directors | General funds | TKS Building fund | 25,000 |
| Church contributions to loan servicing | General funds | TKS Building fund | 4,836 |
| Contribution from King's Centre surplus | General funds | TKC Maintenance fund | 7,000 |
| Assets and repairs funded by | | | |
| TKC Maintenance fund | TKC Maintenance fund | General funds | 23,105 |
| Approved transfer between restricted funds | Youth | Missions | 6,250 |

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

| | Revaluation reserve £ | General reserves £ | General funds £ | Designated funds £ | Restricted funds £ | Total £ |
|--------------------------------|-----------------------------|--------------------------|-----------------------|--------------------------|--------------------------|------------------|
| At 1 September 2015 | 896,001 | 124,510 | 2,705,442 | 299,686 | 78,400 | 4,104,039 |
| Transfers between funds | - | - | 76,923 | (76,923) | - | - |
| Transfers to reserves | - | 17,377 | (17,377) | - | - | - |
| Surplus/(deficit) for the year | - | - | 96,548 | 105,005 | 13,375 | 214,928 |
| At 31 August 2016 | <u>896,001</u> | <u>141,887</u> | <u>2,861,536</u> | <u>327,768</u> | <u>91,775</u> | <u>4,318,967</u> |

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 2016 the company had 26 members (2015: 28).

OXFORDSHIRE COMMUNITY CHURCHES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st August 2016 (continued)

21 Operating leases (Charity and Group)

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

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Office equipment - expiring within one year | 1,009 | |
| Office equipment - expiring within two years | | 4,588 |

22 Capital commitments (Charity and Group)

There were no commitments for capital expenditure at 31st August 2016 (2015: None).

23 Contingent liabilities (Charity and Group)

The charity and company had no contingent liabilities at 31 August 2016 (2015: 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 2016 £ | Year ended 31 August 2015 £ |
|----------------------------|--------------------------------------|--------------------------------------|
| • Total incoming resources | 2,780,995 | 2,606,435 |
| • Net increase in funds | 214,928 | 243,868 |

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 2016 (continued)

26 Full Comparative Consolidated Statement of Financial Activities (including Income and expenditure account) for the year ended 31 August 2015

| | Unrestricted funds | | Restricted funds | Total funds |
|--|--------------------|-----------------|------------------|------------------|
| | General £ | Designated £ | £ | £ |
| INCOME FROM | | | | |
| Gifts and donations | 1,038,921 | 274,374 | 163,225 | 1,476,520 |
| Charitable activities: | | | | |
| School & Preschool fees and other income | 699,054 | - | - | 699,054 |
| Other Charitable activities | 82,278 | 65,188 | - | 147,466 |
| Income from trading activities: | | | | |
| Trading subsidiary income | 339,502 | - | - | 339,502 |
| Other income | 6,268 | - | - | 6,268 |
| TOTAL INCOME | 2,166,023 | 339,562 | 163,225 | 2,668,810 |
| EXPENDITURE ON | | | | |
| Charitable activities: | | | | |
| School & Preschool | 669,610 | - | 14,209 | 683,819 |
| Other Charitable activities | 1,120,332 | 249,303 | 172,398 | 1,542,033 |
| | 1,789,942 | 249,303 | 186,607 | 2,225,852 |
| Trading activities: | | | | |
| Trading subsidiary expenditure | 197,324 | - | - | 197,324 |
| Other expenditure: | 1,766 | - | - | 1,766 |
| TOTAL EXPENDITURE | 1,989,032 | 249,303 | 186,607 | 2,424,942 |
| NET INCOME | 176,991 | 90,259 | (23,382) | 243,868 |
| Transfers between funds | 50,793 | (53,912) | 3,119 | - |
| NET MOVEMENT IN FUNDS | 227,784 | 36,347 | (20,263) | 243,868 |
| TOTAL FUNDS brought forward | 3,498,169 | 263,339 | 98,663 | 3,860,171 |
| TOTAL FUNDS carried forward | 3,725,953 | 299,686 | 78,400 | 4,104,039 |