

Registered in England and Wales No 3223210

OXFORDSHIRE COMMUNITY CHURCHES

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

1.

Directors

M Beaumont	K Bowers (appointed 4.10.2001)
M Dillon (resigned 22.1.2003)	M Madden (appointed 4.10. 2001)
L Garnham	T Ogden (appointed 4.10.2001)
C Hipsley	B Wood (appointed 4.10. 2001)
S Thomas	M Gyde (appointed 22.1.2003)

Secretary and Registered Office

A O'Connell, The King's Centre, Osney Mead, Oxford, OX2 0ES

**REPORT OF THE DIRECTORS AND GENERAL INFORMATION
for the year ended 31st August 2002**

Principal Activity

The company's principal activities continue to be the running of a group of churches known as Oxfordshire Community Churches and the running of The King's School, Witney.

Charitable Status

The company has charitable status and is registered with the Charity Commission under registration number 1056921.

Governing Instrument

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

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

Directors

The above named have served throughout the year as indicated above. The directors of the company are also the trustees of the charitable activities.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements, and;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



REPORT OF THE DIRECTORS AND GENERAL INFORMATION
for the year ended 31st August 2002 (continued)

Review of Activities during the period

Oxfordshire Community Churches is a group of ten church congregations meeting in and around Oxfordshire.

During the year the charity has continued to pursue its main objects as outlined above. Each local church congregation accounts separately for its own expenditure which is met from the donations and gifts it receives. The balance of the income is passed to the Area Fund to meet the pastoral and ministry expenses relating to the Area as a whole.

The charity received total income amounting to £1,989,447 during the year, of which £138,889 related to restricted funds. Expenditure amounted to £1,566,444, of which £128,670 was on the restricted funds. In addition to furthering its main objects of a church the charity also operates The King's School in Witney and two pre-school playgroups, in addition to supporting missionaries working overseas and various outreach projects.

In addition to the full time pastors of the church and the teachers in the school, the charity is dependent on the voluntary support of the church members. Such members are involved in leadership of the church congregations, administration and classroom assistance in the school. This support is acknowledged by the trustees.

There are a number of restricted funds which are accounted for separately. The detail for these is shown in note 10 to the accounts. Any income tax refunds relating to these funds are allocated accordingly.

Reserves

The majority of the charity's income is derived from regular gifts and donations. These are forecast to cover the budgeted expenditure. Additional offerings are taken which are designated towards the loan repayments on the King's Centre. Adequate reserves are held to cover unforeseen expenditure which may arise.

Risk Management

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.

Donations

During the year the charity made donations amounting to £185,264.

Bankers

Barclays Bank plc, Market Square, Witney, Oxon.

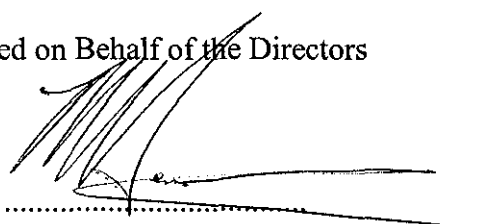
Auditors

The auditors now known as Morgan Cameron LLP, Chartered Accountants and Registered Auditors, have indicated their willingness to be reappointed to office under the Companies Act 1985.

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Directors on: 13 JUNE 2003

Signed on Behalf of the Directors



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 31st August 2002, set out on pages 4 to 11, which comprise of the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditors

As described in the Statement of Directors' Responsibilities the directors, who are also the trustees of Oxfordshire Community Churches for the purposes of charity law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

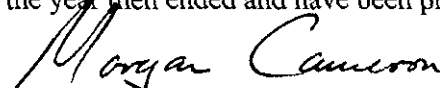
Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31st August 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Morgan Cameron LLP
Chartered Accountants
and Registered Auditors

16 JUNE 2003

Morgan Cameron LLP
Witan House
Two Rivers
Station Lane
Witney, Oxon
OX28 4BL

OXFORDSHIRE COMMUNITY CHURCHES

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**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st August 2002**

2001

Notes	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds		
	£	£	£	£	£
INCOMING RESOURCES					
	875,568	399,775	100,442	1,375,785	1,317,286
1	3,900	(6,000)	2,100	-	-
	-	-	9,200	9,200	-
	-	45,327	-	45,327	-
	48,018	469,766	27,143	544,927	442,612
	147	14,057	4	14,208	54,089
	<u>927,633</u>	<u>922,925</u>	<u>138,889</u>	<u>1,989,447</u>	<u>1,813,987</u>
RESOURCES EXPENDED					
	-	24,256	-	24,256	-
2	787,278	544,273	128,670	1,460,221	1,433,161
3	21,371	60,596	-	81,967	59,000
	<u>808,649</u>	<u>629,125</u>	<u>128,670</u>	<u>1,566,444</u>	<u>1,492,161</u>
4	118,984	293,800	10,219	423,003	321,826
5	-	38,364	(394)	37,970	-
	<u>1,294,495</u>	<u>(1,294,495)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	1,413,479	(962,331)	9,825	460,973	321,826
	-	(8,573)	-	(8,573)	-
	<u>890,315</u>	<u>1,155,049</u>	<u>11,847</u>	<u>2,057,211</u>	<u>1,735,385</u>
	<u>£2,303,794</u>	<u>£184,145</u>	<u>£21,672</u>	<u>£2,509,611</u>	<u>£2,057,211</u>

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

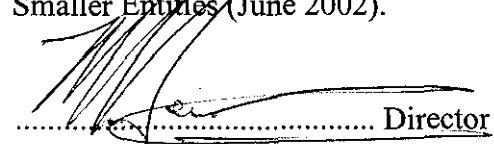
The notes on pages 6 to 11 form part of these financial statements.

OXFORDSHIRE COMMUNITY CHURCHES

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BALANCE SHEET		31st August 2002		2001
Notes		£	£	£
	FIXED ASSETS			
7	Tangible fixed assets	3,715,327		<u>997,837</u>
	CURRENT ASSETS			
	Stock	5,253		4,227
	Bank account	95,981		237,450
	Building society account	157,174		727,058
	Local church bank and cash accounts	21,557		43,074
	School bank and cash accounts	35,610		17,923
	Other bank accounts	17,946		6,799
	Investments	36,754		-
	Debtors	14,830		-
	Pre-payments	<u>3,199</u>		<u>49,904</u>
		<u>388,304</u>		<u>1,086,435</u>
	CREDITORS: Amounts falling due within one year			
8	Bank loan (secured)	112,288		-
	Creditors and accruals	44,268		17,204
	Social Security and other taxes	<u>3,860</u>		<u>9,857</u>
		<u>160,416</u>		<u>27,061</u>
	NET CURRENT ASSETS	<u>227,888</u>		<u>1,059,374</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	3,943,215		2,057,211
	CREDITORS: Amounts falling due after more than one year			
8	Bank loan (secured)	<u>(1,433,604)</u>		<u>-</u>
	NET ASSETS	<u>£2,509,611</u>		<u>£2,057,211</u>
	FUNDS			
	Unrestricted funds			
9	General fund	2,303,794		890,315
10	Designated funds	<u>184,145</u>		<u>1,153,302</u>
		2,487,939		2,043,617
11	Restricted funds	<u>21,672</u>		<u>13,594</u>
		<u>£2,509,611</u>		<u>£2,057,211</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and with the Financial Reporting Standard for Smaller Entities (June 2002).

 Director

Approved by the Board: 13 JUNE 2003

The notes on pages 6 to 11 form part of these financial statements.

NOTES TO THE ACCOUNTS
for the year ended 31st August 2002

1. **Accounting Policies**

i) **Accounting Convention -**

The accounts of the company are prepared under the Companies Act 1985, historical cost convention, the Financial Reporting Standard for Smaller Entities (June 2002) and in accordance with the Charities Statement of Recommended Practice. They incorporate the results of the principal activities which are described in the directors' report and which are continuing.

ii) **Depreciation -**

Assets acquired by local church congregations are written off on acquisition. The other assets are depreciated on a straight line basis at rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:

Office equipment	-	25% per annum
Coach	-	20% per annum
Kings Centre equipment	-	20% per annum

Freehold land and buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their estimated residual value is not less than the cost then no depreciation is charged as it is not material.

iii) **Donations and offerings received -**

Donations are accounted for when received. Any resultant deed of covenant or gift aid tax claim 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 fund to meet the pastoral and ministry expenses relating to the group of churches. Each local church retains an amount sufficient to meet its own church and administrative expenditure.

iv) **Other income -**

Other income is accounted for on the accruals basis so far as is prudent to do so.

v) **Expenditure -**

Expenditure is allocated to the relevant cost category in accordance with internal guidelines issued by the charity and is appropriate to the use derived from the resources. Expenditure includes irrecoverable VAT.

vi) **The King's School -**

An amount is set aside each year from the Deed of Covenant tax refund in order to provide a Bursary fund for parents of children who are unable to afford the full school fees. This allocation of funds is treated as part of the School's income for the year.

vii) **Designated Funds-**

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

OXFORDSHIRE COMMUNITY CHURCHES

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NOTES TO THE ACCOUNTS for the year ended 31st August 2002 (continued)

1. Accounting Policies (continued)

viii) Investments-

Investments are included in the accounts at their market value at the balance sheet date.

xi) Pension-

The charitable company operates a defined contribution scheme for some of its employees. The charge in the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

2. Activities Relating to Work of the Church

	General £	Designated £	Restricted £	Total £	2001 £
Pastoral support and expenses	322,686	-	-	322,686	315,259
Hall hire	43,927	-	168	44,095	40,480
Youth work	46,237	-	-	46,237	40,832
Outreach and events	88,408	-	10,567	98,975	121,158
Gifts and donations	87,927	11,797	85,540	185,264	207,197
School salaries	-	351,912	-	351,912	319,446
Teaching materials	1,869	18,347	-	20,216	18,313
School expenditure	-	67,376	-	67,376	69,657
KBCTC	-	39,353	2,056	41,409	-
Other direct charitable	35,798	55,488	30,339	121,625	140,432
Support salaries	84,032	-	-	84,032	81,008
Support expenditure	76,394	-	-	76,394	79,379
	<u>£787,278</u>	<u>£544,273</u>	<u>£128,670</u>	<u>£1,460,221</u>	<u>£1,433,161</u>

Included in gifts and donations are the following grants:

Salt and Light Ministries £18,000

3. Management and Administration

	General £	Designated £	Restricted £	Total £	2001 £
Church	21,371	-	-	21,371	16,033
School administration	-	47,881	-	47,881	41,462
KBCTC	-	12,715	-	12,715	-
Pre-school playgroups	-	-	-	-	1,505
	<u>£21,371</u>	<u>£60,596</u>	<u>£ -</u>	<u>£81,967</u>	<u>£59,000</u>

OXFORDSHIRE COMMUNITY CHURCHES

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NOTES TO THE ACCOUNTS for the year ended 31st August 2002 (continued)

4. Net Incoming Resources for the year

	2002	2001
The net incoming resources for the year is after charging:	£	£
Auditor's remuneration	2,703	2,703
Depreciation of tangible fixed assets	14,289	8,505
Directors' remuneration (note 6)	106,477	67,608
Staff costs	509,905	472,948

During the year the average number of staff employed by the charity was 39 (2001: 33). None of the employees received remuneration in excess of £50,000 p.a.

5. Funds Introduced

During the year the charity took over the activities of the Kings Bible College and Training Centre (KBCTC). This had previously been part of another charity but is now being operated from The King's Centre, Oxford. The funds introduced represent the reserves taken over on 1st April 2002.

6. Directors' Remuneration

Four directors of the company have received remuneration during the year in their capacity as pastors, as expressly permitted by the Memorandum and Articles of Association of the Company, as follows:

	2002	2001
	£	£
S Thomas	42,149	41,040
M Beaumont	27,070	26,568
B Wood	25,597	-
M Madden	<u>11,661</u>	<u>-</u>
	<u>£106,477</u>	<u>£67,608</u>

During the year £856 has been paid for a Trustee Indemnity Insurance policy. There were no other transactions with, or expenses paid to, the directors.

OXFORDSHIRE COMMUNITY CHURCHES

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NOTES TO THE ACCOUNTS for the year ended 31st August 2002 (continued)

7. Tangible Fixed Assets

	Freehold property £	Office equipment £	Bus £	Total £
Cost				
At 1.9.01	983,804	33,741	17,500	1,035,045
Additions	<u>2,612,993</u>	<u>118,787</u>	<u>-</u>	<u>2,731,780</u>
At 31.8.02	<u>3,596,797</u>	<u>152,528</u>	<u>17,500</u>	<u>3,766,825</u>
Accumulated depreciation				
At 1.9.01	-	23,209	14,000	37,209
Charge for the year	<u>-</u>	<u>10,789</u>	<u>3,500</u>	<u>14,289</u>
At 31.8.02	<u>-</u>	<u>33,998</u>	<u>17,500</u>	<u>51,498</u>
Net book value				
At 31.8.02	<u>£3,596,797</u>	<u>£118,530</u>	<u>£ -</u>	<u>£3,715,327</u>
At 31.8.01	<u>£983,804</u>	<u>£10,532</u>	<u>£3,500</u>	<u>£997,836</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, which is also used by the Oxford congregation and the King's School site in Witney which is also used by the North Witney congregation.

8. Bank Loans

The bank loans are repayable over 20 years by monthly instalments. The loans are secured on the company's properties in Witney and Oxford.

9. General Funds

	2002		2001	
	Area £	Local Churches £	Area £	Local Churches £
Fixed assets Kings Centre	2,732,993	-	-	-
Fixed assets School	863,804	-	863,804	-
Equipment	112,272	-	9,432	-
Cash	(11,965)	157,174	(25,794)	43,074
Debtors and prepayments	12,674	3,086	6,904	-
Bank loan	(1,545,892)	-	-	-
Creditors and accruals	<u>(14,588)</u>	<u>(5,764)</u>	<u>(5,255)</u>	<u>(1,850)</u>
	<u>£2,149,298</u>	<u>£154,496</u>	<u>£849,091</u>	<u>£41,224</u>

NOTES TO THE ACCOUNTS
for the year ended 31st August 2002 (continued)

10 **Designated Funds**

Each year the charity seeks to set aside the gift aid tax refund arising on the general fund for special purposes or projects. This together with other income specifically designated by the trustees form the designated funds as follows:

	At 1-9-01 £	Income £	Expenditure £	Transfers £	Unrealised Loss £	At 31-8-02 £
Area fund	604,728	242,498	(79,744)	(681,745)	(8,573)	77,164
Gift Aid refunds	528,522	24,527	-	(503,049)	-	50,000
The King's School	1,747	442,321	(485,516)	52,302	-	10,854
KBCTC	-	42,295	(52,068)	38,364	-	28,591
Mission fund	20,052	506	(11,797)	8,775	-	17,536
	<u>£1,155,049</u>	<u>£ 752,147</u>	<u>£(629,125)</u>	<u>£(1,085,353)</u>	<u>£(8,573)</u>	<u>£184,145</u>

The above funds are held as follows:

	Area Fund £	Gift Aid Refunds £	The King's School £	KBCTC £	Mission Fund £	Total £
Equipment school/Bible College	-	-	3,744	2,514	-	6,258
Stock	-	-	3,200	507	-	3,707
Cash and bank balances	40,410	50,000	21,557	33,430	17,536	162,933
Investments	36,754	-	-	-	-	36,754
Debtors and prepayments	-	-	202	2,067	-	2,269
Creditors and accruals	-	-	(17,849)	(9,927)	-	(27,776)
	<u>£77,164</u>	<u>£50,000</u>	<u>£10,854</u>	<u>£28,591</u>	<u>£17,536</u>	<u>£184,145</u>

11. **Restricted Funds**

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

	At 1-9-01 £	Income £	Expenditure £	Transfer	At 31-8-02 £
Other	-	63,064	(63,064)	-	-
KBCTC	-	4,630	(2,056)	(394)	2,180
Pre-school	4,365	21,706	(20,045)	-	6,026
Missionary Support	(40)	25,673	(22,476)	-	3,157
Leys Youth	-	10,347	-	-	10,347
King's Coach	7,522	6,300	(14,067)	-	(245)
Jubilees	-	7,169	(6,962)	-	207
	<u>£11,847</u>	<u>£138,889</u>	<u>£(128,670)</u>	<u>£(394)</u>	<u>£21,672</u>

The above funds are held as follows:

	Stock £	Bank and cash balances £	Total £
KBCTC	-	2,180	2,180
Pre- School	1,546	4,480	6,026
Missionary Support	-	3,157	3,157
Leys Youth	-	10,347	10,347
Kings Coach	-	(245)	(245)
Jubilees	-	207	207
	<u>£1,546</u>	<u>£20,126</u>	<u>£21,672</u>

NOTES TO THE ACCOUNTS
for the year ended 31st August 2002 (continued)

12. Analysis of Net Assets by Fund

	General	Designated	Restricted	Total	Total
	£	Funds	Funds	£	2001
	£	£	£	£	£
Fixed assets	3,709,069	6,258	-	3,715,327	997,837
Current assets	160,969	205,663	21,672	388,304	1,086,435
Creditors: due within one year	(132,640)	(27,776)	-	(160,416)	(27,061)
Creditors: due after more than one year	(1,433,604)	-	-	(1,433,604)	-
Net assets 31st August 2002	<u>£2,303,794</u>	<u>£184,145</u>	<u>£21,672</u>	<u>£2,509,611</u>	<u>£2,057,211</u>

13. Future Commitments

The charitable company has an obligation on the lease of the senior site of the Kings School, Witney. The lease runs for three years from September 2002 at an annual rental of £18,200.