

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
29TH FEBRUARY 2004**

VINEYARD CHURCH SUTTON

(A Company Limited by Guarantee)

CHARITY REGISTRATION NUMBER 1061363

COMPANY REGISTRATION NUMBER 03319200

Independent Examiners Ltd
Revelation Centre
Spur Road
CHICHESTER
W. Sussex
PO19 8PR



**VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
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**VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

CHARITY NUMBER	1061363
COMPANY REGISTRATION NUMBER	03319200
START OF FINANCIAL YEAR	1st March 2003
END OF FINANCIAL YEAR	29th February 2004
DIRECTORS AT 29th February 2004	Mark Allpress (resigned December 2003) Dan Barnard (appointed December 2003) Russell Keith Powter Simon Skinner David Taylor (resigned December 2003) Anne Marie Webster

The existing trustees appoint any new trustees following the provisions laid out in the Charity's governing instrument.

CORRESPONDENT ADDRESS	Vineyard House 5 Robin Hood Lane Sutton Surrey SM1 2SW
GOVERNING DOCUMENT	Memorandum and Articles of Association incorporates 17th February 1997

OBJECTS

- i. The furtherance of religious or secular public education.
- ii. The advancement of the Christian faith including missionary activities in the United Kingdom and overseas and also including but not limited to the planting of new churches and organisation of congregations.
- iii. The relief of the poor and needy
- iv. The relief of the sick and elderly
- v. Such other charitable objects and for the benefit of such other charitable bodies and institutions as the committee shall in their absolute discretion think fit.

BANKERS	Co-op Bank Olympic House 6 Olympic Court Salford M5 2QP
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ACCOUNTANTS	O'Mahony Donnelly Chartered Certified Accountants The Pike Lisavaird Clonakilty County Cork Ireland
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**VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 29TH FEBRUARY 2004**

The Directors present their Annual Report and the Accounts of the Company for the year ended 29th February 2004.

Statement of Directors Responsibilities

Company law requires the Directors to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Accounts, the Directors are required to:

Select suitable accounting policies and then apply them consistently.

Make judgments and estimates that are reasonable and prudent.

Follow applicable accounting standards, subject to any material departures disclosed and explained in the Accounts.

Prepare the Accounts on the 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 and enable them to ensure that the accounts comply with the Companies Act 1985.

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.

Nature of the Company

Vineyard Church Sutton was incorporated on 17th February 1997 as a charitable company limited by guarantee (Company Registration No. 3319200, Charity Registration No. 1061363/0 ("the Company")). The Company has been granted exemption from using the word "limited" in its title. The Company's financial year is March to February. It is therefore accountable to the Charity Commissioners and to Companies House and is required to comply with both charity and company legislations.

Registered Office

The registered office of the Company is Unit 3, 5 Robin Hood Lane, Sutton, Surrey, SM1 2SW.

Object of the Company

The primary object of the Company is the advancement of the Christian faith. This has been achieved by the establishment of a local congregation meeting on Sundays at Overton Grange School, Sutton, Surrey.

Review of the Period

The church has grown during this period to over 200 adults regularly attending Sunday morning services. Areas of ministry offered outside of Sunday Services still include youth work, new small groups and worship celebrations. Compassionate ministry has maintained its focus with Sutton Furniture Project which the church has continued to fund and provide office space for. Church members have continued to support the project.

A major undertaking during the year was the set-up of the church ministry centre at Robin Hood Lane providing a central meeting place for various church meetings and ministry in addition to office space.

Jason and Beverley Clark continue to be employed by the church with Jason being employed full time and Beverley on a part time basis. Given the continued growth of the church and the resultant administration, the church has also now employed two people who had been volunteering their services, one full time and one part time.

VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS Continued
FOR THE YEAR ENDED 29TH FEBRUARY 2004

Goals for last year and the year ahead

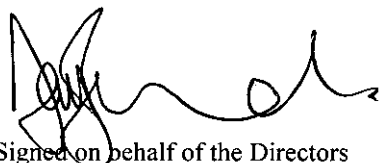
Plans for March 2003 and February 2004 financial year

1. Continued development of Sunday services – continued growth of regular Sunday services, added members and increased number of kids' age groups for Sunday school.
2. Multiplied small groups – the small group midweek meetings in people's homes of the church members.
3. Leased an office and ministry centre for staff, administration team and community project.
4. Offered the opportunity of training and development in church leadership and ministry through the employment of a Student Trainee Pastor and the involvement on 2 Interns in the daily life of the church
5. Continued communication of Vineyard Values through newcomers meals / meetings and newcomers small groups
6. Continued support of Sutton Furniture Project – a community project providing furniture and household items to people referred from various agencies.
7. Our church's role in the Emergent Network continued, best showcased by the national conference hosted by the church in November 2003.

Plans for March 2004 to February 2005

1. Employment of a full-time Senior Assistant Pastor to lead, develop and grow ministries and small groups within the church.
2. Identify, train and develop new leaders within the church for roles in Vineyard Church ministries and small groups.
3. Continue to invest in training and development of both paid and voluntary staff to be more effective in their roles at Vineyard Church.
4. Redesign the current Kid's church work and create the new Vineyard Kids Sutton (VKS) ministry as a more dynamic, vibrant and relevant ministry for children aged 2-13 years.
5. Support the Senior Pastors, both spiritually and financially, to undertake a 5-week sabbatical, allowing them to re-energise for the future of Vineyard Church Sutton.
6. Plant a new satellite church from Vineyard Church Sutton in the Epsom/Ewell/ Ashted area.
7. Continue the development of Sunday services achieving growth of regular attendance at Sunday services, added members and increased number of kids' age groups for VKS.
8. Continue to support the Sutton Furniture Project as our key ministry to the poor – a community project providing furniture and household items to people referred from various agencies.
9. Our church's role in the Emergent Network will continue, best showcased by the national conference being hosted by the church in December 2004.

The plans outlined above indicate how we intend to establish the necessary organisational structure to support existing and planned activities. Further to the above, reserves and investment policies will be developed and formalised in the coming year. We have also given consideration to the major risks to which the charity is exposed, reviewed them and established systems to mitigate them. It will be noted that the charity has reported an accounting deficit for the current period. This has largely been driven by the increased depreciation charge relating to acquisitions made for the set up of the new Ministry Centre. Income budgets for the coming year have been deliberately set conservatively and a zero-based approach to expenditure budgets adopted to ensure all costs are contained. We believe this strategy will result in this deficit being eradicated in the coming year.



Signed on behalf of the Directors

Date: 22nd November 2004

INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF VINEYARD CHURCH SUTTON

We have audited the financial statements of Vineyard Church Sutton for the year ended 29 February 2004, comprising the statement of financial activities, balance sheet, and notes on pages 9 to 14. These have been prepared under the historical cost convention and the accounting policies set out on page 9.

Responsibilities of trustees/directors and auditors

The director's responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the 'Statement of Directors Responsibilities' on page 4.

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 other information contained in the Directors' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and properly 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 29 February 2004 and of its Net Incoming Resources for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



O'Mahony Donnelly
Chartered Certified Accountants
& Registered Auditors
The Pike, Lisavaird,
Clonakilty, Co Cork,
Ireland

Dated: 26/11/2004
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VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 29TH FEBRUARY 2004

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2003/04 £	TOTAL 2002/03 £
INCOMING RESOURCES					
Donations, Legacies and Similar Incoming Resources	3a	223,994	0	223,994	206,805
Incoming Resources from Operating Activities	3b	39,007	0	39,007	14,172
Other Income	3c	1,034	0	1,034	2,498
TOTAL INCOMING RESOURCES		264,035	0	264,035	223,475
RESOURCES EXPENDED					
Grants Payable in Furtherance of Charity Objects	4a	48,274	0	48,274	33,741
Costs of Activities in Furtherance of Charity Objects	4b				
Ministry	(i)	34,433	0	34,433	31,638
Staff Costs	(ii)	96,903	0	96,903	75,933
Sunday Services	(iii)	26,140	0	26,140	22,822
Resources Expended on Managing and Administering the Charity	4c	81,235	0	81,235	44,675
TOTAL RESOURCES USED		286,985	0	286,985	208,809
NET INCOMING/(OUTGOING) RESOURCES		-22,950	0	-22,950	14,666
Total Funds Brought Forward		117,330	0	117,330	102,664
TOTAL FUNDS CARRIED FORWARD		94,380	0	94,380	117,330

Movements on all reserves and all recognised gains and losses are shown above. All of the charity's operations are classed as continuing.

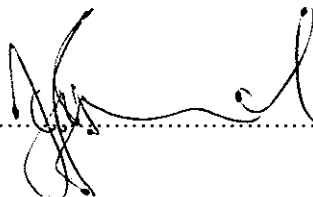
The notes on pages 9 to 14 form part of these financial statements.

VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 29TH FEBRUARY 2004

		£	29-Feb-04 £	£	28-Feb-03 £
	Notes				
Fixed Assets					
Tangible assets	2		36,269		21,006
Current Assets					
Debtors	6	11,013		7,463	
Cash at bank and in hand	5	52,262		90,954	
		63,275		98,417	
Creditors: amounts falling due within one year	7	5,164		2,093	
NET CURRENT ASSETS			<u>58,111</u>		<u>96,324</u>
NET ASSETS			<u><u>94,380</u></u>		<u><u>117,330</u></u>
CAPITAL AND RESERVES					
General Funds			94,380		117,330
Restricted Funds			0		0
			<u><u>94,380</u></u>		<u><u>117,330</u></u>

Approved by the Board of Directors on 22nd November 2004

Signed on behalf of the Board of Directors.....



VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2004

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards and follow the recommendations in Statement of Recommended Practice : Accounting for Charities (SORP) issued in October 2000.

Voluntary income is received by way of donations and gifts. It is shown in full in the Statement of Financial Activities, when received. Gifts in kind are valued at their estimated value to the charity and are included under the appropriate headings.

Intangible income is valued and included in income to the extent that it represents goods or services where another party is bearing the financial cost and the benefit is quantifiable. Where it is difficult or not possible to quantify the benefit, or where there is no financial cost borne by another party (e.g., volunteers), the accounts do not include the intangible income.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are received.

Restricted funds are to be used for specified purposes as required by the donor. Expenditure which meets these criteria is allocated to the relevant fund. Income derived from these funds is retained within the funds concerned. Designated funds are unrestricted funds which the trustees have designated to be used for a specific purpose. Where these funds yield investment income, this is available for general purposes. Unrestricted funds are funds which are not designated or restricted.

There has been no change to the accounting policies (Valuation rules and methods of accounting) since last year.

Depreciation is calculated at a rate to write off the cost of tangible fixed assets over their estimated useful lives. The basis and rates applied per annum are as follows:

Motor Car	25% - Straight Line
Computer Equipment	50% - Reducing Balance
General Equipment	50% - Reducing Balance
Sunday Services Equipment	50% - Reducing Balance

2. TANGIBLE FIXED ASSETS

		Motor Car £	Computer Equipment £	General Equipment £	Sunday Services £	TOTAL £
EQUIPMENT						
Cost	01-Mar-03	14,547	40,953	8,643	13,928	78,071
Additions		0	17,390	13,161	10,373	40,924
Cost at	29-Feb-04	14,547	58,343	21,804	24,301	118,995
Depreciation	01-Mar-03	10,491	31,221	5,982	9,371	57,065
Charge		3,317	14,634	1,837	5,873	25,661
Depreciation at	29-Feb-04	13,808	45,855	7,819	15,244	82,726
Net Book Value	29-Feb-04	739	12,488	13,985	9,057	36,269
Net Book Value	28-Feb-03	4,056	9,732	2,661	4,557	21,006

The annual commitments under non-cancelling operating leases, capital commitments, Contingent Liabilities are as follows:

The charity is leasing a property at 5 Robin Hood Lane, Sutton, from 17th October 2003 ending 16th October 2008, at £29,375 per year.

28th February 2003 : None

VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 29TH FEBRUARY 2004

3. INCOMING RESOURCES	Unrestricted Funds £	Restricted Funds £	TOTAL 2003/04 £	TOTAL 2002/03 £
a) Donations, Legacies and Similar Incoming Resources				
<i>Irregular Income From Donors</i>	41,925		41,925	35,611
<i>Regular Income From Donors</i>	126,696		126,696	129,733
<i>Tax Refunds</i>	55,373		55,373	41,461
	223,994	0	223,994	206,805
b) Incoming Resources from Operating Activities				
<i>Conference Income</i>	7,201		7,201	8,703
<i>Ministry Centre</i>	30,710		30,710	0
<i>The Wendy House</i>	1,096		1,096	0
<i>Missions</i>			0	5,469
	39,007	0	39,007	14,172
c) Other Income				
<i>Fees Charged</i>	488		488	0
<i>Other Income</i>	546		546	2,498
	1,034	0	1,034	2,498
4. RESOURCES EXPENDED				
a) Grants Payable in Furtherance of Charity Objects				
<i>AVC</i>	10,893		10,893	14,435
<i>Benevolence Fund</i>	5,219		5,219	8,547
<i>Compassionate Ministries</i>	836		836	1,514
<i>Flowers</i>	379		379	889
<i>Honoraria</i>	665		665	125
<i>Sutton Furniture Project</i>	21,855		21,855	0
<i>Miscellaneous Gifts (127)</i>	8,427		8,427	8,231
	48,274	0	48,274	33,741

VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 29TH FEBRUARY 2004

4. RESOURCES EXPENDED	Unrestricted Funds £	Restricted Funds £	TOTAL 2003/04 £	TOTAL 2002/03 £
b) Costs of Activities in Furtherance of Charity Objects				
(i) Ministry				
Alpha Course	104		104	881
Church Centre Rents	6,461		6,461	0
Communication	3,364		3,364	3,257
Compassionate Ministries	721		721	840
Conference and Training	9,361		9,361	15,911
Eldership Team	3,699		3,699	1,922
Evangelism	25		25	169
Food	95		95	0
Housegroups	247		247	114
Leaders Childcare	1,131		1,131	960
Leaders Training	2,964		2,964	0
Members Meeting	80		80	90
Men's Ministry	214		214	71
Ministries			0	81
Newcomers	785		785	1,354
Overseeing			0	1,865
Pastoral Assistants	2,698		2,698	0
Social Events	786		786	194
Weekend Away	200		200	0
Woman's Ministry	333		333	374
Worship	173		173	127
Youth Group	584		584	3,428
Other	408		408	0
	34,433	0	34,433	31,638
(ii) Staff Costs				
Books	131		131	19
Car Allowance	649		649	641
Childminding Fees	146		146	391
Church Car	4,698		4,698	4,668
Church Car Depreciation	3,317		3,317	3,400
Continuing Education			0	2,996
Entertaining	112		112	0
Fixed Profit Car Scheme	1,221		1,221	346
Gross Wages	40,534		40,534	28,401
Manse - Jon Green	8,928		8,928	5,059
Manse - 35 Kingwood Drive	23,391		23,391	19,834
Medical	46		46	167
NI Company	4067		4,067	2,971
Other Staff Costs	35		35	332
Pension Contributions	4,642		4,642	3,967
Training and Further Study	3,331		3,331	1,062
Travel and Subsistence	1,655		1,655	1,679
	96,903	0	96,903	75,933

VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 29TH FEBRUARY 2004

4. RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	TOTAL 2003/04 £	TOTAL 2002/03 £
b) Costs of Activities in Furtherance of Charity Objects Continued				
(iii) Sunday Services				
Audio Visual and PA	523		523	0
Audio Visual and PA Depreciation	5,818		5,818	4,475
Bookstall	48		48	242
Coffee and Catering	1,319		1,319	1,232
Hall Hire	10,800		10,800	10,800
Information Desk	182		182	92
Miscellaneous	3,483		3,483	621
Sermon Material	17		17	485
Sundry Equipment	23		23	3,989
Vineyard Kids	3,179		3,179	677
Vineyard Kids Equipment Depreciation	54		54	81
Worship	694		694	128
	<u>26,140</u>	<u>0</u>	<u>26,140</u>	<u>22,822</u>
TOTAL	157,476	0	157,476	130,393

**c) Resources expended on Managing
and Administering the Charity**

Alarm	744		744	997
Audit and Accountancy	3,525		3,525	1,100
Bank Charges	531		531	194
Computer Software and Other Expenses	1,281		1,281	2,590
Computer Equipment Depreciation	14,634		14,634	11,133
Decorating and Maintenance	16,929		16,929	1,225
General Equipment Depreciation	1,837		1,837	2,661
Insurance	1,814		1,814	1,881
Internet	405		405	1,450
Medical	353		353	77
Miscellaneous	2,113		2,113	813
Office Cleaning	232		232	113
Office Equipment	4,092		4,092	2,287
Office Other	4,794		4,794	69
Office Supplies and Stationery	3,154		3,154	4,230
Payroll Services			0	356
Postage and Delivery	895		895	464
Professional Advice Management	2,439		2,439	614
Professional Fees	5,365		5,365	2,805
Removal Fees			0	285
Rental Fees	9,942		9,942	4,356
Telephone and Fax	4,436		4,436	3,905
Trustees Meetings	164		164	0
Utilities	1,551		1,551	840
Volunteers	5		5	230
	<u>81,235</u>	<u>0</u>	<u>81,235</u>	<u>44,675</u>

VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 29TH FEBRUARY 2004

5. CASH AT BANK AND IN HAND

	29-Feb-04	28-Feb-03
	£	£
Current Account	3,243	17,471
Deposit Accounts	48,746	73,397
Petty Cash	273	86
	<u>52,262</u>	<u>90,954</u>

6. DEBTORS

	29-Feb-04	28-Feb-03
	£	£
Employees Interest Free Loan	3,800	4,100
Copley Clark	0	2,563
Greenford and Co	800	800
Tax Recoverable	6,413	0
	<u>11,013</u>	<u>7,463</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29-Feb-04	28-Feb-03
	£	£
Credit Card	1,639	2,093
Audit and Accountancy	3,525	0
	<u>5,164</u>	<u>2,093</u>

8. STAFF COSTS AND NUMBERS

	2003/04	2002/03
	£	£
Gross Wages and Salaries	40,534	28,401
Employer's National Insurance Costs	4,067	2,971
Pension Contributions	4,642	3,967
	<u>49,243</u>	<u>35,339</u>

Employees who were engaged in each of the following activities:

	2003/04	2002/03
	TOTAL	TOTAL
Costs of generating funds/fund raising		
Activities in furtherance of organisation's objects	4	2
Management and administration		
	<u>4</u>	<u>2</u>

No employees received emoluments of over £50,000. (2003 : None)

VINEYARD CHURCH SUTTON
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 29TH FEBRUARY 2004

9. RESTRICTED FUNDS

No restricted funds were held throughout the year

10. RECONCILIATION OF MOVEMENT ON CAPITAL AND RESERVES

The Company is Limited by Guarantee and is a Charity registered with the Charity Commission number 03319200 and is not, therefore, subject to Corporation Tax and does not have a Share capital.

	2003/04 £	2002/03 £
Excess / Deficit for the financial year	-22,950	14,666
Other Recognised Gains	<u>0</u>	<u>0</u>
	<u>-22,950</u>	<u>14,666</u>
Balance Brought Forward	117,330	102,664
Closing Funds at 29th February 2004	<u><u>94,380</u></u>	<u><u>117,330</u></u>

11. PAYMENTS TO TRUSTEES

No payments were made to trustees or any persons connected with them during this financial period. No material transaction took place between the charity and a trustee or any person connected with them.