

VINEYARD CHURCH SUTTON
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2006

Company No. 03319200
Charity No. 1061363

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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 THE FINANCIAL YEAR 1 March 2005

END OF FINANCIAL YEAR 28 February 2006

DIRECTORS Daniel Barnard
Russell Powter (resigned 30/08/2006)
Simon Skinner
Sarah Davies (appointed 26/01/2006)
Michael Smith (appointed 05/06/2005)

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

CORRESPONDENT ADDRESS Vineyard Church Sutton
Unit 3
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

GOVERNING DOCUMENT Memorandum and Articles of Association incorporated
17 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

ACCOUNTANTS Skingle Helps and Co.
28, Southway,
Carshalton Beeches, Surrey
SM5 4HW

REGISTERED OFFICE Unit 3, 5 Robin Hood Lane
Sutton, Surrey
SM1 2SW

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Report of the Directors
For the Year Ended 28 February 2006

The Directors present their Annual Report and Accounts of the Company for the year ended 28 February 2006.

Statement of directors' responsibility

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:

- (i) Select suitable accounting policies and then apply them consistently.
- (ii) Make judgements and estimates that are reasonable and prudent.
- (iii) Follow applicable accounting standards, subject to any material departures disclosed and explained in the Accounts.
- (iv) 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 17 February 1997 as a charitable company limited by guarantee (Company Registration Number 03319200, Charity Registration Number 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.

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.

Reserves

The reserves of the charity have decreased during the year from £71,734 to £58,159. The reserves are considered reasonable having regard to the future requirements of the charity. The trustees regularly review the level of reserves held by the charity and are satisfied that they are appropriate to its current circumstances.

Statement on risks

The trustees confirm that they have given consideration to the major risks to which the charity is exposed and that systems have been designed and established to mitigate those risks. A complete risk assessment is ongoing and will be completed during the next financial year

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Report of the Directors Continued
For the Year Ended 28 February 2006

Auditors

As the charity's income has passed the £250,000 threshold, the trustees are obliged to appoint auditors to conduct an audit of the charity's financial affairs, Skingle Helps and Co. has been so appointed.

Trustee indemnity insurance

The charity does not have indemnity insurance to protect it from loss arising from neglect or defaults of its trustees, employees or agents or to indemnify the trustees or officers against the consequences of any neglect or default on their part.

Relationship with other organisations

The church has ongoing relationships with 2 other charitable organizations in the UK, "Vineyard Churches UK" and the "Vine Project". The former organization is an 'umbrella' organization which provides training, education, branding and publicity for the National Association of Vineyard Churches of which Vineyard Church Sutton is a subscribing member, the latter is a local charity which was re-launched by the church 3 years ago, has been supported by the church for several years and to which has approximately 60 volunteers who are also church members.

Review of the period

The church has continued to grow during the year, with around 210 adults regularly attending and approximately 120 children and youth.

Sunday services at Overton Grange are well attended with other activities such as youth work, prayer ministry, worship celebrations, leadership training and contributions to ecumenical local church outreach.

Compassionate ministry through unrestricted giving to the Vine Project has continued, with the emphasis of helping the Vine Project to grow and become self-sustaining through its own efforts and fund-raising. Approximately 60 church members continue to volunteer regularly to the Vine Project.

The church ran several services in the Epsom area during the year as part of an investigation into planting a new congregation. The experience was that the effort from employed staff and the load on the volunteer members of the church was found to be excessive for the number of people who were attending. As an alternative it was decided to have six monthly meetings in Epsom and other locations around Sutton.

The church had a very successful weekend away at Ashburnham in Sussex with 160 church members attending, this event proved successful and was fully funded by charges made. Future events are planned, however the trustees have determined that these events must continue to be self-financing.

The church has 5 staff, 3 full time and 2 part time. Jason Clark, Jon Franklin are employed full-time and Bev Clark is employed part-time. The church employs 2 administrative staff, 1 full-time and 1 part-time.

Giving to the church has increased from £225,000 to £245,000 during the current financial year, the costs of the church have also increased due to the increased number of staff. As planned, with tight cost control, the overall financial deficit for the year has decreased, and disregarding asset depreciation the financial deficit was about 1% of income – essentially break even.

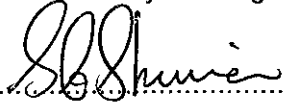
Goals for last year and the year ahead

1. Grow and develop the satellite congregation in the Epsom / Ewell area. - Partially achieved
2. Identify, train and develop new leaders within the church for roles in Vineyard Church ministries and small groups. - Achieved
3. Continue to invest in training and development of both paid and voluntary staff to be more effective in their roles at Vineyard Church. - Achieved
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.
Achieved – more work outstanding
5. Support the Senior Pastors, both spiritually and financially, to undertake the remainder of a 3 month sabbatical, allowing them to reenergise for the future of Vineyard Church Sutton. - Achieved
6. 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 - Achieved
7. Continue to support the Vine Project as our key ministry to the poor – a community project providing furniture and household items to people referred from various agencies but also look at other opportunities for community involvement - Achieved
8. Return the church to break even point by being proactive in managing costs, reducing unnecessary expenditure and encouraging increased giving. - Achieved

Plans for the next financial year March 2006 to February 2007 include:

1. Investment in leadership training
2. Send Jon Franklin to Sri Lanka to investigate external mission
3. Run an external mission to Sri Lanka
4. Restructure church administration
5. Vine Project support until end Dec 2006
6. Appoint a new leadership team
7. Return church to profitability (including asset depreciation)
8. Persuade irregular givers to become regular givers through gift aid
9. Plan further church weekend to occur in May 2007

Income budgets for the coming year have again 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 the charity returning to profit in the next financial year.


.....
Signed on behalf of the Directors

14 Nov 2006
.....
Date

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VINEYARD CHURCH SUTTON

We have audited the financial statements of Vineyard Church Sutton for the year ended 28 February 2006 on pages 6 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

The 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 auditors' 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 directors and auditors

As described on page 2 the charity's trustees (who are also directors for the purposes of company law) are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 report of the directors 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 report of the directors 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 director 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 state of the company's affairs as at 28 February 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Skingle

Skingle Helps & Co
Chartered Accountants
and Registered Auditors
28 Southway
Carshalton Beeches
Surrey
SM5 4HW

Date: 20 November 2006

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Statement of Financial Activities
For the Year Ended 28 February 2006

	Note	Unrestricted Funds £	Restricted Funds £	TOTAL 2006/2005 £	TOTAL 2005/2004 £	
INCOMING RESOURCES						
Incoming resources from generated funds						
<i>Voluntary income:</i>						
Donations, legacies and similar incoming resources	3(a)	244,745	-	244,745	224,704	
<i>Activities from generating funds:</i>						
Income from activities	3(b)	11,875	-	11,875	14,883	
Other income	3(c)	957	-	957	950	
Total incoming resources		257,577	-	257,577	240,537	
RESOURCES EXPENDED						
Charitable expenditure						
Grants payable	4(a)	25,820	-	25,820	33,356	
Ministry	4(b)(i)	40,488	-	40,488	38,153	
Staff costs	4(b)(ii)	140,040	-	140,040	119,514	
Sunday services	4(b)(iii)	24,910	-	24,910	24,627	
Administration	4(c)	38,954	-	38,954	47,533	
Governance costs		940	-	940	-	
Total resources expended		271,152	-	271,152	263,183	
Net outgoing resources for the year	(13,575)	-	(13,575) (22,646)
Total funds brought forward		71,734	-	71,734	94,380	
Total funds carried forward		58,159	-	58,159	71,734	

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 8 to 14 form part of these financial statements.

This page also constitutes an income and expenditure account for the purposes of the Companies Act 1985.

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Balance Sheet
For the Year Ended 28 February 2006

	Note	£	28-Feb-06 £	£	28-Feb-05 £
Fixed Assets					
Tangible assets	2		12,033		22,881
Current Assets					
Debtors	6	9,247		9,824	
Cash at bank and in hand	5	<u>38,116</u>		<u>40,045</u>	
		47,363		49,869	
Creditors: amounts falling due within one year	7	<u>1,237</u>		<u>1,016</u>	
NET CURRENT ASSETS			46,126		48,853
NET ASSETS			<u>58,159</u>		<u>71,734</u>
CAPITAL AND RESERVES					
General funds	10		58,159		71,734
Restricted funds			<u>-</u>		<u>-</u>
			<u>58,159</u>		<u>71,734</u>

These financial statements were prepared in accordance with the special provisions of Part VII of the Companies

Act 1985 relating to small companies and were approved by the board of directors on 14th November 2006

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 28 February 2006

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards and the historical cost basis and follow the recommendations in the Statement of Recommended Practice: Accounting for Charities (SORP) issued in 2005.

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

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Notes to the Financial Statements (continued)
For the Year Ended 28 February 2006

2. TANGIBLE FIXED ASSETS	Motor Car £	Computer Equipment £	General Equipment £	Sunday Services £	Total £
COST					
At 1 March 2005	14,547	65,826	23,732	25,122	129,227
Additions	-	285	200	440	925
Disposals	(14,547) (30,000)	-	-	(44,547)
At 28 February 2006	-	36,111	23,932	25,562	85,605
DEPRECIATION					
At 1 March 2005	14,547	55,841	15,776	20,182	106,346
Charge for the year	-	5,077	4,062	2,634	11,773
Released on disposal	(14,547) (30,000)	-	-	(44,547)
At 28 February 2006	-	30,918	19,838	22,816	73,572
NET BOOK VALUE					
At 28 February 2006	-	5,193	4,094	2,746	12,033
At 28 February 2005	-	9,985	7,956	4,940	22,881

The annual commitments under non-cancelling operating leases and capital commitments are as follows:

The charity is leasing a property at 5 Robin Hood Lane, Sutton, from 17th October 2003 ending 16th October 2008, at £29,425 per year.

3. INCOMING RESOURCES	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
(a) Donations, legacies and similar incoming resources				
Irregular income from donors	25,007	-	25,007	28,062
Regular income from donors	168,424	-	168,424	152,199
Tax refunds	51,314	-	51,314	44,443
	<u>244,745</u>	<u>-</u>	<u>244,745</u>	<u>224,704</u>
(b) Incoming resources from operating activities				
Conference and social events income	10,721	-	10,721	14,360
The Wendy House	1,154	-	1,154	523
	<u>11,875</u>	<u>-</u>	<u>11,875</u>	<u>14,883</u>
(c) Other income				
Fees charged	-	-	-	300
Other income	957	-	957	650
	<u>957</u>	<u>-</u>	<u>957</u>	<u>950</u>

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Notes to the Financial Statements (continued)
For the Year Ended 28 February 2006

4. RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
(a) Grants payable in furtherance of charity objects				
Vineyard Churches UK	11,413	-	11,413	11,900
Benevolence fund	1,072	-	1,072	594
Sutton Furniture Project	10,000	-	10,000	16,042
Miscellaneous gifts	3,335	-	3,335	4,820
	<u>25,820</u>	<u>-</u>	<u>25,820</u>	<u>33,356</u>

(b) Costs of activities in furtherance of charity objects

(i) Ministry

Church centre rent and rates	13,994	-	13,994	11,852
Communication	1,249	-	1,249	-
Compassionate ministries	1,414	-	1,414	1,224
Conference and training	3,142	-	3,142	11,742
Eldership team	629	-	629	3,664
Food	3,599	-	3,599	2,137
Housegroups	260	-	260	118
Interns	74	-	74	167
Leaders childcare	921	-	921	1,617
Leadership and teaching materials	553	-	553	1,138
Men and women's ministry	158	-	158	495
Newcomers	1,505	-	1,505	1,357
Social events	10,635	-	10,635	1,172
The Artists Way	424	-	424	-
Worship	540	-	540	923
Youth group	673	-	673	418
Other	718	-	718	129
	<u>40,488</u>	<u>-</u>	<u>40,488</u>	<u>38,153</u>

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Notes to the Financial Statements (continued)
For the Year Ended 28 February 2006

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
b) Costs of activities in furtherance of charity objects (continued)				
(ii) Staff costs				
Books	-	-	-	170
Car allowance	-	-	-	827
Church car	-	-	-	5,016
Church car depreciation	-	-	-	739
Cars - authorised mileage allowance	3,203	-	3,203	381
Entertaining	502	-	502	347
Gross wages	75,423	-	75,423	61,246
Manse costs - 2 staff	38,855	-	38,855	26,988
Medical	125	-	125	22
NI Company	6,760	-	6,760	5,811
Other staff costs	449	-	449	639
Pension contributions	5,713	-	5,713	5,406
Profit on sale of church car	(3,300)	- (3,300)	-	-
Staff retreat	178	-	178	825
Training and further study	9,120	-	9,120	6,721
Travel and subsistence	3,012	-	3,012	4,376
	<u>140,040</u>	<u>-</u>	<u>140,040</u>	<u>119,514</u>
(iii) Sunday services				
Audio visual and PA	1,151	-	1,151	1,144
Audio visual and PA depreciation	2,634	-	2,634	4,938
Christmas service	319	-	319	276
Coffee and catering	1,496	-	1,496	1,232
Hall hire	14,260	-	14,260	12,540
Information desk	250	-	250	194
Miscellaneous	848	-	848	219
Sermon material	-	-	-	115
Sunday equipment	761	-	761	611
Vineyard kids	3,191	-	3,191	3,358
	<u>24,910</u>	<u>-</u>	<u>24,910</u>	<u>24,627</u>
TOTAL	<u>205,438</u>	<u>-</u>	<u>205,438</u>	<u>182,294</u>

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Notes to the Financial Statements (continued)
For the Year Ended 28 February 2006

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
(c) Administrative costs				
Alarm	233	-	233	488
Audit and accountancy	940	-	940	-
Bank charges	76	-	76	380
Computer expenses	1,666	-	1,666	935
Computer equipment depreciation	5,077	-	5,077	9,986
General equipment depreciation	4,062	-	4,062	7,957
Insurance	1,341	-	1,341	1,715
Internet	1,164	-	1,164	1,052
Medical	21	-	21	172
Miscellaneous	770	-	770	718
Office cleaning	879	-	879	896
Office equipment	656	-	656	1,049
Office supplies and stationery	2,475	-	2,475	3,353
Postage and delivery	674	-	674	1,003
Professional advice management	-	-	-	-
Professional fees	656	-	656	393
Rent and rates	15,636	-	15,636	14,295
Telephone and fax	2,668	-	2,668	2,846
Utilities	900	-	900	295
	<u>39,894</u>	<u>-</u>	<u>39,894</u>	<u>47,533</u>

5. CASH AT BANK AND IN HAND

	2006 £	2005 £
Current account	22,339	14,600
Deposit account	15,495	25,219
Petty cash	282	226
	<u>38,116</u>	<u>40,045</u>

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Notes to the Financial Statements (continued)
For the Year Ended 28 February 2006

6. DEBTORS	2006	2005
	£	£
Prepayments	2,452	-
Employee's interest free loan	3,200	3,500
Tax recoverable	3,595	6,324
	<u>9,247</u>	<u>9,824</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2006	2005
	£	£
Credit card	297	1,016
Audit and accountancy	940	-
	<u>1,237</u>	<u>1,016</u>

8. STAFF COSTS	2006	2005
	£	£
Gross wages and salaries	75,423	61,246
Social security costs	6,760	5,811
Pension contributions	5,713	5,406
	<u>87,896</u>	<u>72,463</u>

Number of employees engaged in the following activities:

Activities in furtherance of organisation's objects	5	5
	<u>5</u>	<u>5</u>

No employees received emoluments of over £50,000 (2005: None).

9. RESTRICTED FUNDS

No restricted funds were held throughout the year.

VINEYARD CHURCH SUTTON
(A Company Limited by Guarantee)
Notes to the Financial Statements (continued)
For the Year Ended 28 February 2006

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.

	2006	2005
	£	£
Profit / (Deficit) for the financial year	(13,575)	(22,646)
Other recognised gains	-	-
	<u>(13,575)</u>	<u>(22,646)</u>
Balance brought forward	71,734	94,380
	<u><u>58,159</u></u>	<u><u>71,734</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.