

Connect Church UK

Registered Charity no. 1133824

Company No. 07003576

Annual Report and Financial Statements

for the year ended 31 March 2020

Connect Church UK
3 The Square
111 Broad St
Five Ways
Birmingham B15 1AS
0121 766 7600
info@connectchurchuk.com
www.connectchurchuk.com



Contents

ANNUAL REPORT 2020

Reference and Administrative Information.....	3
Structure, Management and Governance.....	4
Objectives and Activities.....	6
Review of the Year – Achievements and Performance.....	8
Financial review.....	11
Plans for the Future.....	12
Statement of the responsibilities of the Board of Vision Protectors.....	13
Independent Examiner’s Report.....	14
Statement of Financial Activities.....	15
Notes to the Accounts.....	22

ANNUAL REPORT 2020

The Board of Vision Protectors presents its trustees' report for the year ended 31 March 2020.

Reference and Administrative Information

Charity Name: Connect Church UK

Charity registration number: 1133824

Company registration number: 07003576

Registered Office: Unit 3 The Square
111 Broad St
Birmingham
B15 1AS

Board of Vision Protectors (Charity Trustees & Company Directors)

Pastor Kirk McAtear	Senior Minister/Chair Pastor
Tracee McAtear	Executive Minister
Mr Vernon Dore	
Mr Simon Lakin	
Mrs Stefanie Lakin	<i>Resigned 5 August 2020</i>
Mr Bradford Ricketts	
Mrs Louison Ricketts	<i>Appointed 18 April 2019</i>
Mr Andreas Stylianou	<i>Resigned 10 July 2020</i>
Miss Grace Sutton	<i>Appointed 18 April 2019</i>

Banking services:

Lloyds Bank, 9-11 Poplar Rd, Solihull B91 3AN.

The Charity Bank Ltd, Fosse House, 182 High St, Tonbridge, Kent, TN9 1BE.

Kingdom Bank, Ruddington Fields Business Park, Mere Way, Ruddington, Nottingham, NG11 6JS.

Big Issue Invest, 113-115 Fonthill Road, Finsbury Park, London N4 3HH.

Independent Examiner:

Rev'd Alan Clements, 15 Carleton Road,
Great Knowley, Chorley, PR6 8TQ, MA, ACIB, FCIE.

Solicitors:

Gowling WLG (UK) LLP, Two Snowhill, Birmingham, B4 6WR



Structure, Management and Governance

Governing Document

The church is a charitable company limited by guarantee, incorporated on 28 August 2009 and registered as a charity on 27 January 2010. The company was established under a Memorandum of Association and amended by special resolution(s) dated 05/02/2013 which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Although Connect Church UK is an autonomous charity, since the church's commencement in 1940 it has had fellowship status with the Assemblies of God Great Britain (AoG GB), and abides by the Constitution of AoG GB, has accepted the AoG GB Statement of Faith, contributes financially to AoG GB and ensures that the Senior Minister has AoG GB Ministerial Status.

Recruitment and Appointment of Vision Protectors

The directors of the company are also charity trustees for the purposes of charity law and are known in Connect Church UK as Vision Protectors. Under the requirements of the Memorandum and Articles of Association the Vision Protectors are identified by the Senior Minister and, after an application process, are appointed by the Vision Protectors at the Annual General Meeting. The directors are not required to retire by rotation. It is considered that all the Vision Protectors and any others who could be understood to be 'managers' in the activities of the charity are deemed to be 'fit and proper' persons under the terms of the Finance Act 2010. Trustee training is available for any new Vision Protector or those continuing to serve as a Vision Protector as part of our regular meetings as well as the occasional stand-alone training course.

In 2019, two new Vision Protectors, Louison Ricketts and Grace Sutton, were appointed to the board alongside the seven who remained in post from the previous year. After the close of this financial year, two Vision Protectors resigned: Andreas Stylianou in July 2020 and Stefanie Lakin in August 2020. All Vision Protectors are aware of the Charity Commission's guidance on public benefit in their publication 'The Advancement of Religion for Public Benefit' and have regard to it in their administration and activities of Connect Church UK.

Most of the Vision Protectors give their time voluntarily and receive no benefits from the church. Kirk McAtear received £31,784.18 remuneration (Gross) and Tracee McAtear received £19,260.24 remuneration (Gross). Stefanie Lakin continued employment as the Childrens' Coordinator and received £8,997.23 remuneration (Gross). Stefanie's husband Simon is also a Vision Protector, however the majority of Connect Church UK's directors and trustees did not receive remuneration directly or indirectly from Connect Church UK.

The Board of Vision Protectors met 8 times in the 2019/2020 financial year of the company. The Vision Protectors are responsible for the various ministries and operations of the church and make regular reports at the meetings so that issues may be highlighted and discussed. A sub-committee, called the Management Team, of staff and skilled lay members of various professional backgrounds from the church is led by the Executive Minister and their research and recommendations informs the Board of Vision Protectors. A salary sub-committee of two Vision Protectors and two members from the Management Team, all non-paid volunteers, reviewed and recommended the salaries of the staff for the 2020/21 budget.

Risk Assessment

Connect Church UK recognises that in relation to 'Risk Assessment', risk is defined as 'the threat of any action or event which will adversely affect an organization's ability to achieve its objectives and execute its strategies'. It also accepts that the term 'risk' can include any circumstances that may, or do, have an adverse effect, and is wider than financial matters. 'Risks' relate not only to the negative consequences of a threat, but also to the impact of not taking advantage of opportunities.

Connect Church UK recognises it requires a practical Health and Safety Policy for any building and surrounding grounds it owns or rents in pursuit of its activities. This is reviewed on a regular basis. An Accident Book is maintained.

The contents and obligations of the Equality Act 2010 and the Data Protection Act 2018 are known and complied with to the best of the church's ability. The Vision Protectors are aware of their responsibilities in respect of the Regulatory Reform (Fire Safety) Order 2005 and its requirement to carry out a fire assessment to identify any possible dangers and risks, to take action to minimize the risks and to create a plan to deal with any emergencies, and also to write up and keep a record of its findings and to review its assessment annually. The Vision Protectors have appointed Matthew Hopley to be the responsible person to put these matters into operation.

There is a Protection Policy in place in respect of children and vulnerable adults. Checks have been and are made with the Disclosure and Barring Service (formerly the CRB) in respect of persons dealing regularly with young people and vulnerable adults. The Vision Protectors appointed officer for this is Louison Ricketts. Whilst it is impossible to eliminate all risks and their consequences, efforts are constantly made to minimize such occurrences. The safeguarding policy is reviewed and revised annually and was approved in July 2019 by the Vision Protectors and implemented where applicable in the various ministries of the church. Vision Protectors are kept informed on matters affecting the church, such as health and safety, disability discrimination legislation and child protection.

At the close of the financial year due to the Covid 19 national lockdown, physical services were suspended and worship services and activities moved online in response. The Vision Protectors continue to monitor Government Guidelines with regards to Places of Worship and adjust activities in order to mitigate the risks of harm while endeavouring to still provide pastoral and practical care.



Objectives and Activities

Purposes and Aims

Connect Church UK's purposes as set out in the objects contained in the company's memorandum of association are:

- (a) to advance the Christian faith in accordance with the Statement in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit;
- (b) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support in such parts of the United Kingdom or the world as the directors from time to time think fit; and
- (c) to advance education in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit.

When planning activities for the year, the Board of Vision Protectors gave consideration to the Charity Commission's guidance on public benefit and, in particular, the specific guidance to charities concerned with the advancement of religion.



Values

Our Values

What's important to us

All belong <i>we are all valued</i>	Always Bible-based <i>we are Bible-based</i>
All in! <i>we all contribute</i>	Always building <i>we are good stewards</i>
All original <i>we are all innovative</i>	Always aware <i>we are responsible leaders</i>
All together <i>we serve collaboratively</i>	Always on mission <i>we are people of influence</i>
All anointed <i>we are Holy Spirit-enabled</i>	Always more <i>we are growing in faith</i>

Our Culture

How we walk & how we talk

inclusive
open / diverse / welcoming
accessible / non-judgemental / safe

authentic.
honest / real / relatable
unfiltered / jargon-free / unpretentious

expressive!
engaging / fresh / dynamic
exciting / active / positive / fun

Culture

Pattern

Our Pattern

Our guide into discipleship

worship
closer to Jesus

love
stronger relationships

serve
be a good neighbour

Review of the Year – Achievements and Performance

The Board of Vision Protectors is satisfied with its achievements as the church grows in expression and influence in our community and beyond. The following section provides some highlights of activity and performance.

WORSHIP

- **11am worship** - Connect Church UK continued to hire the Legends Lounge in St Andrews Football Stadium for our Sunday morning services. A dedicated team of staff and volunteers set-up and packed down the equipment required to facilitate a full worship band, as well as serving morning tea before the service every week. On average 130 adults and young people attended the main Sunday service each week.
- **Connect Kids** – Our children’s ministry continued to run two programs in the function rooms while the Sunday morning service was taking place. ‘Bright Sparks’ is a program for nursery-aged children and ‘Allstars’ is the program for primary school-aged students. At times, the children contributed to the main Sunday service with musical items, dances, dramas and readings especially for special occasions such as Presentation Sunday and Christmas. On average, 23 children attended the programs each week.

During the summer some of the children attended the Ultimate Kids Camp in Cotswolds for a week accompanied by their leaders and parents. Connect Church sponsored the parents to attend with their children.

Connect Kids also extended their activities to run various Community events – the second Light Party in Wyndcliffe Primary School as a Halloween alternative, and a Circus Day held at St Andrew’s BCFC. Children from the local community as well as the Regular Connect Kids Children attended both events and had a lot of fun!



- **Sunday Evenings** – Sunday nights were used to facilitate smaller leadership meetings on a four-week basis. The four-week rotation included: Week 1 - Vision Protectors’ Meeting; Week 2 - Core Team, Week 3- Male Leaders input and training; Week 4-Female Leaders input and training.
- **Friday Night Church** – From April 2019 to November 2019, a weekly Friday Night service was run at St Andrew’s Football Stadium in order to give an alternate opportunity for people who were unable to attend Sunday Services. The service replaced the youth activities for that period and the young people facilitated the services. After evaluation and review, the service was discontinued in November due to low numbers of people attending.
- **Special Events** – We continued to craft special services to highlight significant dates in the church calendar such as Easter and Christmas. Global Missions Sunday encouraged people to come dressed



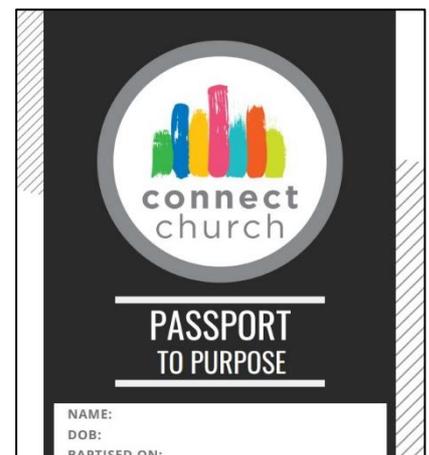
in clothing to represent the cultural heritage of the 20 countries that make up the church. Mothers’ and Fathers’ Day, Remembrance Sunday and a Celebration service to mark 10 years of ministry from Kirk and Tracee McAtear were all held this year. Baptism services took place several times throughout the year, outside the stadium in a portable spa set up for the occasion surrounded by friends, families and supporters from the church congregation.

- **New Church Building** – the new ‘Home and Hub’ Church auditorium construction progressed slowly throughout the year. Delays continue to stunt the progress of the building. The congregation have been incredibly patient, gracious and generous throughout the whole process, and we have tried to involve them when safe and practical as the building has taken shape. Enough progress was made for the Always Building Fundraiser in March 2020 to take place inside the main auditorium as a sneak preview of coming attractions. It was an exciting day and our last gathering as a congregation before the Covid restrictions took effect. We are now anticipating that the building should be completed in 2021.



LOVE

- **Connect Groups** –Our Connect Groups are formed based either on geographical location, generation, gender, general interest or personal growth. During this year, there were 13 connect groups running over the course of the year, with up to 74 people per month engaged in these groups.
- **Thursday night Training Hub** – This year we launched the Passport to Purpose, as a means of encouraging people to participate in the Discipleship training courses offered. These include The Alpha course, Freedom in Christ, SHAPE and Entrust where foundational doctrines are taught in a friendly, warm environment where discussion and questions are encouraged. The courses were well received and attended and usually were facilitated at the Ibis Hotel in Bordesley Green or at Small Heath Baptist Church.
- **Pastoral work**- the visiting of the housebound, sick and bereaved continued to be facilitated by the pastors and the lay members of the Love Team led by the Pastoral Care Coordinator.



SERVE

- **Engage local community** – The Engage team focused on being ‘Good Neighbours’ in the Small Heath community where the church meets and the new Home and Hub is located. There were monthly garden cleanups and litter picks, where volunteers worked side by side with the neighbours to improve the local community.



Engage Christmas appeal: This year was two-fold, boxes of chocolates that were donated by the congregation were gift wrapped and delivered by the volunteers to our neighbours in Small Heath. The second project was the packaging of hampers for fresh arrivals at the St Basils Youth Homeless Charity made up of toiletries & new underwear donated by the congregation.

Schools: Donations of new school uniforms from the congregation were deposited with Wyndcliffe Primary School at the start of the school year in September. The Childrens’ Coordinator had discovered while consulting with the school that many school families were unable to provide their children with uniforms and school staff had been providing the children with uniforms from their own resources. The I AM youth program used the Wyndcliffe Primary school hall for games nights with some of the local children joining in the fun. CCUK started to hire the school hall at Holy Trinity Secondary School in Small Heath when St Andrews became unavailable due to football clashes. The school is interested in Connect Church running more activities from their facilities.



Youth: Was renamed ‘I AM Youth’ this year by a new leadership team and created a rotating program of 4 different youth events that ran on a Friday night:

- PLAY a fun, games night,
- PRESENCE a youth worship service,
- PARLEY a discussion based night,
- PREACH IT where the youth themselves did the talking.

The main challenge for the team remains finding suitable locations for the youth events each week.

Chaplaincy: The Senior Minister Kirk McAtear continued in his role as chaplain to the Birmingham City Football Club, providing spiritual and pastoral support to the players and staff.

Partnerships abroad – while Connect Church UK is committed to serving our local community we also continue to reach out abroad to both help and be trained further in ministry. Partnerships with other churches and charities has been an effective strategy to enable this and over the past year included: Assemblies of God UK: the senior minister Kirk McAtear was appointed to the National Leadership Team as the Missions Director in May 2019. Consequently, he is now partnering with missionaries and their agencies internationally.

Compassion: congregation members continue to sponsor children from two projects in Haiti as part of church partnership.

Open Doors: in response to the crisis in Syria, Connect Church donated £1400, half of the donations received during the Open Doors Sunday service on 20 October, as well as continuing monthly support.

Sri Lanka: Connect Church began to support the establishment of the Brave Church in Colombo in April 2019.

Czech Republic: a team of young creatives traveled to the Czech Republic in July 2019 to run activities at the Kristfest Young Summer Camp. Training of church leaders and their teams continued both in person as well as via digital platforms. Kirk McAtear and Matt Hopley visited Paruba in February 2020 to train leaders and minister in their church service.

Trinity Church Singapore: continued to provide mentoring and practical support to Connect Church.

Financial review

The finances of Connect Church UK remained steady and healthy during this year. We received £375,502 in income and incurred £324,573 in expenditure. In accordance with the finance policy a reserve fund was maintained with the goal of saving towards 3 months' expenses. At the end of the financial year there was £76,923 in the reserves bank accounts, exceeding the goal of the 2019-20 Budget of £73,582.

Most of Connect Church UK's income is giving from the congregation, and in the past year the general donations increased from £165,338 to £187,382 before gift aid. This is an increase of 13% and the level of giving is very encouraging considering the high levels of donations to the new building project. We continued to count, process and record donations carefully in order to claim from the Gift Aid Small Donations scheme, as well as claiming gift aid separately for the general and vision funds. At the end of the financial year the smaller designated funds for Synergy, Youth, Kids and Engage were transferred into the General fund, as part of a transition to simplify and strengthen the accounts using the online software of ExpensePlus.

Giving towards the new building project on 150 Coventry Rd remained strong this financial year. £88,486 in vision donations was pledged for the 12 months in March 2019 by the congregation and friends of Connect Church UK. By the end of the pledge year (1 Mar 19 – 29 Feb 20) we had received £101,694 with a fulfilment rate of 115%. After the gift aid was claimed the total vision funds received for this financial year (1 Apr 19- 31 Mar 20) were £89,271, down 37% from the previous year. Additional vision income was derived from bank interest totaling £324 for the year. An additional £770 was donated to the restricted Fitout Fundraiser fund, specifically to finance the internal fitting out of the building after handover by RJR Corporation. At the end of the financial year the £23,812 in this restricted fund was merged in with the vision fund as part of the transition to Expenseplus. Surplus vision funds are lodged in the Vision Bank Account (4002) until the funds are required at the end of the new church building project.

Of the total £375,502 income received by Connect Church UK this year £114,006 was donated in total by the Vision Protectors and related parties before gift aid was claimed. No expenses were paid to the Vision Protectors. Payments in the course of employment are included in note 2 of the accounts.

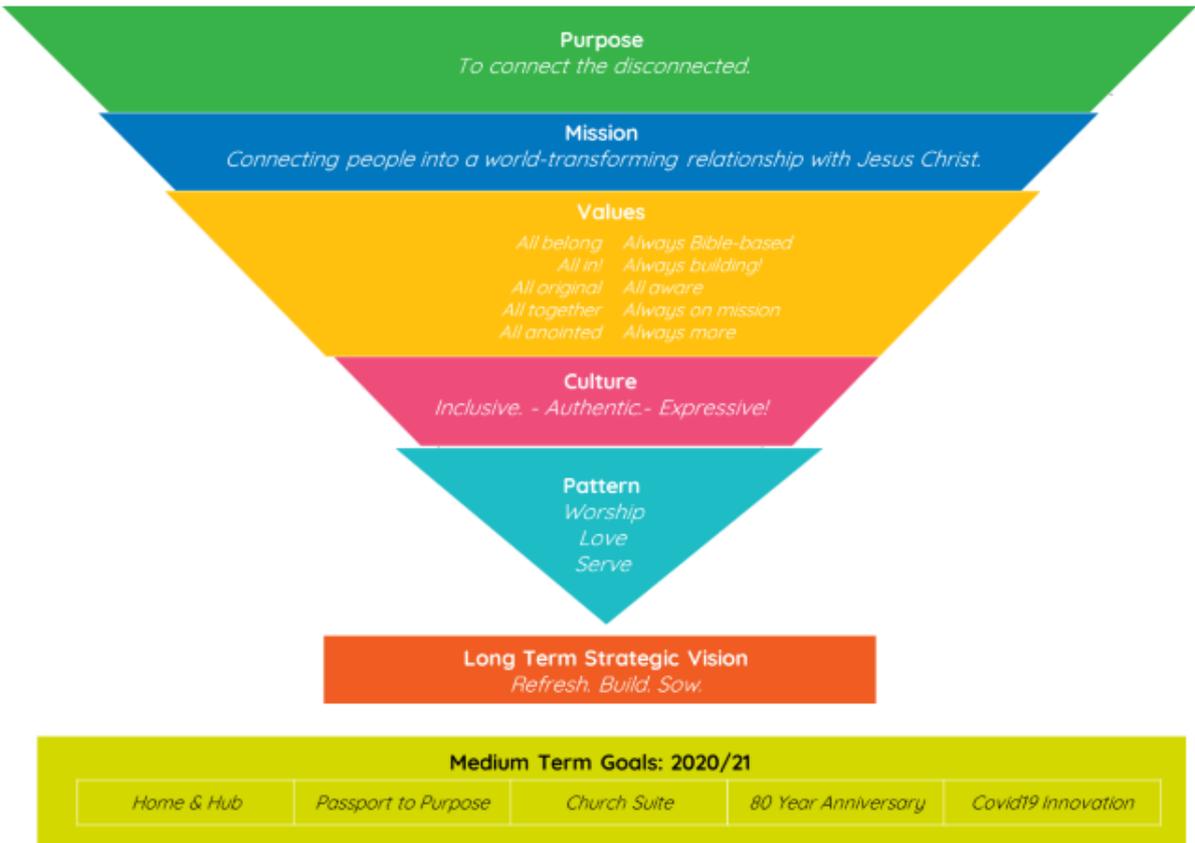
The largest expense for Connect Church UK are the staff salaries which totaled £118,429. The salaries are funded entirely from the resources of Connect Church UK. Pension funds for the staff were paid to the People's Pension, defined contribution pension scheme to meet CCUK pension obligations.

The next largest item are the mortgage interest repayments to the Charity Bank and to Big Issue Invest. The mortgage interest repaid totaled £54,768. The third largest expenditure for the year was rent of facilities for Sunday services and midweek. The cost to Connect Church UK in rent was £33,990 for the year. The church continued to use the office unit at the Square, 111 Broad St, B15 1AS, a donated facility from Centric Community Projects Ltd as an administration base. The value of this donation is £55,575 for the year. The second floor is used for administration, while the ground floor is used for the storage of furniture and items for the new building or that are used occasionally in our activities.

The 2019-20 budget was redrafted each quarter to reflect the delays experienced in the building project. The budget for the next year was set and approved by the Vision Protectors in February 2020. Due to the unknown exact costs of the new building, the mortgage and the costs to run the new building, the new budget was again crafted on a lot of assumptions and best guesses. The new budget assumes a slight increase in income, a mortgage of £1,200,000 and a surplus of £ 44,477 approximately. By the time the budget was implemented in April 2020 however, Covid19 restrictions were in place and the budget was reforecast due to the changes in operation. Even with the interruptions the trustees consider that Connect Church UK is a going concern.

Plans for the Future

In 2020/21 we intend to continue to develop and expand the ministry of Connect Church UK through our core mission. The strategic plan formulated by the Vision Protectors and stream teams at the start of 2020 has been revisited since the onset of the Covid 19 pandemic. Of the 5 original goals, only 1 was no longer applicable and this was pivoted toward the priority to innovate during covid-19.



Statement of the responsibilities of the Board of Vision Protectors

The Board of Vision Protectors is responsible for preparing the Annual report and financial statements in accordance with applicable law and United Kingdom generally accepted accounting practice.

Charity law requires the trustees to prepare a statement of financial activities and statement of assets and liabilities for each financial year, which gives a true and fair view of the state of affairs of the church and of its financial activities for that year and adequately distinguishes any material special trust or other restricted fund of the church. In preparing those financial statements the Board of Vision Protectors is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable accounting standards, subject to the material departures disclosed and explained in the financial statements
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the church will continue to operate.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure the financial statements comply with the Charities Act 2011. We also have a responsibility to safeguard the assets of the church and to take reasonable steps to detect fraud or other irregularities and to provide reasonable assurances that:

- The church is operating efficiently and effectively
- Its assets are safeguarded against unauthorized use or disposition
- Proper records are kept and financial information used within the church or for publication is reliable
- The church complies with relevant laws and regulations.

Independent Examiner

The Board of Vision Protectors intend to ask the existing examiners to undertake the independent examination of the Church in the following year.

Approval

This report was approved by the Board of Vision Protectors of Connect Church UK and signed on its behalf, by Pastor Kirk McAtear, Senior Minister.

Signed:



Date:

22/10/2020

Independent Examiner's Report to the Trustees of Connect Church UK

I report on the accounts of the company for the year ended 31st March 2020, which are set out on pages 15 to 21 of this Report.

Respective responsibilities of trustees and examiner.

The trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report.

My examination was carried out in accordance with the general Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement.

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with accounting records, comply with the accounting requirements of section 386 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed Alan A Clements Date 27th October 2020

Fellow of the Association of Charity Independent Examiners.

Address 15 Carleton Road, Great Knowley, Chorley PR6 8TQ.

Statement of Financial Activities

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
Incoming resources						
Incoming resources from generated funds						
Voluntary income	223,906	10,238	80,990	—	315,135	340,025
Investment income	58	146	177	—	382	333
Incoming resources from charitable activities	2,909	—	—	—	2,909	4,376
Other incoming resources	57,075	—	—	—	57,075	58,523
Total income	283,949	10,384	81,168	—	375,502	403,258
Resources used						
Cost of generating funds						
Cost of generating voluntary income	152	—	—	—	152	129
Investment management costs	(27,616)	82,472	41	—	54,897	42,557
Charitable activities	268,053	1,468	—	—	269,522	247,931
Total expenditure	240,590	83,941	41	—	324,573	290,617
Net income / (expenditure) resources before transfer	43,358	(73,556)	81,126	—	50,928	112,640
Transfers						
Gross transfers between funds - in	1,840,728	112,295	1,124,792	—	3,077,817	2,086
Gross transfers between funds - out	(1,197,659)	(595,291)	(1,284,865)	—	(3,077,817)	(2,086)
Other recognised gains / losses						
Gains / losses on investment assets	—	—	—	—	—	—
Gains on revaluation, fixed assets, charity's own use	—	—	—	—	—	—
Net movement in funds	686,427	(556,552)	(78,945)	—	50,928	112,640
Total funds brought forward	90,517	556,552	354,386	—	1,001,456	888,815
Total funds carried forward	776,944	—	275,440	—	1,052,385	1,001,456
Represented by						
Unrestricted						
General fund	776,944	—	—	—	776,944	90,517
Designated						
Engage Projects	—	—	—	—	—	292
Kids Ministry	—	—	—	—	—	690
Synergy (Seniors Ministry)	—	—	—	—	—	221
Vision	—	—	—	—	—	555,231
Youth Ministry	—	—	—	—	—	117

Detailed comparative data for the prior year is in Note 6 on p. 24

Balance sheet

Class and code	Description	This year	Last year
Fixed assets			
3001	New building	1,821,509	1,549,993
3010	Church equipment	10,754	9,462
3020	Motor vehicles	314	393
3030	Computers	4,283	3,560
	Total Fixed assets	1,836,862	1,563,410
Current assets			
4000	General Bank Account 28472760	25,589	20,837
4002	Vision fund account 47463068	255,182	260,630
4003	Reserve Fund Account 57408768	46,421	44,295
4005	Charity Bank D90 Account 01/D90/605762/0	30,502	30,334
4010	Deposit account - Kingdom bank	1,252	1,217
4100	Bread4BusinessFloat	772	50
4102	Sen Pastor Exp Prepaid Card	93	72
4103	Exec Pastor Exp Prepaid Card	127	108
4104	Pastoral Coord Exp Prepaid Card	111	60
4105	Venue Coord Exp Prepaid Card	50	102
4106	Childrens Coord Exp Prepaid Card	150	54
4107	Worship Coord Exp Prepaid Card	95	54
4108	Past Assist Exp Prepaid Card	77	50
4109	Silver Linings Prepaid Card	100	85
4110	Catering Exp Prepaid Card	49	82
4111	Engage Prepaid Card	100	—
Z05	Accounts Receivable	11,068	9,499
	Total Current assets	371,744	367,534
Liabilities			
6105	Big Issue - Working Capital Loan	95,318	96,941
6106	Big Issue - Development Loan (RGF)	123,599	—
6110	Charity Bank Mortgage	935,683	820,115
6699	Agency collections	—	5,303
Z04	Accounts Payable	1,620	7,128
	Total Liabilities	1,156,222	929,488
	Net Asset surplus(deficit)	1,052,385	1,001,456
Reserves			
	Excess / (deficit) to date	50,928	585,915
Z01	Starting balances	1,001,456	415,540
Z02	Gains/(losses) on investment assets	—	—
	Total Reserves	1,052,385	1,001,456
Represented by funds			
	Unrestricted	776,944	90,517
	Designated	—	556,552
	Restricted	275,440	354,386
	Endowment	—	—
	Total	1,052,385	1,001,456

For the year ended March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Signed on behalf of the Board:


KIRK McATENA

Print Name:

Statement of assets and liabilities

	This year	Last year
Tangible assets		
New building		
Vision (Designated) -	—	555,457
Vision (Restricted) -	—	994,536
General fund (Unrestricted) -	1,821,509	—
	1,821,509	1,549,993
Church equipment		
General fund (Unrestricted) -	10,754	9,442
Vision (Designated) -	—	20
	10,754	9,462
Motor vehicles		
General fund (Unrestricted) -	314	—
Vision (Designated) -	—	393
	314	393
	Computers	
General fund (Unrestricted) -	4,283	3,110
Kids Ministry (Designated) -	—	449
	4,283	3,560
Total for Tangible assets	1,836,862	1,563,410
Cash at bank and in hand		
General Bank Account 28472760		
Engage Projects (Designated) -	—	355
Vision (Designated) -	—	14,779
Vision (Restricted) -	26	(18,552)
General fund (Unrestricted) -	25,563	18,903
Synergy (Seniors Ministry) (Designated) -	—	21
Kids Ministry (Designated) -	—	234
Youth Ministry (Designated) -	—	63
Agency collection (Restricted) -	—	5,032
	25,589	20,837
	Vision fund account 47463068	
Fitout Fundraiser (Restricted) -	—	23,042
Vision (Designated) -	—	66,167
Vision (Restricted) -	255,182	171,212
General fund (Unrestricted) -	—	208
	255,182	260,630
Reserve Fund Account 57408768		
General fund (Unrestricted) -	46,421	28,941
Vision (Designated) -	—	15,354
	46,421	44,295
Charity Bank D90 Account 01/D90/605762/0		
General fund (Unrestricted) -	14,814	30,168
Vision (Restricted) -	15,688	166
	30,502	30,334
Deposit account - Kingdom bank		
General fund (Unrestricted) -	1,252	1,217
	1,252	1,217
Bread4BusinessFloat		
General fund (Unrestricted) -	772	35
Engage Projects (Designated) -	—	14
	772	50
Sen Pastor Exp Prepaid Card		
General fund (Unrestricted) -	93	72
	93	72

Exec Pastor Exp Prepaid Card			
Agency collection (Restricted) -	General fund (Unrestricted) -	127	123
		—	(14)
		127	108
Pastoral Coord Exp Prepaid Card			
	General fund (Unrestricted) -	111	60
		111	60
Venue Coord Exp Prepaid Card			
General fund (Unrestricted) -	Engage Projects (Designated) -	—	(77)
Agency collection (Restricted) -		50	184
		—	(4)
		50	102
Childrens Coord Exp Prepaid Card			
General fund (Unrestricted) -		150	49
Agency collection (Restricted) -		—	4
		150	54
Worship Coord Exp Prepaid Card			
Agency collection (Restricted) -	General fund (Unrestricted) -	95	58
		—	(3)
		95	54
Past Assist Exp Prepaid Card			
Youth Ministry (Designated) -	General fund (Unrestricted) -	77	(4)
		—	54
		77	50
Silver Linings Prepaid Card			
General fund (Unrestricted) -		100	—
Synergy (Seniors Ministry) (Designated) -		—	85
		100	85
	Catering Exp Prepaid Card		
General fund (Unrestricted) -		49	82
		49	82
Engage Prepaid Card			
General fund (Unrestricted) -		100	—
		100	—
	Total for Cash at bank and in hand	360,676	358,035
Debtors			
Accounts Receivable			
Vision (Restricted) -		4,542	4,096
	General fund (Unrestricted) -	6,525	4,993
Synergy (Seniors Ministry) (Designated) -		—	114
Kids Ministry (Designated) -		—	6
	Agency collection (Restricted) -	—	289
		11,068	9,499
Total for Debtors		11,068	9,499
Agency accounts			
Agency collections			
Agency collection (Restricted) -		—	(5,303)
		—	(5,303)
Total for Agency accounts		—	(5,303)
Creditors: Amounts falling due after more than one year			

Fund movement by type

	Opening	Incoming	Outgoing	Transfers	Gains/losses	Closing
Eng - Engage Projects						
Designated	292	—	119	(172)	—	—
Sub-total for Eng	292	—	119	(172)	—	—
FOF - Fitout Fundraiser						
Restricted	23,042	770	—	(23,812)	—	—
Sub-total for FOF	23,042	770	—	(23,812)	—	—
Vision - Vision						
Designated	555,231	9,067	82,472	(481,826)	—	—
Restricted	331,343	80,398	41	(136,259)	—	275,440
Sub-total for Vision	886,574	89,465	82,513	(618,085)	—	275,440
General - General fund						
Unrestricted	90,517	283,949	240,590	643,068	—	776,944
Sub-total for General	90,517	283,949	240,590	643,068	—	776,944
Syn - Synergy (Seniors Min)						
Designated	221	636	646	(211)	—	—
Sub-total for Syn	221	636	646	(211)	—	—
Kids - Kids Ministry						
Designated	690	551	637	(605)	—	—
Sub-total for Kids	690	551	637	(605)	—	—
Youth - Youth Ministry						
Designated	117	129	66	(180)	—	—
Sub-total for Youth	117	129	66	(180)	—	—
Grand total	1,001,456	375,502	324,573	—	—	1,052,385

Analysis of income and expenditure

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
Incoming resources from generated funds - Voluntary income						
1000 - Church giving	60,523	—	—	—	60,523	39,308
1001 - Church giving - Gift Aid-able	118,784	—	74	—	118,859	118,030
1002 - Church giving - GASDS	8,000	—	—	—	8,000	8,000
1003 - Church giving - gift aid tax reclaimed	36,393	—	—	—	36,393	31,309
1004 - Synergy donations	—	636	—	—	636	738
1005 - Connect Kids donations	—	551	—	—	551	220
1006 - Elevate Youth donations	—	129	—	—	129	208
1010 - Vision donations	—	—	26,454	—	26,454	79,311
1011 - Vision Donations - Gift Aid-able	49	—	48,814	—	48,864	50,910
1060 - Vision - Gift Aid reclaimed	156	8,920	5,647	—	14,723	11,987
1120 - Grants received	—	—	—	—	—	—
Total	223,906	10,238	80,990	—	315,135	340,025
Incoming resources from generated funds - Investment income						
1200 - Interest received -General	58	—	—	—	58	57
1201 - Interest Received - Vision	—	146	177	—	324	276
Total	58	146	177	—	382	333
Incoming resources from charitable activities						
1400 - Other income - miscellaneous	2,909	—	—	—	2,909	4,376
Total	2,909	—	—	—	2,909	4,376
Other incoming resources						
1360 - Asset Revaluation gain/loss	—	—	—	—	—	—
1365 - Asset disposals gain/loss	—	—	—	—	—	—
1410 - Donated services and facilities	57,075	—	—	—	57,075	58,523
Total	57,075	—	—	—	57,075	58,523
INCOME TOTAL	283,949	10,384	81,168	—	375,502	403,258

EXPENDITURE

Cost of generating funds - Cost of generating voluntary income

2000 - Publicity	152	—	—	—	152	129
Total	152	—	—	—	152	129

Cost of generating funds - Investment management costs

2200 - Bank charges - general	87	—	—	—	87	73
2250 - Mortgage interest	(27,703)	82,472	—	—	54,768	42,374
2251 - Bank charges - building	—	—	41	—	41	110
Total	(27,616)	82,472	41	—	54,897	42,557

Charitable activities

2304 - Insurance	1,784	—	—	—	1,784	957
2310 - Office Expenses	2,992	—	—	—	2,992	2,467
2311 - Telephone	786	—	—	—	786	796
2320 - Church vehicles	2,307	—	—	—	2,307	1,926
2321 - Guest Speakers	4,477	—	—	—	4,477	1,318
2322 - Training	391	—	—	—	391	951
2323 - Staff Training	2,921	—	—	—	2,921	2,231
2325 - Elevate Youth Ministry	1,127	66	—	—	1,193	764
2326 - Connect Kids Ministry	1,949	637	—	—	2,586	2,977
2327 - Synergy costs	60	646	—	—	706	1,179
2328 - Special events	3,003	—	—	—	3,003	2,062
2329 - Sunday services - tech	815	—	—	—	815	385
2330 - Pastoral care	1,320	—	—	—	1,320	1,211
2331 - Catering/hospitality	3,246	—	—	—	3,246	2,374
2332 - Missions support	2,380	—	—	—	2,380	1,200
2334 - Missions expenses -Global	2,551	—	—	—	2,551	2,562
2339 - Mission Expenses - Engage	613	119	—	—	733	3,514
2350 - Staff expenses	4,654	—	—	—	4,654	4,146
2360 - Gross Salaries	118,429	—	—	—	118,429	105,932
2361 - Employer's NI	5,553	—	—	—	5,553	5,112
2362 - Pension	3,789	—	—	—	3,789	3,873
2370 - Computing Expenses	2,718	—	—	—	2,718	2,489
2371 - Sunday Services - worship	1,301	—	—	—	1,301	1,093
2400 - Legal/professional fees	6,384	—	—	—	6,384	6,373
2410 - Office Storage	55,575	—	—	—	55,575	58,523
2500 - Sundries	77	—	—	—	77	119
2501 - Rentals	33,990	—	—	—	33,990	28,152
2599 - Depreciation	2,849	—	—	—	2,849	3,233
Total	268,053	1,468	—	—	269,522	247,931
EXPENDITURE TOTAL	240,590	83,941	41	—	324,573	290,617
GRAND TOTAL	43,358	(73,556)	81,126	—	50,928	112,640

Connect Church UK

Notes to the Accounts For the year ended 31 March 2020

1. Accounting Policies

- a) The accounts have been prepared in accordance with applicable accounting standards and follow the recommendations in Statement of Recommended Practice: Accounting by Charities (SORP) 2019 and the FRS102 accounting standard.
- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received including gifts in kind that are capable of valuation. Donations arising under Gift Aid and Deeds of Covenant together with the tax recoverable thereon, are accounted for when received and provision made for tax unclaimed at the year end. Resources expended in the accounts in the period in which they are incurred and include attributable VAT which cannot be recovered.
- c) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets certain criteria is identified in the relevant fund. Designated funds are funds which have been allocated by the trustees for identifiable future expenditure. Unrestricted funds are donations and other income received or generated for the objects of the church without further specified purpose and are available as general funds

Undesignated and Designated Funds:

General Fund – the principal operating fund covering the cost of ministry, support for Christian missions, church activities, rentals and administration, with income mainly coming from regular giving by members of the congregation (plus gift aid where applicable).

Vision (Des) – some income earned from bank interest has been designated towards the construction costs of the new building.

Synergy - is the fund for the donations and costs, including room rental of the Connect Group for senior congregants.

Kids – is the fund for the donations and costs for the Connect Kid's ministry.

Youth - is the fund for the donations and costs for the I Am Youth ministry.

Engage – a new fund for donations towards the cost of Engage projects.

Restricted Funds:

Vision – donations made towards the vision of the church, which at this time is principally the building of the new facility on 150 Coventry Rd.

Fitout Fundraiser – a new fund for donations made specifically to the fitout and furnishing of the building after construction by the builders.

Due to the implementation of a new accounting software program, funds were consolidated at the end of the financial year. As a result Engage, Synergy, Kids and Youth designated funds have been merged into the General fund, however the amounts in each fund before the merger was allocated to a individual projects at the start of the 20/21 financial year to still be used by the corresponding department as general funds. Likewise the Fitout Fundraiser funds were merged with the restricted Vision funds, as both funds are for the new Home and Hub project, but allocated to a corresponding project in ExpensePlus. Funds in Agencies for the Colour Conference were transferred to the General fund as well and allocated to a corresponding project. The amounts transferred are detailed in the Fund movement table on page 19 of the accounts.

- d) Fixed assets are for use by the church in fulfilling its objects and are capitalized and depreciated. Depreciation is provided at rates appropriate to reduce book values to estimated residual values over the useful lives of the assets concerned. Land or Buildings includes construction and professional fees associated with the new building. Depreciation will commence once the buildings are commissioned. Land and buildings are then revalued periodically to reflect their net realisable value. All other assets are depreciated at 20% using the straight-line balance basis. The fixed assets were reallocated according to the fund consolidation outlined in c) and depreciated accordingly. Items of equipment valued at less than £150 are written off on purchase.
- e) The independent examiner was paid £400 for the examination of the 2018/19 accounts.

2. Employee Benefits

- Staff leave provision is aligned to the financial year. As a consequence there is no leave to accrue.
- The church paid £3,789 (2019 £3,873) in pension contributions. In particular the pension contributions for the three trustees were £1638 (2019 £1788) for Kirk McAtear and £608 (2019 £463) for Tracee McAtear as part of their employment as ministers. Connect Church UK is an employer participating in a workplace pension scheme operated by B&CE Peoples Pension with Auto-Enrolment commencing on 1 April 2016. The independent nature of this scheme means that the church is unaware of the value of this pension plan.
- No employee earned over £60,000. Payments to key members of the management team totaled £36,927 (2019 £31537). Two trustees, Kirk McAtear and Tracee McAtear, are employed as ministers, while Stefanie Lakin is employed as the Childrens Coordinator and are paid a total of £62,038 (2019 £54,890) in these positions.
- No sums were reimbursed to the Trustees for their work as Trustees.

3. Capital and Loan Commitments

The Church owns the freehold on land (Currently valued at £500,000) adjoining Dart Street and Coventry Road ("150 Coventry Rd") in Birmingham and is in the process of building a 1006m² building as its base to support the activities that deliver its three-fold vision concerning Worship, Love and Serving.

The building will be delivered by a fixed price JCT contract with RJR Ltd costing £1,385,600. The building and land has been valued at £1,500,000 on completion. The contracts for the construction and finance were completed on 5 July 2017. Loan facilities have been arranged with Charity Bank Ltd ("CBL") (£975,000), Big Issue Invest Ltd ("BILL") (£125,000) and Big Issue Access Ltd ("BIAL") (£100,000). The CBL facility has been drawn down to make stage payments to RJR Ltd and the BILL and BIAL facilities will be drawn down on exchange and completion of the facility documents and fund the initial payments under the JCT contract. The balance of £183,000 will be funded from the accumulated reserves of the Church. The trustees obtained an independent opinion from Hampton Holland Associates Limited regarding the suitability and sustainability of the loans in accordance with s124(2) of Charities Act 2011 prior to entering into the loan agreement.

The principal terms of the loans are:

Lender	Amount	% Rate	Term	Comments
Charity Bank	£975,000	Base+3.25%	25 years	Superior Debt
Big Issue Invest Ltd	£125,000	Base+8.75%	7 years	Repayments based on 25 years with refinancing at year 8
Big Issue Access Ltd	£100,000	Base+8.75%	7 years	Repayments based on 25 years with refinancing at year 8

The CBL and BILL loans hold security in the form of charges over the land and buildings, bank account and debenture over all other net assets of the Church. At the end of the financial year all the loan funds have been drawn down. A total of £54,768 (2019 £42,374) was repaid in interest to the three loans and £1622 (2019 £1599) repaid in capital to Big Issue Invest Ltd, £1401 (2019 £0) repaid in capital to Big issue Access Ltd and £24,681 (2019 £14,636) repaid in capital to the Charity Bank. Loans may be repaid in whole or part earlier subject to conditions (such as minimum amounts, periods of notice and fees (up to 2%).

There is retention payment of 4% held back for 1 year whilst snagging issues and building operations are normalized.

4. Related Parties

Connect Church is affiliated to the Assemblies of God, Great Britain. The church contributed £3,838.80 (2019 £3801.15) to the Assemblies of God this year. This expenditure is contained in line 2400 Legal/Professional fees.

5. GASDS

£8000 was claimed under HMRC's small donations scheme and received on 25 February 2020.

6. Comparative Date for SoFA.

FRS102 requires the comparative data of the prior year to be shown for each column of the SoFA. The comparative data for income and expenditure is shown below:

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds
Incoming resources					
Incoming resources from generated funds					
Voluntary income	196,600	10,520	132,904	—	340,025
Investment income	57	109	166	—	333
Incoming resources from charitable activities	933	3,443	—	—	4,376
Other incoming resources	58,523	—	—	—	58,523
Total income	256,113	14,074	133,070	—	403,258
Resources used					
Cost of generating funds					
Cost of generating voluntary income	129	—	—	—	129
Investment management costs	73	16,633	25,850	—	42,557
Charitable activities	240,065	7,865	—	—	247,931
Total expenditure	240,267	24,498	25,850	—	290,617
Net income / (expenditure) resources before transfer	15,845	(10,424)	107,220	—	112,640
Transfers					
Gross transfers between funds - in	—	2,011	75	—	2,086
Gross transfers between funds - out	(2,086)	—	—	—	(2,086)
Other recognised gains / losses					
Gains / losses on investment assets	—	—	—	—	—
Gains on revaluation, fixed assets, charity's own use	—	—	—	—	—
Net movement in funds	13,758	(8,413)	107,295	—	112,640
Total funds brought forward	76,758	564,966	247,090	—	888,815
Total funds carried forward	90,517	556,552	354,386	—	1,001,456

