



# River Church Sutton

## Trustees' Annual Report

1 January 2021 to 31<sup>st</sup> December 2021

<b>Contents</b>	<b>Page</b>
Charity Information	2
Trustees' Annual Report	3 - 6
Statement of Financial Activities	7-11
Independent Examiner's Report	12

## Charity Contact information

### River Church Sutton

Charity Registration Number: 1104168

### Principal office

River Church Sutton  
Highfield Hall  
320 Carshalton Road  
Sutton  
SM5 3QB

### Trustees

Steve Musters (Chair)  
Roz Ullman  
Simon Waters

### Independent Examiner

Peach Accounting

Due to unforeseen circumstances, we have had to change our Independent Examiner which has caused a delay in finalising the financial statement and lead to us filing late this year.

### Bankers

Santander Business Banking Centre,  
287-301 St. Vincent Street,  
Glasgow  
G2 5NT

### Objectives of the charity

- i) To advance the Christian faith and express God's love through practical support and compassion for those in physical, mental and spiritual hardship, without discrimination or passing judgment.
- ii) To promote such charitable purposes as which benefit the local community and those overseas, bringing hope through the message of Jesus Christ.

## Achievements and performance

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

## Review of activities

Some activities have had to be altered or suspended during the year due to the lockdown rules and government advice.

- **Sunday Morning Services** are a key way we serve our community by gathering together to worship, listen to teaching from the bible and offer prayer. This year started with a lockdown, due to the Covid pandemic, that prevented gathering in numbers. However, we were able to live-stream our services that helped people connect. We preached on looking after our wellbeing. From Easter we gathered in-person at Highfield Hall once again, observing government guidance at all times, while also continuing our online service for those unable to attend in person.
- **Kids and Youth.** We were able to run an online kids program every Sunday and the youth group met online each week. This proved invaluable, particularly for the youth as they were offered emotional and spiritual support.
- **Mid Week groups** continued to meet on Zoom and, along with WhatsApp group chats, helped people feel connected. Our group leaders did an amazing job ensuring no one felt left out.
- **Prayer** continues to underpin all that we do as a church. We were able to hold two weeks of prayer online along with regular monthly prayer meetings.
- **The Alpha Course** offers people an opportunity to explore faith and spirituality in a safe and relaxed environment. We ran two courses this year which were a huge success, with several people finding faith and developing deep friendships.
- **Church Planting:** In February 2021 we launched a new church in Epsom called Gateway Church. We sent out two key leaders along with around 15 church members, to start this new work in the town of Epsom. We continue to support them financially and in prayer.
- **Highfield Hall** continues to be a hub for the community and this year has hosted dance classes, toddler groups, exercise classes, creative workshops as well as kids parties at the weekends. We started a free badminton club to encourage fitness (post lockdown) and develop friendships. The hall also continues to be a good revenue stream for us.
- **Community Foodshop:** We had the privilege of hosting the Sutton Community Foodshop at Highfield Hall while its own premises, in the St. Nicholas Centre, was in lockdown. This allowed people on low incomes to access good quality food. The Foodshop moved back to the St. Nicholas Centre at the end of April as restrictions lifted.

## Review of activities (continued)

- **Sutton Community Works:** We continue to support both financially and through volunteers, Sutton Community works, the charity through which several churches in the borough operate initiatives such as Sutton Foodbank, Foodshop, Street Pastors, School Pastors and homeless ministries. We also offer them office space at Highfield Hall for no charge.
- **New Ground:** We continue to be part of New Ground family of churches. We give regular financial support, which goes towards church planting and equipping leaders, nationally and internationally. We also receive training, support and accountability from the New Ground team.
- **Welcoming people from Hong Kong:** Sutton is a key place for people from Hong Kong to relocate to. As a church we signed up with Welcome churches to be a "Hong Kong friendly church".
- **Mental Health Support:** As we emerged from lockdown it became clear that there was a real need to support those caring for loved ones with mental health needs. We launched a monthly group called "Space to Breathe" to facilitate open and honest conversation and support.

## Future plans

Looking ahead to 2022 we plan the following:

- To continue to build community and serve our borough through acts of service.
- To continue to encourage and equip members to participate in every part of church life – gathering, serving, giving, praying and reaching out to those around them.
- To develop Highfield Hall Coffee Lounge into a 'Safe Space' for those who feel isolated or vulnerable.
- To recruit a weekend caretaker to look after the weekend bookings.
- To continue to raise leaders and develop small groups

## Structure, governance and management

### Type of governing document

Trust Deed dated 29 October 2003 as amended on 13 June 2016

River Church Sutton is a registered charitable trust, number: 1104168.

### Trustee recruitment and appointment

The policy and operating decisions of the charity rest with the trustees who meet regularly to monitor the activities of the charity. New trustees are recruited and appointed by the existing trustees and receive relevant training. Tom Lawton and Vlada Rakin have stepped down from being trustees and Simon Waters has been appointed. We are currently looking to recruit one or two more trustees at the beginning of 2022 to gain a broader mix of skills.

### **Organisational structure and decision-making policies**

River Church Sutton is a charismatic evangelical Church, which has been established in Sutton since 2004.

The trustees delegate responsibility for the day-to-day running of the charity's activities to the Leadership Team personnel. Trustees approve an annual budget each year, with non-regular items outside of budgeted amounts that exceed £250 requiring additional trustee approval.

### **Related party relationships**

River Church Sutton is a separate and self-governing church, but is also part of the New Ground group in the NewFrontiers family of Churches and a member of the Evangelical Alliance.

We enjoy great working partnerships with several other local churches in the borough through which Sutton Community Works was founded.

### **Financial risk management**

The Trustees have carried out a risk assessment regarding the Church's operations and are continually taking action to ensure that the risks are minimized as much as possible.

### **Reserves Policy**

The Church's Reserves Policy is to retain approximately 3 months of essential operating expenditure, which would be approximately £30,000.

### **Principal funding**

River Church Sutton receives the majority of its income as donations from members who have informally or formally committed to regular giving. On going financial support is encouraged of new and existing members, but such support is not a requirement of membership and there is no pressure to give. Most Church members have been able to continue their regular giving despite the Covid-19 pandemic.

The Church also holds 'gift days' from time to time to support specific projects or fundraising targets. A majority of church members use the HMRC 'Gift Aid' scheme where possible.

Hall hire also contributes to our income. We offer competitive rates and prioritise charitable and community focused events.

## Financial review

The financial statements show total incoming of £175,349, an increase of 3.5% on 2020 (£168,928). Giving reduced marginally in 2020 however rental income rose by over 50% as a result of demand post-covid. This trend continues into 2022.

Expenses in the year totalled £150,596, a decrease of 5.1% on 2020 (£158,721). Strong control over costs was exercised over the period, with savings in payroll costs due to reduced headcount which enabled the Charity to donate more as a result with donations up to £56,248 (2020: £27,509).

The result was a surplus of £15,592 for the year, a significant improvement over 2020 which showed a deficit of £3,714. The total accumulated reserves stood at £233,933 of which net current assets account for £57,519 demonstrating the Charity has liquidity to cover its reserves policy.

The charity still benefits from low interest rates, however at the time of writing the Bank of England (BOE) base rate has increased to 4.25% vs 0.25% at the reporting date which will impact the Charities cost of debt held. The Charity however believes it can manage the additional cost.

In preparing the financial statements in the recommended SORP format, the new accountants highlighted a number of mis-postings for previous years which have been restated for 2020, the most significant of which is to increase the asset position of the charity by £15,030. A reconciliation can be found in note 7 of the financial statements.

## Declaration

The Trustees declare that they have approved the trustees' report above.

Signed on behalf of the Trustees:



Chair - Steve Musters

## Financial Statements for the year ended 31 December 2021

### STATEMENT OF FINANCIAL ACTIVITIES

	2021	(Restated) 2020
	£	£
<b>Income and endowments from</b>		
Donations	138,489	145,356
Charitable activities	36,858	23,509
Investment income	2	63
<b>Total</b>	<u>175,349</u>	<u>168,928</u>
<b>Expenditure on</b>		
Charitable activities	159,757	172,642
<b>Net income</b>	<u>15,592</u>	<u>(3,714)</u>
<b>Reconciliation of Funds</b>		
Accumulated Funds Bfwd	<u>218,341</u>	<u>222,055</u>
Accumulated Funds Cfwd	<u>233,933</u>	<u>218,341</u>

### STATEMENT OF FINANCIAL POSITION

	Note		
<b>Fixed Asset</b>			
Tangible Assets	2	522,593	511,621
<b>Current Assets</b>			
Debtors	3	14,816	18,239
Cash and cash equivalents		<u>60,997</u>	<u>63,129</u>
		75,813	81,368
<b>Current Liabilities</b>	4	(18,294)	(17,219)
<b>Net Current Assets (Liabilities)</b>		<u>57,519</u>	<u>64,149</u>
<b>Total Assets less Current Liabilities</b>		<u>580,112</u>	<u>575,770</u>
<b>Non-Current Liabilities</b>	5	(346,179)	(357,429)
<b>Net Assets</b>		<u>233,933</u>	<u>218,341</u>
<b>Accumulated Funds</b>		<u>233,933</u>	<u>218,341</u>

## 1 Accounting Policies

### Basis of preparation

The financial statements of the charity have been prepared in accordance with the Charities SORP (FRS102). The financial statements have been prepared under the historical cost convention.

### Income

All income is recognised in the Statement of Financial Activities once the charity is entitled to the funds, it is probable that the income will be received and the amount can be measured reliably.

### Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Tangible Fixed Assets

Tangible fixed assets are stated at cost.

Building and improvements are held at cost and revalued periodically at the discretion of the board of trustees.

Equipment and other assets are capitalised at cost and depreciated over their useful economic life of the asset concerned at 10% per annum on a reducing balance basis.

### Taxation

The Company is a registered Charity and, in the opinion of the trustees, is exempt from corporation tax on its surpluses on financial activities in accordance with section 486 of the corporation tax act 2010.

## 2 Tangible Assets

	<b>Buildings and improv.</b>	<b>Equip. and other assets</b>	<b>Total</b>
<b>Cost</b>			
At 1 January 2021	<b>507,438</b>	<b>5,623</b>	<b>513,061</b>
Additions	<b>9,860</b>	<b>1,700</b>	<b>11,560</b>
At 31 December 2021	<b>517,298</b>	<b>7,323</b>	<b>524,621</b>
<b>Depreciation</b>			
At 1 January 2021	-	<b>1,440</b>	<b>1,440</b>
Charged in the year		<b>588</b>	<b>588</b>
At 31 December 2021	-	<b>2,028</b>	<b>2,028</b>
<b>Net Book Value</b>			
At 31 December 2021	<b>517,298</b>	<b>5,295</b>	<b>522,593</b>
At 31 December 2020	<b>507,438</b>	<b>4,183</b>	<b>511,621</b>

<b>3 Debtors</b>		(Restated)
	2021	2020
	£	£
Hall Rent	1,222	157
Gift Aid Receivable	13,594	18,082
	<u>14,816</u>	<u>18,239</u>

<b>4 Current Liabilities</b>		(Restated)
	2021	2020
	£	£
Deposits Held	1,915	790
Tax and Social Security	498	2,550
Accruals	5,488	3,081
Capital Lease Obligations	10,393	10,798
	<u>18,294</u>	<u>17,219</u>

<b>5 Non-current Liabilities</b>		(Restated)
	2021	2020
	£	£
Capital Lease Obligations	346,179	357,429
	<u>346,179</u>	<u>357,429</u>

### **6 Average Number of Employees**

During the year the average number of employees was 2 (2020: 3).

### **7 Prior Period Restatement**

During the preparation of the accounts it was discovered that the period period accumulated funds were materially mistated. This has been restated and reconciled below:

<b>Originally reported</b>	<b>207,025</b>
Gift recognised as a long term liability	<b>(5,000)</b>
Restatement of Gift Aid Receivable	<b>17,766</b>
Restatement of PAYE / pension liability	<b>2,165</b>
Restatement of Fixed Assets not capitalised	<b>1,000</b>
Depreciation never recognised	<b>(975)</b>
Immaterial restatements	<b>74</b>
<b>Restated accumulated funds as at 1 Jan 2020</b>	<b><u>222,055</u></b>

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

		(Restated)
	2021	2020
	£	£
<b>Donations</b>		
Gift Aided Giving	106,219	109,943
Non Gift Aided Giving	5,727	8,783
Tax Reclaimed	26,543	26,630
	<u>138,489</u>	<u>145,356</u>
<b>Charitable Activities</b>		
Rental Income	36,858	23,404
Events	0	105
	<u>36,858</u>	<u>23,509</u>
<b>Investment Income</b>		
Interest Received	2	63
	<u>2</u>	<u>63</u>
<b>Total Incoming Resources</b>	<u>175,349</u>	<u>168,928</u>
<b>Wages and Salaries</b>		
Salaries, Wages and Benefits-in-Kind	57,430	98,850
Social Security Costs	1,508	2,461
Pension Costs	5,557	6,248
	<u>64,495</u>	<u>107,559</u>
<b>Property Costs</b>		
Rate and Utilities	1,337	1,463
Light and Heat	5,029	6,673
Repairs and Maintenance	5,099	3,654
	<u>11,465</u>	<u>11,790</u>
<b>Conference Expenses</b>		
Registrations	652	748
Travel and Subsistence	0	281
	<u>652</u>	<u>1,029</u>
<b>Church Activity Costs</b>		
Evangelism	153	217
Books and Publications	286	31
Hospitality	808	447
Gifts and Donations	56,248	27,509
Miscellaneous Expenses	867	1,302
	<u>58,362</u>	<u>29,506</u>

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES (CONT)**

	2021	(Restated) 2020
	£	£
<b>Church Running Costs</b>		
Telephone and Internet	1,924	1,422
Subscriptions	1,343	1,536
Insurance	3,222	3,217
Office Supplies	539	404
Audio/ Visual	3,439	571
Professional Fees	450	1,008
Depreciation	588	465
	<u>11,505</u>	<u>8,623</u>
<b>Finance Costs</b>		
Interest Payable	<u>13,278</u>	<u>14,135</u>
<b>Total resources expended</b>	<u>159,757</u>	<u>172,642</u>
<b>Surplus (Deficit) for the year</b>	<u>15,592</u>	<u>(3,714)</u>

Director:  
David Pestell, ACA

12 April 2023

**The Members**

River Church Sutton  
Highfield Hall  
320 Carshalton Road  
SURREY  
SM5 3QB

Client Ref: RIV01

**Independent examiner's report to the trustees of River Church Sutton**

I report to the trustees on my examination of the accounts of the above charity for the year ended 31 December 2021.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report to enable a proper understanding of the accounts to be reached.

*David Pestell*

**David Pestell ACA**  
Director