

REGISTERED COMPANY NUMBER: 04046637 (England and Wales)
REGISTERED CHARITY NUMBER: 1083852

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2016
FOR
FARNBOROUGH CHRISTIAN OUTREACH

HPCA Limited
Chartered Accountants
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

FARNBOROUGH CHRISTIAN OUTREACH
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for the year ended 31st July 2016

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FARNBOROUGH CHRISTIAN OUTREACH

REPORT OF THE TRUSTEES for the year ended 31st July 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

The Charity's objects are to promote the advancement of Evangelical Christian Causes on an ecumenical basis.

The principal activity of the charity during the year was the running of the Christian Resources Centre known as 'The Triangle'. In addition the Charity sponsored and facilitated a number of local events.

PUBLIC BENEFIT

The Charity is of public benefit in the following ways:

- Provision of literature and other supplies and resources for local Churches and schools;
- Supplier of fairly traded goods to the local community, including the local Borough Council;
- Employment of special needs people;
- Employment of voluntary staff and an active participant in work experience scheme.

ACHIEVEMENT AND PERFORMANCE

Bookshop sales for the year increased to £123,067 (compared to £115,857 in 2015). Out of shop sales including to Schools, Churches, Church events, conferences and bookstalls continue to be a significant and growing part of the Charity. With regular contact being made through the shop manager and schools liaison officer we hope to continue to be of service to local churches and schools. The Speaking Volumes initiative has been particularly useful for local schools, enabling funding through The Triangle for Christian library books.

The Trustees have been focused on reducing over heads wherever possible. One significant achievement has been the reduction in bank overdraft and associated bank charges.

Voluntary income for the period reduced to £42,372 (compared to £58,821 in 2015). The previous year included a large legacy amount and so although voluntary income is reduced the Trustees continue to be greatly encouraged by the generous support given by supporters, members and churches. Total resources expended was £170,440 (before the provision made against the bad debt from the Triangle Café Limited) in 2016 which was broadly the same as in 2015 at £170,448. Overall there was a net outflow for the period of £5,001 (compared to a net income of £8,571 in 2015) and after the provision referred to above, the figure was £14,883.

The Charity's subsidiary, The Triangle Café Limited had a turnover for the period of £86,604 (compared to £93,996 in 2015). The fall in turnover resulted in the subsidiary being unable to pay any management charge to the Charity (compared to a payment of £4,200 in 2015). The net result was a loss of £5,792 (compared to a loss of £124 in 2015). Clearly it has been a disappointing period for the subsidiary in particular. With the support of members the Trustees are working on making improvements to the Cafe, for example replacing broken and damaged chairs and tables. The Cafe team are also running various sales promotions and new menus with a view to improving the financial position of the subsidiary. The Cafe has also featured in local press articles giving lots of good promotion and the Cafe maintains its 5 star health and hygiene rating.

FINANCIAL REVIEW

Principal funding sources

The main sources of income, derive from the sales of Christian literature and media, donations from members and supporters and sales from the subsidiary, the Triangle Café Limited.

Investment policy

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit, after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification.

Reserves policy

The General Fund represents the Unrestricted funds arising from the past operating results. It also represents the free reserves of the charity, as all fixed assets are included in the fixed asset fund, which is a designated fund. The general fund balance was £56,506 at 31st July 2016 and the aim of the trustees is to build this up to a balance which represents 3 months of operating expenditure.

FARNBOROUGH CHRISTIAN OUTREACH

REPORT OF THE TRUSTEES for the year ended 31st July 2016

FUTURE PLANS

The Trustees and management team continue to be focused on closing the gap between income and outgoings so that the Charity's mission may continue into the future. Specifically our plans include:

- Continued improvement in operational efficiencies where possible;
- Reduced overheads through change to low energy LED lighting in additional areas not already changed;
-
- Renewed links with Schools and RE teachers and promotion of Speaking Volumes initiative;
- Continue to improve links with Churches through regular contact with church leaders and a network of representatives;
- Additional stalls and outlets in the shopping centre during busy periods to increase our presence and sales;
- Improved internet presence and promotion through our website and links from other websites;
- Internet sales.

The Trustees are committed to ensuring the ongoing viability of the Charity so that it continues to fulfil its objectives in the future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Farnborough Christian Outreach (a company limited by guarantee) was incorporated on 3rd August 2000, and was registered with the Charity Commission for England and Wales on 28th November 2000. On 31st January 2001, all of the assets and liabilities of the Farnborough Christian Outreach Trust (an unincorporated Charity, registered under the charity number 285306) were gifted to Farnborough Christian Outreach.

On 15th December 2000, The Triangle Café Limited (company number 4126321) was incorporated, with the sole issued share being held by Farnborough Christian Outreach. This company carries out the activities of the café situated in the new premises of Farnborough Christian Outreach, to which the charity moved in November 2001.

The company was established under its Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Appointment and induction of trustees

Trustees are appointed by the members and at each Annual General Meeting, one third of Board Members will retire from office. On retirement, trustees are eligible for re-election. The Articles of Association provides for a minimum of three trustees and no maximum. The trustees are also responsible for the appointment of new members.

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making processes and the recent performance of the charity. They meet key employees and the other trustees.

Organisational policy

The trustees meet every month. The general manager is appointed to manage the day to day operations of the charity. To facilitate effective operations, the general manager has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

Risk assessment policy

The trustees have worked with staff to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04046637 (England and Wales)

Registered Charity number
1083852

FARNBOROUGH CHRISTIAN OUTREACH

REPORT OF THE TRUSTEES
for the year ended 31st July 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office
64 Kingsmead
FARNBOROUGH
Hampshire
GU14 7SL

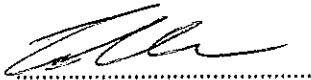
Trustees

K Fontana
C M Mason
G Martin - resigned 28.6.16
J R D Edwards
D R Palmer

Independent examiner

HPCA Limited
Chartered Accountants
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

Approved by order of the board of trustees on 26/04/17 and signed on its behalf by:



C M Mason - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FARNBOROUGH CHRISTIAN OUTREACH

I report on the accounts for the year ended 31st July 2016 set out on pages five to twelve.

Respective responsibilities of trustees and examiner

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

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 statements 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 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)

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.



Lance Redman FCCA ACA
For and on behalf of
HPCA Limited
Chartered Accountants
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

Date: 26 April 2017

FARNBOROUGH CHRISTIAN OUTREACH

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31st July 2016

	Unrestricted funds	Restricted funds	2016 Total funds	2015 Total funds
Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	42,372	-	42,372	58,821
Charitable activities				
Bookshop	123,067	-	123,067	115,857
Other income	-	-	-	4,341
Total	165,439	-	165,439	179,019
 EXPENDITURE ON				
Charitable activities				
Bookshop	180,322	-	180,322	170,448
NET INCOME/(EXPENDITURE)	(14,883)	-	(14,883)	8,571
 RECONCILIATION OF FUNDS				
Total funds brought forward	87,199	177	87,376	78,805
 TOTAL FUNDS CARRIED FORWARD	 <u>72,316</u>	 <u>177</u>	 <u>72,493</u>	 <u>87,376</u>

The notes form part of these financial statements

FARNBOROUGH CHRISTIAN OUTREACH

BALANCE SHEET
At 31st July 2016

	Not es	Unrestricted funds £	Restricted funds £	Total 2016 funds £	Total 2015 funds £
FIXED ASSETS					
Tangible assets	6	25,693	-	25,693	31,995
Investments	7	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		25,694	-	25,694	31,996
 CURRENT ASSETS					
Stocks		76,737	-	76,737	78,484
Debtors	8	7,310	-	7,310	30,784
Cash at bank and in hand		<u>1,113</u>	<u>177</u>	<u>1,290</u>	<u>598</u>
		85,160	177	85,337	109,866
 CREDITORS					
Amounts falling due within one year	9	<u>(38,538)</u>	<u>-</u>	<u>(38,538)</u>	<u>(54,486)</u>
 NET CURRENT ASSETS		<u>46,622</u>	<u>177</u>	<u>46,799</u>	<u>55,380</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>72,316</u>	<u>177</u>	<u>72,493</u>	<u>87,376</u>
 NET ASSETS		<u><u>72,316</u></u>	<u><u>177</u></u>	<u><u>72,493</u></u>	<u><u>87,376</u></u>
 FUNDS	11				
Unrestricted funds				72,316	87,199
Restricted funds				<u>177</u>	<u>177</u>
 TOTAL FUNDS				<u><u>72,493</u></u>	<u><u>87,376</u></u>

The notes form part of these financial statements

FARNBOROUGH CHRISTIAN OUTREACH

BALANCE SHEET - CONTINUED

At 31st July 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st July 2016.

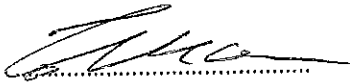
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st July 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 28/04/17 and were signed on its behalf by:



C M Mason - Trustee

FARNBOROUGH CHRISTIAN OUTREACH

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st July 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Straight line over 20 years
Plant and machinery	- Straight line over 5 years
Fixtures and fittings	- Straight line over 6 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Funds

General unrestricted funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity. Funds designated for a particular purpose by the trustees are also unrestricted.

Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of the charity are restricted income funds which are expendable at the discretion of the trustees in furtherance of some particular aspects of the activities of the charity.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation - owned assets	<u>6,625</u>	<u>6,395</u>

FARNBOROUGH CHRISTIAN OUTREACH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended 31st July 2016

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st July 2016 nor for the year ended 31st July 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st July 2016 nor for the year ended 31st July 2015.

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

2016	2015
<u>5</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

The monthly average number of employees during the year, calculated on a full time basis equivalent, was 5 (2015: 5).

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	58,821	-	58,821
Charitable activities			
Bookshop	115,857	-	115,857
Other income	<u>4,341</u>	<u>-</u>	<u>4,341</u>
Total	179,019	-	179,019
EXPENDITURE ON			
Charitable activities			
Bookshop	<u>170,448</u>	<u>-</u>	<u>170,448</u>
Total	170,448	-	170,448
NET INCOME/(EXPENDITURE)	8,571	-	8,571
RECONCILIATION OF FUNDS			
Total funds brought forward	78,628	177	78,805
TOTAL FUNDS CARRIED FORWARD	<u>87,199</u>	<u>177</u>	<u>87,376</u>

FARNBOROUGH CHRISTIAN OUTREACH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31st July 2016

6. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1st August 2015	85,497	27,662	25,566	138,725
Additions	<u>-</u>	<u>323</u>	<u>-</u>	<u>323</u>
At 31st July 2016	<u>85,497</u>	<u>27,985</u>	<u>25,566</u>	<u>139,048</u>
DEPRECIATION				
At 1st August 2015	59,924	21,240	25,566	106,730
Charge for year	<u>4,290</u>	<u>2,335</u>	<u>-</u>	<u>6,625</u>
At 31st July 2016	<u>64,214</u>	<u>23,575</u>	<u>25,566</u>	<u>113,355</u>
NET BOOK VALUE				
At 31st July 2016	<u>21,283</u>	<u>4,410</u>	<u>-</u>	<u>25,693</u>
At 31st July 2015	<u>25,573</u>	<u>6,422</u>	<u>-</u>	<u>31,995</u>

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st August 2015 and 31st July 2016	<u>1</u>
NET BOOK VALUE	
At 31st July 2016	<u>1</u>
At 31st July 2015	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

The Triangle Café Limited
 Nature of business: Coffee shop

	%		
	holding		
Class of share:	100		
Ordinary			
		2016	2015
		£	£
Aggregate capital and reserves		(5,485)	308
(Loss) for the year		<u>(5,792)</u>	<u>(124)</u>

FARNBOROUGH CHRISTIAN OUTREACH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended 31st July 2016

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
VAT	776	769
Prepayments and accrued income	<u>6,534</u>	<u>30,015</u>
	<u>7,310</u>	<u>30,784</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	8,766	28,358
Other loans	3,500	3,500
Trade creditors	21,903	12,245
Amounts owed to group undertakings	-	4,878
Social security and other taxes	175	175
Other creditors	172	1,105
Sundry Creditors	-	350
Accruals and deferred income	<u>4,022</u>	<u>3,875</u>
	<u>38,538</u>	<u>54,486</u>

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2016	2015
	£	£
Expiring:		
Between one and five years	<u>28,000</u>	<u>28,000</u>

11. MOVEMENT IN FUNDS

	At 1.8.15	Net movement	Transfers	At 31.7.16
	£	in funds	between funds	£
		£	£	
Unrestricted funds				
General fund	60,042	(8,364)	(5,054)	46,624
Fixed Asset Fund	<u>27,157</u>	<u>(6,519)</u>	<u>5,054</u>	<u>25,692</u>
	87,199	(14,883)	-	72,316
Restricted funds				
Buy a bulb	177	-	-	177
	<u>87,376</u>	<u>(14,883)</u>	<u>-</u>	<u>72,493</u>
TOTAL FUNDS				

FARNBOROUGH CHRISTIAN OUTREACH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31st July 2016

11. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	165,333	(173,697)	(8,364)
Fixed Asset Fund	<u>106</u>	<u>(6,625)</u>	<u>(6,519)</u>
	<u>165,439</u>	<u>(180,322)</u>	<u>(14,883)</u>
TOTAL FUNDS	<u><u>165,439</u></u>	<u><u>(180,322)</u></u>	<u><u>(14,883)</u></u>

Unrestricted funds

The fixed asset fund is a designated fund and represents the net book value of fixed assets of the charity, for the purpose of freeing reserves that are not available for expenditure. Transfers relate to assets capitalised during the year, and outgoing resources represent depreciation charged during the year.

Restricted Fund

The Buy a Bulb fund is as a result of an appeal to pay for the new LED lights installed in the bookshop to enhance the displays.

12. RELATED PARTY DISCLOSURES

The charity owns the entire share capital of The Triangle Café Ltd (referred to as the café), a limited company registered in England and Wales. This year no management charges (2015: £4,200) were passed onto the café.

The charity did not receive a donation from the café this financial year (2015: nil).

At the end of the year, a balance of £9,882 was due from the café (2015: £4,878 was due to the café). In view of the fact the Triangle Café Limited as at 31st July 2016 was insolvent, full provision against this debt has been made in the accounts of Farnborough Christian Outreach.

FARNBOROUGH CHRISTIAN OUTREACH
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st July 2016

	2016 £	2015 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and membership fees	42,265	58,821
Donated services and facilities	<u>107</u>	<u>-</u>
	42,372	58,821
Charitable activities		
Bookshop sales	123,067	115,857
Other income		
Management charge	-	4,200
Fundraising activities	<u>-</u>	<u>141</u>
	-	4,341
Total incoming resources	165,439	179,019
EXPENDITURE		
Charitable activities		
Wages	12,895	12,738
Rates and water	1,136	960
Insurance	1,682	1,552
Light and heat	6,565	7,481
Telephone and internet	2,478	2,223
Postage and stationery	2,009	3,184
Advertising	925	526
Sundries	560	415
Purchases	81,000	77,865
Rent	28,000	28,001
Repairs and maintenance	14,281	15,495
Travel and entertainment	117	190
Donations given	50	397
Dues and subscriptions	588	584
Depn improvements to property	4,290	4,290
Depn plant and machinery	2,335	2,105
Bank charges and interest	2,429	2,099
Credit card commission	618	788
Credit card costs	406	479
Provision against subsidiary	<u>9,882</u>	<u>-</u>
	172,246	161,372
Support costs		
Other		
Sundries	1,726	2,126

This page does not form part of the statutory financial statements

FARNBOROUGH CHRISTIAN OUTREACH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st July 2016

	2016	2015
	£	£
Governance costs		
Independent examiner's fees	2,500	2,400
Bookkeeper's fees	<u>3,850</u>	<u>4,550</u>
	<u>6,350</u>	<u>6,950</u>
Total resources expended	180,322	170,448
	_____	_____
Net (expenditure)/income	<u>(14,883)</u>	<u>8,571</u>

This page does not form part of the statutory financial statements