

MERCY CENTRAL
(A Company Limited by Guarantee)

Charity Registration Number: 1142032

Company Registration Number:
7596529 (England and Wales)

Report of the Directors and Unaudited Financial Statements

Period of accounts

Start date: 1st January 2015
End date: 31st December 2015

MERCY CENTRAL
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2015

Legal and administrative details

Registered charity number: 1142032

Registered company number: 7596529
incorporated on 7th April 2011,
a company limited by guarantee

Registered address: Woodley Hill House,
Eastcourt Avenue,
Earley,
Reading,
Berkshire,
RG6 1HH

Bankers: Barclays Bank plc

Directors and Trustees

Details of the Directors (who are also registered as Trustees of Mercy Central under the terms of its Memorandum and Articles of Association) who served during the whole or part of the 2015 financial year and who held this responsibility as at the date of approval of this report and accounts are:

- Mr John Neate (Chairman) – reappointed as Director and Trustee and as Chairman in November 2015
- Rev. Robin Gardiner
- Mrs Joanna Kay
- Mrs Ruth Jeffery – appointed as Director, Trustee and Treasurer in July 2015 and reappointed in November 2015

Additionally, Mr Andrew Twigger served as Director, Trustee and Treasurer until April 2015 when he resigned.

Report of the Trustees

Purpose

Mercy Central was registered as a charitable company in 2011 to oversee the provision of support and services to people facing financial difficulty, on behalf of Network Vineyard Church (NVC). Mercy Central is closely linked with NVC, but is an independent charity and provides strategic and operational leadership for this area of work.

Driven by its Christian ethos, the charity aims to provide hope to people regardless of background, faith, gender or lifestyle in a variety of ways. In particular, it aims to meet some of the immediate needs of the most vulnerable members of society, to provide help to individuals and families in clearing previously unmanageable debt, to equip people to enter or re-enter the world of employment, and to offer life-long money management skills to avoid future financial problems.

Mercy Central's particular emphasis is on equipping individuals and families to live their lives sustainably, with as much control as possible over their employment and finances.

Public benefit

We have considered the Charity Commission's guidance on public benefit, when establishing our aims and activities. The public benefit of Mercy Central's programmes lies in supporting and providing services to a wide range of people in financial need in the Reading and Bracknell areas and beyond, helping them to avoid or escape from poverty. These programmes and activities are made available irrespective of the background of the individuals and families who benefit from them and are free of charge to the beneficiaries.

As a result of the above, the Trustees consider that Mercy Central clearly satisfies the public benefit test.

Activities

Mercy Central continues to provide practical help and emotional support to individuals and families across Reading and beyond who are struggling with unemployment and debt. The majority of our clients come from low-income households, who are often also dealing with serious mental and physical health problems, plus relationship and housing difficulties.

Partnership with Christians Against Poverty (CAP) and a large team of volunteers enables Mercy Central to provide holistic solutions to enable local people to manage their money, increase their income and resolve debt problems, either through a simple repayment plan or an insolvency route, where necessary. We do not pay off debts for clients, but work with CAP in constructing manageable budgets to enable clients to live within their means, whilst CAP Head Office deals with client creditors.

Essential to continuity in provision of Mercy Central services and the ability to extend our work, are the leadership and co-ordination provided by a small staff team who

are employed by Network Vineyard Church, but seconded to Mercy Central under formal secondment agreements.

Debt Centre

In 2015, we celebrated the fifth anniversary of our CAP Debt Centre in Reading. Our partnership with the international, award-winning charity Christians Against Poverty (CAP) continues to offer a highly effective model, combining expert knowledge and caseworker support at CAP Head Office, alongside our friendly, local 1:1 support within Mercy Central.

New clients are referred to CAP by previous clients and various agencies across Reading. A trained Debt Coach from Mercy Central and a volunteer befriender meet clients in their homes. The service is outlined and we ask clients to gather evidence of their income, bills and debts before the second visit. In this way, clients are supported in taking responsibility for their situation and their route out of debt.

If clients choose to work with us, we then complete a detailed 'Factfind' report, which is passed to the team at CAP Head Office, enabling a personalised budget plan to be produced. The caseworker team in CAP Head Office negotiate debt repayment terms with creditors, and the team from Mercy Central provide on-going, holistic support for clients until they become debt-free, which can take up to five years.

In 2015, we launched a new initiative called '12', which aims to reduce isolation and encourage clients through the difficult journey of working through debt. Every client is linked with a volunteer, who completes a monthly act of kindness, starting with the delivery of a Christmas hamper at the end of November and invitations to Christmas events in December. Through '12', we are able to provide on-going care and support to all our clients.

We continue to help clients with practical tasks such as opening new bank accounts, and provide pastoral care such as hospital visits. We also signpost our clients to other services who can offer specialist help, e.g. Welfare Rights, who freely provide expert benefits advice.

Clients are also welcome to become part of Network Vineyard Church (NVC) events, Sunday services and weekly life groups. However, the services of Mercy Central are provided freely to clients whether or not they choose to become involved in some way with NVC.

In addition, we organise special events to help combat loneliness, build confidence and bless our clients. For example, in 2015, clients were invited to the 5th Anniversary Dinner at Woodley Hill House, Curry and Magic Night in July and a Festive Afternoon Tea just before Christmas. In addition, we held our second Big Hamper night, whereby members and friends of NVC gathered to fill decorated boxes with Christmas treats, which were delivered to all our CAP Debt Centre and Job Club clients.

Referrals continue to be made to Mercy Central from a variety of sources, including the medical and social services, various charities and personal recommendation. In 2015, we further developed links with the Department for Work and Pensions (DWP),

as part of a national CAP initiative. Our interim Job Club Manager, George Mullen, presented to DWP Managers and Coaches (30 people) in December 2015.

In addition, we have met with the Community Mental Health Trust (CMHT), which has since resulted in five referrals. Clients continue to self-refer via the free-phone number (0800 328 0006). Further details can be found on CAP's website: www.capuk.org.

This year, we celebrated nine more households becoming debt-free which brings the total number of debt-free households at the end of 2015 to 37.

CAP Money course

The CAP Money course is a low-cost and effective way to equip a wide variety of people to learn to budget. The simple cash-based system is used to train delegates to become aware of their money, so that they can gain control of finances, save for the future and avoid debt. Three courses were run in 2015, 24 delegates completed the course and two new Money Coaches were trained.

CAP Job Club

In its second year, our CAP Job Club continued to support unemployed residents of Reading to find work.

The majority of our delegates have low levels of education and have not worked for a long time or have had trouble retaining a job. Therefore, our Job Club consists of three essential strands:

- *Course*: We run weekly sessions over eight weeks to help delegates identify skills, build confidence, create a CV and develop good interview technique
- *Community*: In order to combat loneliness and isolation, the team and delegates enjoy a healthy, free lunch together each week
- *Coaching*: Every delegate receives 1:1 sessions with a trained member of the team to ensure their support is tailor-made to their needs

Three courses were run in 2015, 21 delegates completed the course and nine were offered work, which equates to 43% effectiveness. Since opening the Job Club, we have welcomed 39 delegates and 19 have found employment - an excellent level of success, considering our delegates have typically been out of work for a long time.

In between courses, we have run the CAP Money course to help delegates make the most of their money.

We continue to run drop-in sessions after the course has completed, where delegates from the current and previous courses are welcome to use our computers and job papers in their job search. Volunteers are available to assist with applications and IT problems.

One of the benefits of working alongside NVC is that we are able to use the skills and experience of church members and their contacts to help our delegates. In

2015, we continued to welcome local business-owners and other professionals to share their skills with our delegates, e.g. in providing interview practice.

Collaboration

We continue to provide further support for clients with practical needs through our partnership with Readifood (Reading Food Bank) and Acts 435, which is an on-line community, through which donors can meet the specific needs of individuals - such as clothing, baby kit, travel costs and household goods - up to a value of £100.

In 2015, we began partnering with **Smartworks** (www.smartworks.org.uk) who provide free high quality interview clothes for out-of-work women on low incomes. We referred delegate 'L' to them at 24 hours notice and they successfully provided her with clothing for an interview. Whilst she was not successful on that occasion, she has subsequently applied for, and been offered, a job with CCA (Christian Community Action) who run a local network of charity shops.

Organisational development activities

During 2015, we continued to work towards the ambitious development plans set out in Mercy Central's first substantive five-year strategy, "*Living Life – On My Own Two Feet*". Further details of the strategy can be read on Mercy Central's website: www.mercycentral.org.uk. Progress towards our strategic goals was a little more complex in 2015, given a number of staffing changes consequent on maternity leave. However, we intend to pick up pace again as quickly as possible.

In order to develop new streams of income, professional fundraiser, Caroline Dewfall, completed potential funder research and developed cases for support tailored to Trust and Corporate supporters – a number of which were successful.

Future plans

Mercy Central's organisational strategy, "*Living Life – On My Own Two Feet*", *continues to* provide the framework for development over the coming years.

Plans to increase our Debt Coach capacity were delayed when our Debt Coach and Job Club Manager began maternity leave in Autumn 2015. With a staff team of just two part-time employees, the loss of one left a significant gap. However, with swift recruitment and training of two new, temporary members of staff, George Mullen and Steve Olney, we continued to see the same number of new clients and maintained the same level of support for our existing client base.

Towards the end of 2016, we will review the proposed expansion of our Debt Centre and plan to train two additional volunteers to deliver a new project called CAP Release Groups. These groups, based on the well known 12-step model used by Alcoholics Anonymous, will help people who are struggling with a range of dependencies from alcohol, cigarettes, drugs, gambling, over-eating, etc., to address these issues and ultimately find freedom.

Finally, we continue to research another project to complement the existing work of Mercy Central. This will enable us to reach more people, who are not necessarily currently facing debt or unemployment, but who *are* struggling to get by financially.

Building on what we have learnt through the Debt Centre and Job Club regarding the importance of creating community, we hope to provide early intervention, before a crisis hits. Our target audience is vulnerable young families, living on a low income or perhaps in emergency accommodation. We will aim to provide crucial life skills, relating not only to finances, but also practical life organisation, relationships, healthy eating and well-being, to avoid future financial problems and poor health.

These developments will be conditional on generating new resources, as it is crucial that we develop our work on a sustainable basis.

Financial review

Total income in 2015 was £34,626. Of this, the majority (£25,763) was unrestricted. £8,863 of restricted funds was received from donors.

The major contributor to funding was Network Vineyard Church (NVC), with a number of further donations gratefully received from private companies, trusts and individuals. NVC has made a commitment to donate 5% of its total income to Mercy Central each year. This support is very much appreciated.

Total expenses of £31,666 were incurred. The largest area of expense related to the work of the CAP Debt Centre (£15,105). The charity engaged a professional fundraiser in the early part of 2015 at a cost of £3,062, resulting in a number of successful grant applications to trusts and companies.

The total surplus for the year was £2,960, which is carried forward into 2016.

Reserves policy

A significant one-off donation received from Network Vineyard Church (linked to its now-closed Building Fund Appeal) provides the ability to progressively develop the work of Mercy Central, by using it to augment other income streams which are currently being grown. It is crucially important that the activity and programmes of Mercy Central are developed in a sustainable way to enable the charity to maintain and increase its impact in the local community. With this in mind, reserves levels will be progressively reduced over the coming years. The final reserves target will be assessed in the light of circumstances. However, given the risk of income variability and ongoing commitments, the current target is for Mercy Central to maintain a level of unrestricted funds of between three and six months' operating expenditure.

Governance and management

The work of Mercy Central is overseen by its Board of Trustees. During 2015, there were three formal meetings of the Trustees - in January, July and December - but there was ongoing Trustee discussion about the work of the charity between formal meetings. Day-to-day activity associated with the Reading Campus of Network Vineyard Church is managed by Joanna Kay, one of the Trustees, who is also the trained and approved CAP Debt Centre Manager. As the Bracknell Campus of NVC is still in the early stages of development, further time will be required before it creates its outreach programme to people in need, but core activities will come under the leadership of Mercy Central.

Concluding comments

The Trustees acknowledge with very grateful thanks the time given by the many volunteers who make Mercy Central's programmes such a success. They also would like to express their gratitude to our growing number of financial supporters, including Network Vineyard Church, SFL, Berkshire Community Foundation, Church Urban Fund, Kiriath Trust, Gerald Palmer Easling Trust and Virgin Money (Reading). Without both volunteer time and financial resources, coupled with the dedicated service of our small core staff team, the work of Mercy Central could simply not be carried out.

This report was approved by the Board of Directors on 21st June 2016 and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'John Neate', with a stylized flourish at the end.

John Neate
Chairman

Mercy Central

Income and Expenditure Account for the year ended 31st December 2015

	Note	2015 £	2014 £
Incoming resources:			
Restricted		8,863	4,331
Unrestricted		25,763	42,651
Total incoming resources in the period		34,626	46,982
Resources expended:			
In furtherance of the Charity's objectives:			
Administrative Expenses	2	31,331	28,709
Other costs	3	335	2,331
Total expenditure in the period		31,666	31,040
Net incoming resources and net movement in funds in the period		2,960	15,942

Mercy Central

Balance Sheet as at 31st December 2015

	Note	2015 £	2014 £
Current assets:			
Debtors		550	550
Cash at bank and in hand		61,314	57,283
Total current assets		<u>61,864</u>	<u>57,833</u>
Net current assets		<u>61,864</u>	<u>57,833</u>
Creditors			
Creditors: amounts falling due within one year		<u>3,557</u>	<u>1,750</u>
Total assets less current liabilities		<u>58,307</u>	<u>56,083</u>
Accruals and deferred income		<u>935</u>	<u>200</u>
Total net assets		59,242	56,283
Capital and reserves			
Income and Expenditure Account		<u>59,242</u>	<u>56,283</u>
Total reserves		<u>59,242</u>	<u>56,283</u>

For the year ending 31 December 2015 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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 ensuring that the company keeps proper accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the 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 accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

Approved by the Board of Directors on 21st June 2016

Signed on behalf of the Board by,



John Neate, Chairman

The notes form part of these financial statements

Mercy Central

Notes to the accounts as at 31st December 2015

1. Accounting Policies

These accounts have been prepared using the following accounting policies:

- (a) Donations received are included when they are received, net of tax where appropriate.
- (b) Tax received is accrued in the year that the corresponding gift is received.
- (c) Interest received is included net of tax when it is received.
- (d) Expenses are accrued in the year that the expense is incurred.

2. Administrative Expenditure

The administrative expenditure for this period is applied to the following activities:

Activity	2015 £	2014 £
CAP Debt Centre	15,105	20,743
CAP Job Centre	5,016	3,531
CAP Money	0	197
Fundraising	3,062	4,238
Mercy Central	8,148	0
Other	335	2,331
Total	31,666	31,040

3. Other Expenditure

Other expenditure relates to the payment of £335 to CAP Clients from restricted funds received on their behalf.

4. Directors' remuneration

The directors did not receive any remuneration during the year.

5. Employees

The company did not employ any staff during the year.

6. Movement in Funds

Unrestricted funds	2015 £	2014 £
Balance at start of year	56,283	40,341
Incoming resources for year	25,763	42,651
Expenditure for year	26,804	26,709
Transfer to restricted funds	0	0
Balance at end of year	55,242	56,283
Restricted funds		
Balance at start of year	0	0
Incoming resources for year	8,863	4,331
Expenditure during year	4,863	4,331
Balance at end of year	4,000	0

7. Operating Lease Commitments

The charity uses premises owned and operated by Network Vineyard Church which are provided without charge to the charity. As such the charity has no operating lease agreements and has no tenancy agreement with Network Vineyard Church.