

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
LEA VALLEY CHURCH

Brindley Millen Ltd
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

LEA VALLEY CHURCH

CONTENTS OF THE FINANCIAL STATEMENTS **for the Year Ended 31 December 2020**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Financial Statements	7 to 13
Detailed Statement of Financial Activities	14 to 15

LEA VALLEY CHURCH

REPORT OF THE TRUSTEES **for the Year Ended 31 December 2020**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Public benefit

The Lea Valley Church exists to build a community of Christian believers who will impact Waltham Abbey, the Lea Valley region, London, the nation and the world beyond (Acts 1:8).

When planning our activities for the year and the services on offer to the local community, the Trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In particular, we try to encourage ordinary people to live out their faith in every area of their lives as part of the Lea Valley Church community and the wider community. We also try to encourage people within the local community to find faith through attending our meetings and establishing friendships. Many within our church community have found spiritual, emotional and physical healing and we are keen that others in the local community receive the same benefits.

The great majority of the charity's meetings and events are open to the public. Indeed, it is a key aim of the charity to attract newcomers into the various activities of the church so that they can participate in and benefit from all that the church has to offer.

The charity values the diversity currently evidenced by the church membership and the wider community of those who interact directly with and is hopeful of seeing the diverse demographic of the Waltham Abbey and the Lea Valley Region fully reflected in the church.

Volunteers

The church council and the holding trustees realise the huge amount of time given by volunteers to help the church run. The financial accounts cannot truly show the level of gifts in terms of time rather than money that these hours represent. However, they greatly acknowledge all the work volunteers contribute and would like to thank all of them.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

It was a challenging year for the charity. COVID-19 restrictions which came into effect mid-March 2020 created an entirely different landscape for us as a church. Sunday meetings could not be held from that first lockdown and this lasted until spring of 2021. Very quickly we established an on-line presence for our Sunday services and encouraged zoom or Microsoft Teams meetings for other groups within our church to stay connected. In line with all Government restrictions we were unable to hold community focussed groups within the week.

FINANCIAL REVIEW

Financial position

The attached financial statements summarise the incoming and outgoing resources for the year together with the Balance Sheet as at 31st December 2020.

Income has decreased from £217,858 to £210,803, however this is a positive reflection of online giving amidst the current COVID-19 financial challenges faced by many. Expenditure also decreased from £211,941 to £192,628 reflecting lower overhead costs because the main church and church hall were largely unused for most of the year. This resulted in being able to show a slight accounting surplus for the year of £18,175 although cash reserves have remained fairly static.

The church has honoured all financial obligations and we are very grateful to every giver who has supported Lea Valley Church in what is arguably, the most difficult year we have faced so far. Going forwards, this bodes well for the future and we trust that God will continue to build His Church in our locale of which we are a part.

Investment policy and objectives

We do not specifically give grants to individuals or invest church funds in shares, stocks or money making schemes.

Reserves policy

The trustees and church council have agreed that it would be prudent to have three months working capital available. At the year end the available general reserves exceeded this.

Other reserves are held in property which is used for the charitable objectives of the church.

FUTURE PLANS

Lea Valley Church continues to change and grow. It will continue to require the help and commitment of many volunteers to make it a success but we know that it is exactly what God has planned for us and we are grateful for the continuing positive impact the church has on Waltham Abbey. Once national lockdown and all Government restrictions are lifted we plan to press on with being a good, Godly and positive presence in our community. This means we will work to create a safe environment where our congregation and guests can participate and return to physical meetings and activities with confidence.

LEA VALLEY CHURCH

REPORT OF THE TRUSTEES **for the Year Ended 31 December 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

In late 2009 we updated our organisational structure to the New Model Deed for Local Assemblies of God in Great Britain and Ireland.

Recruitment and appointment of new trustees

The Church Council are now the Trustees of the Charity under the new AOG Model Deed and are appointed in line with the process set out in the Model Deed. Holding Trustees are appointed by the Church Council and the Chairman of the Church Council has the casting vote if required, although in all circumstances to date, the appointments have all been unanimous.

Trustees and Holding Trustees are offered training as required.

Wider network

The church is affiliated to the Assemblies of God (AOGUK) and Timothy and Hayley Gutmann (Senior Pastors) and Geoffrey Ace (Associate Pastor) are recognised and ordained ministers with the Assemblies of God UK. The church is also a member of the Evangelical Alliance.

Related parties

The church employees are: Timothy and Hayley Gutmann as Senior Pastors and Geoffrey and Tanith Ace as Associate Pastors. All pastors are part-time at present and currently they are the only paid employees.

Risk management

The church H&S risk assessment was updated during 2016 identifying possible risks and associated controls to reduce those risks.

We will revisit the risk assessment especially in the light of COVID-19 to update as appropriate and ensure all suggested controls have been adopted. Specifically, protection of the children in our care is paramount and will never knowingly be compromised.

It should be noted that it is the policy of this church to adhere to our Children's Protection Policy Document which we will enforce if circumstances require. A copy is available for perusal if required.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1054351

Principal address

Monkswood Avenue
Waltham Abbey
Essex
EN9 1LB

Trustees

Denise Fitch
Geoff Ace
Tanith Ace
Michael Fitch (Deceased 15 November 2020)
Ian Liddle
Hayley Gutmann
Tim Gutmann

Independent Examiner

Maurice Brindley BSc FCA
Institute of Chartered Accountants in England and Wales
Brindley Millen Ltd
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

Church Council

Geoff Ace (Chairman)
Tanith (Bo) Ace

REPORT OF THE TRUSTEES
for the Year Ended 31 December 2020

Approved by order of the board of trustees on and signed on its behalf by:

.....
Geoff Ace - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
LEA VALLEY CHURCH**

Independent examiner's report to the trustees of Lea Valley Church

I report to the charity trustees on my examination of the accounts of Lea Valley Church (the Trust) for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Act and in carrying out my examination I have followed all 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 giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do 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 in order to enable a proper understanding of the accounts to be reached.

Maurice Brindley BSc FCA
Institute of Chartered Accountants in England and Wales
Brindley Millen Ltd
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

Date:

LEA VALLEY CHURCH**STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2020**

			31.12.20	31.12.19	
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies			174,398	29,505	203,903
					217,462
Charitable activities					
Church Activities			20	-	20
					298
Investment income	2	53	-	53	98
Other income		6,827	-	6,827	-
Total			181,298	29,505	210,803
					217,858
EXPENDITURE ON					
Charitable activities					
Church Activities			142,456	50,172	192,628
					211,941
NET INCOME/(EXPENDITURE)			38,842	(20,667)	18,175
					5,917
Transfers between funds	12	(41,366)	41,366	-	-
Net movement in funds			(2,524)	20,699	18,175
					5,917
RECONCILIATION OF FUNDS					
Total funds brought forward			109,837	611,801	721,638
					715,721
TOTAL FUNDS CARRIED FORWARD					

The notes form part of these financial statements

BALANCE SHEET
31 December 2020

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
Ian Liddle - Trustee

Page 6

LEA VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and assessment of going concern

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in sterling (£).

Critical accounting judgements and key sources of estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimated and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

Useful economic life of tangible fixed assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

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.

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	- 25% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

No depreciation is charged in respect of freehold land and buildings as the residual value of the property after its estimated useful life is anticipated to be at least the carrying value of the property shown in the financial statements.

Taxation

The charity is exempt from tax on its charitable activities.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash, current bank accounts and deposit bank accounts with no withdrawal limitations.

Creditors

Creditors are recognised where then charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

LEA VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued

Fund accounting

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

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. INVESTMENT INCOME

31.12.20	31.12.19
£	£
	Deposit account in

3. TRUSTEES' REMUNERATION AND BENEFITS

31.12.20	31.12.19
£	£
	Trustees' salaries
	Trustees' social sec
	Trustees' pensions
67,495	43,870

Trustees remuneration is paid for the trustees roles as Pastors of the church and not for their roles as trustees.

The charity consider its key management personnel to comprise the church council, which currently includes only trustees. Remuneration of trustees is shown above, no other member of the church council received any remuneration.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

4. STAFF COSTS

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

	31.12.20	31.12.19
	4	3

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

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	207,268	10,194	217,462

Charitable activities			
Church Activities	58	240	298
Investment income	98	-	98
<hr/>			
Total	207,424	10,434	217,858

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

Unrestricted

TOTAL FUNDS CARRIED FORWARD

Improvements

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £	
COST		At 1 January 2020 and 31 December 2020		1,112,392	91,711	15,900
DEPRECIATION		At 1 January 2020		-	50,327	15,500
	Charge for year	-	4,457	100	6	4,000
		At 31 December 2020		-	54,784	15,630
NET BOOK VALUE		At 31 December 2020		1,112,392	36,927	29,270
		At 31 December 2019		1,112,392	41,384	39,900

31.12.20

	31.12.20	31.12.19
	£	£
Income tax recoverable	14,853	13,716

LEA VALLEY CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

31.12.20 £	31.12.19 £
	Taxation and social
	Other creditors
22,902	22,369

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

31.12.20 £	31.12.19 £
	Other creditors

10. LOANS

An analysis of the maturity of loans is given below:

	31.12.20 £	31.12.19 £
Amounts falling due within one year on demand:		Other loans
Amounts falling between one and two years:		Other loans - 1-2 years
Amounts falling due between two and five years:		Other loans - 2-5 years
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal		388,899 410,409

11. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.20 £	31.12.19 £
Mortgage	508,909	508,909

The Mortgage is secured over the Church Freehold Land & Buildings in Waltham Abbey.

12. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £	
Unrestricted funds					
General fund		109,837	38,842	(41,366)	107,313
Restricted funds					
			Building Organ Loft Refurbishment Fund Quest - Fellowship of the Sword		60
	611,801	(20,667)	41,366	632,500	

TOTAL FUNDS

72

LEA VALLEY CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020****12. 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		181,298	(142,456)	38,842
Restricted funds				
		Mission Building Organ Loft Refurbishment Fund		
	29,505	(50,172)	(20,667)	
TOTAL FUNDS				

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £	
Unrestricted funds					
General fund		118,279	29,504	(37,946)	109,837
Restricted funds					
			Building Organ Loft Refurbishment Fund Quest - Fellowship of the Sword		58
	597,442	(23,587)	37,946	611,801	
TOTAL FUNDS					71

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £	
Unrestricted funds				
General fund		207,424	(177,920)	29,504
Restricted funds				
		Mission Building Organ Loft Refurbishment Fund Quest - Fellowship of the Sword		
	10,434	(34,021)	(23,587)	
TOTAL FUNDS				

LEA VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2020**

12. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £	
Unrestricted funds					
General fund		118,279	68,346	(79,312)	107,313
Restricted funds					
			Building Organ Loft Refurbishment Fund Quest - Fellowship of the Sword		58
	<u>597,442</u>	<u>(44,254)</u>	<u>79,312</u>	<u>632,500</u>	<u>71</u>
TOTAL FUNDS					

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £	
Unrestricted funds				
General fund		388,722	(320,376)	68,346
Restricted funds				
			Mission Building Organ Loft Refurbishment Fund Quest - Fellowship of the Sword	
	<u>39,939</u>	<u>(84,193)</u>	<u>(44,254)</u>	
TOTAL FUNDS				

The Mission Fund represents restricted gifts made by the congregation for specific missionaries and is paid out by the church in full.

The Building Fund represents the value of the church building purchased in 2008 together with the donations to this fund, less the mortgage and loan liabilities outstanding.

Quest - Fellowship of the Sword Fund represents the income and expenditure of running the Fellowship of the Sword course. The balance of this fund is to be repaid to Quest during the financial year.

Organ Loft refurbishment Fund represents money given for the specific purpose of the organ loft refurbishment and upkeep.

Transfers between funds

A transfer has been made from the general fund to the building fund, which represents mortgage repayments being made from the general fund bank account in the year.

LEA VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

LEA VALLEY CHURCH**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
for the Year Ended 31 December 2020

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Offerings		
Gift aid		
Missions giving		
Building fund		
Other giving		
Special Events		
	203,903	217,462
Investment income		
Deposit account interest		53 98
Charitable activities		
Bookstall income		
FTS UK		
	20	298
Other income		
Job Retention Scheme		6,827 -
Total incoming resources	210,803	217,858
EXPENDITURE		
Charitable activities		
Trustees' salaries	64,000	41,000
Trustees' social security	1,017	1,296
Trustees' pensions paid	2,478	1,574
Wages	-	8,771
Social security	-	9,596
Pensions	-	2,923
Insurance	5,113	4,819
Administration	393	4,094
Conferences	1,228	1,190
Denominational costs	1,654	1,409
Other expenses	2,339	2,389
Old hall expenses	8,376	12,584
Visiting ministry	-	665
Children and youth	24	2,460
Mission & church tithe	51,045	27,777
Repairs and renewals	16,337	31,985
Travel	-	2,004
Refreshments	1,253	6,385
Share fund	-	3,355
Teaching books	100	215
Evangelism	18	177
Outreach expenses	1,257	2,364
FTS UK	-	4,757
Equipment	2,407	2,535
Improvements to property depreciation	4,458	5,071
Fixtures & fittings depreciation	100	133
Carried forward	163,597	181,528

This page does not form part of the statutory financial statements

LEA VALLEY CHURCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2020

	31.12.20 £	31.12.19 £
Charitable activities		
	Brought forward	
	Computer equipment depreciation	
	Bank interest	
	Mortgage interest	
	187,546	207,202
Support costs		
Governance costs		Accountancy and legal f
		Total resources expended
		Net income