

LIFE CHURCH SHERINGHAM
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

LIFE CHURCH SHERINGHAM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

R Allen
D Fisher
W Burley
S Issitt

Charity number

1069354

Independent examiner

Argents Accountants Limited
15 Palace Street
NORWICH
Norfolk
United Kingdom
NR3 1RT

LIFE CHURCH SHERINGHAM

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LIFE CHURCH SHERINGHAM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2021

The trustees present their report and financial statements for the year ended 31 July 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Charities Act 2011 and "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

The charity's objects are to advance the Christian Faith in accordance with its Statement of Beliefs. It also aims to relieve persons who are in hardship or who are aged or sick, and to promote and fulfil such other charitable purposes beneficial to the community.

The charity operates primarily, but not exclusively in Sheringham, Cromer and Holt. It has three Elders, each with their own expertise and experience. Each Elder regularly teaches and preaches at the Life Church, and each has his own area of responsibility. The Elders are supported by a number of volunteer staff who take on administration duties.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Charitable activities

Life Church is a community based Church that serves the North Norfolk towns of Sheringham, Cromer and Holt. We are part of a family of churches called "Relational Mission" and are members of the Evangelical Alliance. Our congregation is made up of people of varying ages, from all walks of life, with a heart to see the church actively engage with local people and their needs. Our church reflects the area in which we live and we welcome anyone and everyone.

We run a number of activities and oversee the work of Yesu, our sister charity, which provides a series of projects for young people, families, single parents, the unemployed, the elderly, people with disabilities, people with mental health issues and anyone facing crisis. As more resources are withdrawn from our rural communities our work is becoming increasingly important and we are always looking at new ways we can support people. Sheringham and the surrounding hinterlands are very much affected by youth unemployment with limited work available outside of seasonal opportunities. It is an isolated coastal town with a significant elderly population who are often socially excluded due to poor transport links and declining community services.

Life Church is financially dependent on the voluntary support of its members and other family churches wishing to express their support.

LIFE CHURCH SHERINGHAM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

During the year the Life Church Sheringham Trust has held regular meetings for worship, prayer, teaching and evangelism. In addition, the Church has:

- Been involved in serving the local community
- Provided training and support for volunteers serving in the church, both in house and by utilising external conferences,
- Organised and held both local and regional events/retreats,
- Continued regular involvement in schools within North Norfolk,
- Worked closely with other Relational Mission churches,
- Worked alongside Sheringham Churches Together.

Life Church owns a Community Centre in Sheringham that it lets to the YESU project rent-free. In addition we own a building in Sheringham that provides a meeting place for the Church, as well as providing a building for community use. These premises have allowed us to expand the work of both the church and YESU, and since opening we have seen a growth in regular attendance.

With the continued challenges due to Covid 19, we have continued with online meetings for those that still feel uncomfortable for whatever reason to attend in person, as well as when permitted able meeting in person. Whilst this season has been difficult, the church has risen to the challenge in continuing to reach out to those around them and supporting one another.

Financial review

As at 31 July 2020, the Trust had an accumulated surplus of £970,167. These funds are to be used for furthering the aims of Life Church.

Reserves policy

The reserves fund represents the unrestricted funds arising from past operating results. The Trustees have considered the ongoing financial commitments and running costs of the charity and are of the opinion that the current level of reserves is adequate.

Principal funding sources

The Trust receives the majority of its income through donations made by members.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a an unincorporated charity and is controlled by its governing document, a Deed of Trust.

The trustees who served during the year and up to the date of signature of the financial statements were:

R Allen
D Fisher
W Burley
S Issitt

Recruitment and appointment of new trustees

The Trust Deed governs the appointment of trustees. Existing trustees are authorised to appoint new trustees to fill vacancies arising through resignation or death of one of their number.

LIFE CHURCH SHERINGHAM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Related parties and wider network

Although the charity is totally autonomous, self-supporting, and is not part of a denomination, it forms part of an over two hundred strong affiliation of evangelical churches across the UK called newfrontiers. As well as friendships with other leaders, affiliation with newfrontiers enables Life Church to undertake projects that would be impossible alone, for example, missions abroad and summer conferences. These links help Life Church from being insular and parochial and provides contacts with churches overseas.

The trustees' report was approved by the Board of Trustees.

S Issitt

Trustee

Dated: 8 February 2022

LIFE CHURCH SHERINGHAM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF LIFE CHURCH SHERINGHAM

I report to the trustees on my examination of the financial statements of Life Church Sheringham (the charity) for the year ended 31 July 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

Mark Johnstone FCA

Argents Accountants Limited
15 Palace Street
NORWICH
Norfolk
NR3 1RT
United Kingdom

Dated: 1 March 2022

LIFE CHURCH SHERINGHAM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Donations and legacies	3	120,461	143,199
Charitable activities	4	11,310	9,450
Investments	5	4	14
Other income	6	6,770	-
Total income		138,545	152,663
<u>Expenditure on:</u>			
Charitable activities	7	82,557	77,535
Other	11	7,782	8,561
Total resources expended		90,339	86,096
Net income for the year/ Net movement in funds		48,206	66,567
Fund balances at 1 August 2020		970,167	903,600
Fund balances at 31 July 2021		1,018,373	970,167

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

LIFE CHURCH SHERINGHAM

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		1,227,066		1,266,331
Current assets					
Debtors	13	7,044		7,896	
Cash at bank and in hand		12,033		17,672	
		<u>19,077</u>		<u>25,568</u>	
Creditors: amounts falling due within one year	15	<u>(11,527)</u>		<u>(10,427)</u>	
Net current assets			7,550		15,141
Total assets less current liabilities			<u>1,234,616</u>		<u>1,281,472</u>
Creditors: amounts falling due after more than one year	16		(216,243)		(311,305)
Net assets			<u><u>1,018,373</u></u>		<u><u>970,167</u></u>
Income funds					
Unrestricted funds			1,018,373		970,167
			<u><u>1,018,373</u></u>		<u><u>970,167</u></u>

The financial statements were approved by the Trustees on 8 February 2022

S Issitt
Trustee

LIFE CHURCH SHERINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Charity information

Life Church Sheringham is a unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.5 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	0%
Fixtures and fittings	20% reducing balance

Freehold land is not depreciated. No depreciation is provided on the freehold property owned by the Charity as in the opinion of the Trustees any such charge would be immaterial due to the current market value being in excess of original costs of the property.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LIFE CHURCH SHERINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity is exempt from tax on its charitable activities.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations and gifts	120,461	143,199

4 Charitable activities

	Core activities 2021 £	Core activities 2020 £
Charitable rental income	11,310	9,450

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	4	14

6 Other income

	Unrestricted funds	Total
	2021 £	2020 £
Net gain on disposal of tangible fixed assets	6,770	-

LIFE CHURCH SHERINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

7 Charitable activities

	Core activities 2021 £	Core activities 2020 £
Postage and stationery	644	703
Teaching materials	748	634
Outreach	780	2,732
Gifts	11,134	10,727
Retreats, conferences and training	1,213	1,775
Travel	344	459
Yesu projects	24,729	17,475
Sundry	205	70
	<u>39,797</u>	<u>34,575</u>
Share of support costs (see note 8)	42,040	42,300
Share of governance costs (see note 8)	720	660
	<u>82,557</u>	<u>77,535</u>

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	20,062	-	20,062	15,616	-	15,616
Depreciation	9,391	-	9,391	11,708	-	11,708
Building costs	8,490	-	8,490	11,378	-	11,378
Insurance	4,097	-	4,097	3,598	-	3,598
Accountancy	-	720	720	-	660	660
	<u>42,040</u>	<u>720</u>	<u>42,760</u>	<u>42,300</u>	<u>660</u>	<u>42,960</u>
Analysed between Charitable activities	<u>42,040</u>	<u>720</u>	<u>42,760</u>	<u>42,300</u>	<u>660</u>	<u>42,960</u>

LIFE CHURCH SHERINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

9 Trustees

During the year Richard Allen (trustee) was reimbursed £344 (2020: £579) in respect of travel expenses incurred on behalf of the charity.

R Allen, Church Leader, Project Manager and Trustee, received salary for his employed role in line with the Trust Deed and as commonly occurs for such charities as the Charity Commission is aware. This totalled £32,000 in the year.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	1	1
	<u>1</u>	<u>1</u>
Employment costs	2021	2020
	£	£
Wages and salaries	20,062	15,616
	<u>20,062</u>	<u>15,616</u>

11 Other

	Unrestricted funds	Unrestricted funds
	2021	2020
Financing costs	7,782	8,561
	<u>7,782</u>	<u>8,561</u>

LIFE CHURCH SHERINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

12 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 August 2020	1,219,501	70,481	1,289,982
Additions	-	126	126
Disposals	(30,000)	-	(30,000)
At 31 July 2021	1,189,501	70,607	1,260,108
Depreciation and impairment			
At 1 August 2020	-	23,651	23,651
Depreciation charged in the year	-	9,391	9,391
At 31 July 2021	-	33,042	33,042
Carrying amount			
At 31 July 2021	1,189,501	37,565	1,227,066
At 31 July 2020	1,219,501	46,830	1,266,331

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	4,950	5,451
Prepayments and accrued income	2,094	2,445
	7,044	7,896

14 Loans and overdrafts

	2021 £	2020 £
Bank loans	125,374	129,392
Other loans	99,800	190,600
	225,174	319,992
Payable within one year	8,931	8,687
Payable after one year	216,243	311,305

LIFE CHURCH SHERINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	14	4,131	3,887
Other borrowings		4,800	4,800
Other taxation and social security		643	677
Trade creditors		1,953	1,063
		<u>11,527</u>	<u>10,427</u>

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	14	121,243	125,505
Other borrowings		95,000	185,800
		<u>216,243</u>	<u>311,305</u>

17 Related party transactions

Richard Allen (Trustee) and his wife Jane Allen advanced interest free loans to the charity of £Nil during the year. There are no fixed repayment terms for the loan and they are included as long term creditors. At the year end the total of interest free loans was £99,800 (2020: £190,600) of which Mr and Mrs Allen had advanced £80,000 (2020: £158,000). The remainder of the balance has been advanced by various Church members and organisations who are not trustees or related parties.