

REGISTERED COMPANY NUMBER: 04272968 (England and Wales)
REGISTERED CHARITY NUMBER: 1088731

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 December 2020
for
Life Church Lincoln

Wright Vigar Limited
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

Life Church Lincoln

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for the Year Ended 31 December 2020

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Life Church Lincoln
Report of the Trustees
for the Year Ended 31 December 2020

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 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) (as amended by Update Bulletin 1 and 2).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Principal Activity

The principal activity of the charity in the period under review was in accordance with the charity's objects stated in the Memorandum of Association, and in summary was that of the advancement of the Christian faith (as defined in the Schedule under Statements of Belief), and the giving of assistance and relief to persons in need or hardship. In setting our objectives and planning our activities the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission, and the specific guidance for charities for the advancement of religion.

Aims

The charity's aims are a durable statement of the running of the Church's affairs:

- To glorify the name of the Lord Jesus Christ in Lincoln, and especially in Birchwood and Hartsholme.
- To provide tangible public benefit through, amongst other things, the advancement of religion; provision of support to persons and families in need; provision of community projects to all age groups; integration of activities with local schools and other service providers; and developing social cohesion.
- To achieve the aims of Efficiency, Economy, Effectiveness and Equity (the 4 E's).
- To manage the affairs of the charity at the highest standards of probity, professionalism and fairness.
- To support the staff in their jobs.
- To be open in the charity's decision-making.

Annual Objectives

The charity's objectives for 2020 were as follows:

- To raise the level of giving year on year and improve reserves.
- To control expenditure within the budget.
- To maintain contingency funds.
- To maintain buildings for services, outreach and office administration.
- To continue to develop the vision for a future Church building.
- To implement the Church's operational and ministry plan and to continue improving the efficiency and effectiveness of operations.
- To make, as far as possible, all projects self-financing.
- To continue all risks are assessed and reviewed regularly.
- To comply with all legislative requirements.
- To comply with the Charity Commission requirements to meet the expectations of stakeholders through enhancing performance and objectives, and ensuring public benefit.

The above annual objectives were consistent with the overall aims and objectives of the charity and are reported on in the Achievement and Performance section of this report.

Public Benefit

As outlined above, the charity provides public benefit in the following ways, mainly to the local community in which it is situated and seeks to serve. The majority of these activities transferred to a virtual environment during the COVID-19 pandemic restrictions from March 2020 onwards:

- Advancement of religion.
- Grants to people in need, other charities and public benefit organisations, and referrals/signposting to relevant support and counselling services.
- Community events and activities.
- Food Bank distribution centre.
- Maintenance support to the Diamond Park community facility.
- Oasis community club.
- Community use of the church building by local organisations.
- Involvement with local schools, community organisations and police.
- Involvement in Big Local management boards and community initiatives.
- Provision of an externally located defibrillator.
- Free Christmas activities.
- Light Party for children.

Life Church Lincoln
Report of the Trustees
for the Year Ended 31 December 2020

OBJECTIVES AND ACTIVITIES

Grantmaking

Grant Policy

Grants are made under the Objects and fall into two categories; support for volunteers and others who wish to pursue the charity's Objects and personal support for persons in need. Each grant is treated on its merits and recipients are expected to show how supporting them will serve the Objects and must demonstrate that they have made reasonable efforts to support themselves before making a claim. Such efforts would normally include seeking suitable employment where appropriate, and making claims for social security or other state benefits.

Volunteers

The charity is grateful for the hard work of its volunteers, which number up to 170, who are directly involved in project work and fund-raising.

ACHIEVEMENT AND PERFORMANCE

Performance Overview

The performance of the charity with respect to some of the annual objectives was adversely impacted by the COVID-19 global pandemic and the consequent restrictions. However, the Trustees and Core Leadership Team remained focussed on delivering as many of the annual objectives as possible, and the results are as follows:

- Voluntary giving decreased by 9.5% in 2020 to £133,030, and total income by 13.2% to £136,927. The lack of weekly services and associated collections was offset by an encouragement to give by standing orders. The level of giving in this way varies month by month as some standing orders are quarterly or annual; however, there has been an approximate 50% increase in standing orders to around £7,500 per month. The use of Gift Aid is also encouraged and provides a substantial element on annual revenues.
- The overall resources expended in 2020 increased by 4.8%. Whilst some of the COVID restrictions reduced expenditure, other areas increased in order to support online technology. A small pay rise for staff had been approved prior to the pandemic.
- The reductions in income, balanced by control on expenditure, and active management of resources, resulted in a small loss of £3,651 for the year and a decrease in total funds carried forward of 1%. This an outstanding achievement under the circumstances of loss of regular incomes and increased expenditure due to COVID. Nevertheless, the loss was the first since FY2009 and necessitated the release of reserve funds which were being built up as a contingency. It is planned to rebuild these contingency reserves once COVID restrictions are lifted.
- The balance sheet is strong with a level of tangible fixed assets of £284,115, showing a slight decrease on the year. The large amount of secured debts via bank loans is due to the purchase of the church building in 2015 as well as the office facility purchased in 2012, and the church remains able to service its major debt repayments for the foreseeable future. Outstanding bank loans reduced by 6.6% to £114,535. Net current assets reduced by 4.3% to £174,056.
- There was no grant income in 2020.
- Administrative and financial support has been provided both on a volunteer and a part-time paid basis.
- The percentage of restricted funds to total funds remains very low at 1.4%.
- The target reserves of 10% of unrestricted annual expenditure in unrestricted reserves was met.
- The Trustees and Leadership Team remained focussed on the core giving on a weekly or monthly basis meeting the operational expenditure, and regular input was given to the congregation to make them aware of the situation. The largest cost drivers for the year were the mortgages and associated costs of maintaining a Church Office and the Church building, and the employment costs of full time and part time staff.
- The Trustees continued to review the management accounts on a regular basis on the basis of the Church's operational and ministry plan in order to seek improvements in the efficiency and effectiveness of operations. The prudent management of accounts and surpluses generated over the last decade have enabled the church to use contingency funds to offset the downturn due to COVID. With the financial controls in place the church is well positioned to withstand ongoing COVID restrictions without adversely impacting its operational performance and public benefit.
- Systems remain in place to ensure that community projects will be, as far as possible, self-financing.
- A regular Vision/Trust Information meeting communicates the objectives, performance and public benefit of the Trust to its stakeholders.
- No funds were materially in deficit in the period under review.

Life Church Lincoln
Report of the Trustees
for the Year Ended 31 December 2020

Review of Operational Activities

Church Activities

The year of 2020 began with much hope and expectation for the things we believe we were called to achieve as a church. The advent of COVID-19 in March 2020 and the lockdowns and restrictions that followed meant that much of what we wanted to do either had to be postponed or facilitated via different means. However, despite this the church community continued to grow and strengthen both as a church and in its connections with the local community. During 2019, and moving into 2020, we were excited to re-envision the church with a new strapline and an updated mission, vision and core beliefs. We believe this increased clarity and awareness of who we are as a church and will help us to move forward with confidence into everything the future holds.

In-person church services and other public meetings began as usual in January 2020 and we saw lots of new and current people attend and engage. However, during March we had to close down our public operations due to the national lockdown, reverting instead to weekly online services that were first pre-recorded and are now live-streamed thanks to investment in new technology and equipment. We have harnessed the power of the digital marketplace by getting groups together via Zoom and other platforms, and providing a number of events that have allowed people to remain connected at what has been a challenging time physically, emotionally and spiritually.

Throughout 2020 we continued with our programme of providing high quality Christian teaching for the church. During the year we have been supported by a limited number of high profile visiting speakers on Sunday mornings; and we have taken time to develop a number of our younger and less experienced speakers to help them in their journey of faith and growth in their gifts. We are proud to continue to be members of the Ground Level Network and the Evangelical Alliance, which lends real credence and support to what we do and who we are as Life Church Lincoln.

We continued to have a dedicated team of people serving as leaders of Life Groups (small groups of people meeting together, usually weekly, for Bible teaching, worship, prayer, friendship etc.), many of whom have been incredibly adaptable by running these regular meetings online. Some were able to meet in person under strict COVID guidance around the mid-year point of 2020 but have had to revert back to the online space until restrictions lift.

Our children's team have shown a particular level of dynamism since COVID hit, providing a weekly teaching video for the youngest people within the church community. Christmas gifts for our young children were bought, wrapped and delivered by this dedicated team, a sign of genuine care and kindness. Starting in 2021, the team will begin a bi-weekly children's meeting on Zoom, allowing our young ones to interact more with one another.

Our work into schools has continued despite the pandemic, with church staff regularly providing assemblies online. Our relationships with our local schools continue to be something we both prioritise and take great pride in.

Community Activities

Many of our community activities had to take place online during 2020 due to COVID. In October we hosted an online Light Party, an alternative celebration to Hallowe'en, which was very well attended from those inside and outside the church. In December we hosted Christmas services as well as several Christmas activities within government guidelines, spearheaded by a task force from within the church. This included a window display trail around the local community, the construction of a nativity scene outside our building and an online Christmas Carols event. The developing connections between local people at these events demonstrated that they are helping to meet a specific need in the area for people to feel part of their local community and connected to the church, even if just on a 'loose' basis.

Alleviating Need

As an expression of our desire to demonstrate the Christian principle of helping those in need, we continue to look for ways to alleviate local poverty. For the whole of 2020 we were fully active as a FoodBank distribution centre, which allows us to collect and give food to local individuals, couples and families who are in need. Over the year we saw a real increase in the number of people we have been able to help through FoodBank. The distribution centre was available all week between 9.00am and 12.30pm, and thankfully this was able to remain open during the pandemic, with appropriate COVID restrictions in place to protect staff and those accessing the service. We were delighted to have received a number of additional financial grants to help with the running of Foodbank in 2020, which allowed us to purchase equipment such as a new fridge and freezer to store additional food items, and we were also able to purchase toiletries to add to the food packs for those who in need. During the year we were also able to help a number of families and individuals from our Compassion Fund. Alongside debt management advice this has helped them to better manage their finances, thus preventing the possibility of long term hardship. We have also been able to refer people to the Christians Against Poverty (CAP) programmes in other Lincoln churches, and direct them to other debt counselling services at the local Learning Community facility. The church continued regular giving to CAP to allow them to help alleviate long-term poverty amongst local people. We continued to host a Lincoln City Council benefits advisor, who held a clinic once per week in our premises when COVID restrictions permitted. This was open to all and gave an opportunity for a great number of people suffering difficulties with all kinds of benefits issues to receive help, advice and solutions. However, this was put on hold during the pandemic at the Council's request.

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Oasis

The Oasis Community Lunch has run for a number of years giving local people the opportunity to develop friendships and be linked into other organisations offering help. As in previous years, representatives from the local church and community agencies have been invited in to give a short message to those gathered. Church leaders and members who speak always seek to bring an element of the Christian gospel into what they share with those attending. This activity had to be put on hold due to the pandemic; it had been hoped that we would be able to re-launch or hold a one-off event later on in the year, but unfortunately this was not possible.

Diamond Park

Diamond Park continues to be of major benefit for the community of Birchwood. As the only Community Park in the locality providing play facilities for toddlers to teens it is normally in high demand throughout the summer months. The park has been fully renovated and is now in the hands of a local group who are able to ensure its day-to-day running, in line with our vision of a community-owned park when the church was originally fully responsible for its maintenance. Although the park has been closed under COVID restrictions we continue to make a generous annual donation towards its upkeep in support of our local community.

Big Local

Some years ago the Birchwood area of Lincoln was awarded £1m of Big Local funding to make a lasting and positive difference to the local area. From the launch of the Birchwood Big Local, Life Church has taken a leading role in its formation and continued to have representatives on management teams and committees in 2020.

Youth Work

Although many of the dynamic and interactive activities for our youth had to be curtailed during the year, our youth team were able to continue to provide excellent teaching and social spaces for young people in the area prior to the pandemic, and online activities and friendship during the period of restrictions.

Local/National Links

Over 2020 we were able to continue to invest in our relationships with many other ministries, churches and individuals - locally, nationally and internationally - although not always to the extent that we had hoped. The year saw the exciting transition of the Greater Lincoln Active Faith Network (in which the church has played an active part from the beginning, such as our Lead Pastor being a member of the steering group) to become Transform Lincoln. This new body will encompass social action with prayer, evangelism and a priority on healthy church relationships, with the aim of making our city a better place. We have continued to invest in our links with the Ground Level Network, which provides a level of oversight, connections to other churches, charities and ministries and training for church leaders. We are also delighted to be a member church of the Evangelical Alliance, which provides us with a number of important benefits and a level of ministerial security.

Charitable Giving and International Links

The church is missional in ethos and values and we have continued to pursue international connections. Our main connections are with churches and ministries within India and South Africa, although we do have others in different nations. We have continued to maintain these international links throughout the year, while we have also continued to develop a relationship with a church in Nepal. We have provided a high level of financial support to a Christian girls' orphanage in the rural Indian town of Kolar Gold Fields. We have encouraged a number of people within the church to continue to 'sponsor a child' within the orphanage to help us to reach as many children as possible. We have also been able to donate towards a tailoring skills programme in Bangalore, India, which helps impoverished women to learn a trade and either set-up their own business or gain the credentials to work within a recognised tailoring factory. We were also able to support the charitable work of Empower Church in Pretoria, South Africa.

Use of Life Church Building

In addition to our own use, our building was regularly hired by a number of community groups and local organisations, including a Rainbows group, Slimming World, Weight Watchers, Oasis Community Lunch, a bee-keeping group, local choirs and others. Our building remains available for hire for baby dedications, weddings and funerals. Many of these groups had to halt or seriously restrict their usage due to the pandemic, while one-off hirers were similarly precluded from doing so, leading to a significant reduction in revenue from hirers. However, we have maintained excellent links with regular hirers and anticipate that they will return during 2021 as COVID restrictions are eased. Both the main Church Building and the Church Office were maintained at COVID-Secure levels in accordance with Government guidelines, and additional sanitisation and cleaning provided as necessary.

Life Church Lincoln
Report of the Trustees
for the Year Ended 31 December 2020

FINANCIAL REVIEW

Reserves policy

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow the charity to be managed efficiently, to meet working capital requirements, and to provide a buffer which will allow suitable projects to be commenced once they have been identified, a policy would be adopted to build up a general reserve equivalent to 10% of the unrestricted fund expenditure.

As at 31 December 2020, the charity had unrestricted funds of £343,148 (2019: £351,238) and restricted funds of £4,826 (2019: £386). The level of "free reserves" at the year end was £173,568 (2019: £184,801) and this consisted of the total unrestricted funds and associated loans less fixed assets, which is available for the charity to use in achieving its charitable objectives.

The current level of free reserves is significantly higher than the reserves policy. However, the trustees consider their policy to be reasonable due to the charity only recently having additional reserves in excess of their policy. The trustees have the possibility of rebuilding their church under regular review and have decided to earmark up to £50,000 of unrestricted funds to start this process. Additional reserves are retained in the short term against any significant voluntary income reductions due to the coronavirus pandemic.

Restricted Funds

During the year ending 31 December 2020 the charity operated a number of restricted funds to receive income and spend money on specific items or projects. During the year some of these funds were closed as their purpose had been fulfilled. The majority of the remaining restricted funds had limited movement and were in surplus during the year; however, where restricted and designated funds had small deficits at the end of the year the relevant amounts were transferred from the General Fund amounting to a total of £816. All restricted funds were used for their declared purpose and there was an overall increase in restricted funds of £4,440 to a total of £4,826 during the financial year.

Risk Analysis

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that reasonable controls are in place to provide reasonable assurance against fraud and error. The charity is exposed to very limited risks and reduced these in 2012 by purchasing a building for use as an office resulting in lower monthly outgoings than the previous rented accommodation. It was further reduced in 2015 by completing the purchase of the old Methodist Church next to the Church Office, dramatically reducing the monthly outgoings for the hire of venues for Sunday and other meetings. Although the commitment is now to the ongoing maintenance of the building and payment of the mortgage, rental income from community users has offset some of these outgoings. In common with other companies, the charity is exposed to statutory redundancy payments for its staff; however, these are likely to be minimal given the relatively short duration of the company's existence, and with only four paid members of staff for the majority of 2020. Where Projects are entirely grant-aided, financial commitments will not be made as a matter of policy unless and until all grant monies are available. For Church activities, project planning requires that events are budgeted on a self-financing basis in accordance with the annual objectives. The charity also benefits from public liability and indemnity insurance policies which adequately cover operating risk. The organization of the charity is sufficiently flexible that should the need arise, activities can be undertaken by volunteers within their own homes or premises hired on an ad-hoc basis. Policies have been written and are regularly reviewed and updated to cover all key activities. DBS checks are carried out on people working with children or vulnerable people in accordance with current safeguarding legislation and guidance. The Trustees are satisfied that all reasonable steps have been taken to avoid and manage risks adequately. Notwithstanding the above, and in common with many charities and organisations, the risks associated with a global pandemic had not been included in a general risk assessment. However, the Trustees have maintained a close watch on these additional COVID-related risks (primarily affecting finance and health & safety) and have worked closely with the Core Leadership Team to ensure additional risks are assessed, understood, and mitigated where appropriate. These efforts have ensured that the effects of COVID on Life Church Lincoln have been minimised. There were no known COVID outbreaks relating to any church activities in 2020.

Life Church Lincoln

Report of the Trustees for the Year Ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT **Governing Document**

The charity is controlled by its Memorandum & Articles of Association and is a company limited by guarantee, as defined by the Companies Act 2006, being incorporated on 17 August 2001. The charity claims exemption under Section 60 (1) (a) of the Companies Act 2006 from using the word "Limited".

Governance and internal control

Trustees are appointed in accordance with the Articles of Association of the charity. The trustees meet approximately every two months to review strategy, performance, management accounts and other operational issues. The trustees also meet with staff and volunteers on a regular basis to ensure that policy is well understood and properly implemented. All Trustees give of their time freely and no remuneration or expenses were paid in the year.

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" effective 1 January 2019 and specifically:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures;
- disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis.

The trustees have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable;
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- Delegation of day to day management and budget activities to a Management Team of staff and specialists.
- Regular consideration by the trustees of financial results, variance from budgets, non-financial performance
- Identification and management of risks.

Life Church Lincoln

Report of the Trustees
for the Year Ended 31 December 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04272968 (England and Wales)

Registered Charity number
1088731

Registered office
129 Birchwood Avenue
Lincoln
Lincolnshire
LN6 0JE

Trustees
Mr C J Trigg
Mr T L Gawne
Ms J McAleavey
Mr W W Toynnton (resigned 30.9.20)
Ms W A Brett
Mr D L Coombs
Miss I A Rose (appointed 19.1.20) (resigned 30.9.20)

Company Secretary
Mr C J Trigg

Independent Examiner
Wright Vigar Limited
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

Approved by order of the board of trustees on 21 March 2021 and signed on its behalf by:



Mr C J Trigg - Secretary

**Independent Examiner's Report to the Trustees of
Life Church Lincoln**

Independent examiner's report to the trustees of Life Church Lincoln ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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.



Paul Colcomb FCCA
Wright Vigar Limited
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

21 March 2021

Life Church Lincoln

Statement of Financial Activities
for the Year Ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		124,208	8,822	133,030	147,069
Charitable activities					
Trading		-	-	-	98
Other trading activities	2	87	-	87	217
Investment income	3	165	-	165	403
Other income		<u>3,645</u>	<u>-</u>	<u>3,645</u>	<u>10,075</u>
Total		128,105	8,822	136,927	157,862
 EXPENDITURE ON					
Raising funds	4	2,231	-	2,231	1,710
Charitable activities					
Ministry		132,325	3,760	136,085	117,087
Community Action		102	341	443	773
Youth and Overseas		722	1,097	1,819	14,473
Total		<u>135,380</u>	<u>5,198</u>	<u>140,578</u>	<u>134,043</u>
NET INCOME/(EXPENDITURE)		(7,275)	3,624	(3,651)	23,819
Transfers between funds	16	<u>(816)</u>	<u>816</u>	<u>-</u>	<u>-</u>
Net movement in funds		(8,091)	4,440	(3,651)	23,819
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>351,239</u>	<u>386</u>	<u>351,625</u>	<u>327,806</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>343,148</u></u>	<u><u>4,826</u></u>	<u><u>347,974</u></u>	<u><u>351,625</u></u>

The notes form part of these financial statements

Life Church Lincoln

Balance Sheet
31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	10	284,115	-	284,115	289,080
CURRENT ASSETS					
Debtors	11	12,922	195	13,117	14,270
Cash at bank and in hand		<u>170,543</u>	<u>4,631</u>	<u>175,174</u>	<u>181,400</u>
		183,465	4,826	188,291	195,670
CREDITORS					
Amounts falling due within one year	12	(14,235)	-	(14,235)	(13,747)
NET CURRENT ASSETS		<u>169,230</u>	<u>4,826</u>	<u>174,056</u>	<u>181,923</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		453,345	4,826	458,171	471,003
CREDITORS					
Amounts falling due after more than one year	13	(110,197)	-	(110,197)	(119,378)
NET ASSETS		<u>343,148</u>	<u>4,826</u>	<u>347,974</u>	<u>351,625</u>
FUNDS	16				
Unrestricted funds				343,148	351,239
Restricted funds				<u>4,826</u>	<u>386</u>
TOTAL FUNDS				<u>347,974</u>	<u>351,625</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 March 2021 and were signed on its behalf by:



Mr C J Trigg - Trustee

The notes form part of these financial statements

Life Church Lincoln

Notes to the Financial Statements for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 2015) (as amended by Update Bulletin 1 and 2)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity is a company limited by guarantee registered in England and Wales. Details of the registered office and place of business can be found in the reference and administration section of the Trustees Report.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

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.

Freehold property	- 2% on cost
Improvements to property	- 25% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

The charity's policy is to capitalise any item costing more than £250.

Taxation

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

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.

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Life Church Lincoln

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Fundraising events	<u>87</u>	<u>217</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>165</u>	<u>403</u>

4. RAISING FUNDS

	2020	2019
	£	£
Investment management costs	2,126	1,497
Other trading activities	105	213
	<u>2,231</u>	<u>1,710</u>

5. GRANTS PAYABLE

	2020	2019
	£	£
Ministry	11,920	11,074
Community Action	95	-
Youth and Overseas	<u>1,097</u>	<u>7,177</u>
	<u>13,112</u>	<u>18,251</u>

During the year, the charity made grants to the following;
£

Moriah Orphanage	6,214
Ground Level Ministry	2,160
Christians Against Poverty	1,200
R & J Bell Mission	2,065
Grants under £1,000	<u>1,378</u>

Total grants made to institutions	13,017
Small compassion gifts to individuals	<u>95</u>
Total grants payable	<u>13,112</u>

6. SUPPORT COSTS

	Management	Finance	Other	Totals
	£	£	£	£
Ministry	<u>2,933</u>	<u>4,470</u>	<u>25,458</u>	<u>32,861</u>

7. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Depreciation - owned assets	12,191	10,334
Hire of plant and machinery	1,147	800
Independent examiner costs	<u>2,874</u>	<u>3,015</u>

Life Church Lincoln

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

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

9. STAFF COSTS

The average number of employees during the period was 5 (2019: 4).

No employees were paid more than £60,000 for the year ending 31 December 2020.

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2020	310,493	12,588	4,996	10,700	338,777
Additions	-	-	-	7,226	7,226
At 31 December 2020	<u>310,493</u>	<u>12,588</u>	<u>4,996</u>	<u>17,926</u>	<u>346,003</u>
DEPRECIATION					
At 1 January 2020	36,986	2,256	1,123	9,332	49,697
Charge for year	<u>6,210</u>	<u>3,147</u>	<u>1,249</u>	<u>1,585</u>	<u>12,191</u>
At 31 December 2020	<u>43,196</u>	<u>5,403</u>	<u>2,372</u>	<u>10,917</u>	<u>61,888</u>
NET BOOK VALUE					
At 31 December 2020	<u>267,297</u>	<u>7,185</u>	<u>2,624</u>	<u>7,009</u>	<u>284,115</u>
At 31 December 2019	<u>273,507</u>	<u>10,332</u>	<u>3,873</u>	<u>1,368</u>	<u>289,080</u>

Freehold property with a total net book value of £248,652, being the old police station and the church building, have outstanding charges registered against them being security for the loans as disclosed in note 15.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	11,820	12,931
Prepayments	<u>1,297</u>	<u>1,339</u>
	<u>13,117</u>	<u>14,270</u>

Life Church Lincoln

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 14)	7,338	7,264
Trade creditors	-	187
Social security and other taxes	1,585	1,581
Other creditors	1,000	1,000
Accrued expenses	<u>4,312</u>	<u>3,715</u>
	<u>14,235</u>	<u>13,747</u>

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

	2020	2019
	£	£
Bank loans (see note 14)	107,197	115,378
Other creditors	<u>3,000</u>	<u>4,000</u>
	<u>110,197</u>	<u>119,378</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>7,338</u>	<u>7,264</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>7,686</u>	<u>7,608</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>25,333</u>	<u>25,072</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	74,178	82,698

15. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	<u>114,535</u>	<u>122,642</u>

The bank loans are secured by a legal charge over the Old Birchwood Police Station building, the Church Building and its associated assets.

Life Church Lincoln

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

16. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General Fund	266,508	(12,250)	284	254,542
Designated Fund	1,775	7,420	(5,461)	3,734
Contingency Fund	600	-	(600)	-
Building Fund (Designated)	28,010	(2,445)	-	25,565
Overseas (Designated)	4,346	-	4,961	9,307
New Building Fund	50,000	-	-	50,000
	351,239	(7,275)	(816)	343,148
Restricted funds				
Compassion fund	285	63	-	348
India Missions	-	812	-	812
Dancelife	101	-	-	101
Community Events	-	(316)	316	-
JB & RB Mission	-	(309)	500	191
Big Local/Foodbank	-	3,374	-	3,374
	386	3,624	816	4,826
TOTAL FUNDS	<u>351,625</u>	<u>(3,651)</u>	<u>-</u>	<u>347,974</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	106,425	(118,675)	(12,250)
Designated Fund	17,275	(9,855)	7,420
Building Fund (Designated)	4,405	(6,850)	(2,445)
	128,105	(135,380)	(7,275)
Restricted funds			
Compassion fund	158	(95)	63
India Missions	1,909	(1,097)	812
Community Events	(1)	(315)	(316)
JB & RB Mission	1,756	(2,065)	(309)
Big Local/Foodbank	5,000	(1,626)	3,374
	8,822	(5,198)	3,624
TOTAL FUNDS	<u>136,927</u>	<u>(140,578)</u>	<u>(3,651)</u>

Life Church Lincoln

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General Fund	298,976	18,707	(51,175)	266,508
Designated Fund	-	9,207	(7,432)	1,775
Contingency Fund	600	-	-	600
Building Fund (Designated)	22,464	5,546	-	28,010
Overseas (Designated)	3,089	(5,875)	7,132	4,346
New Building Fund	-	-	50,000	50,000
	325,129	27,585	(1,475)	351,239
Restricted funds				
Youth Work	1,444	(2,295)	851	-
Trips	474	-	(474)	-
Oasis	261	-	(261)	-
Compassion fund	-	(15)	300	285
India Missions	165	(969)	804	-
Toddlelife	232	-	(232)	-
Dancelife	101	-	-	101
Community Events	-	(487)	487	-
	2,677	(3,766)	1,475	386
TOTAL FUNDS	327,806	23,819	-	351,625

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	119,685	(100,978)	18,707
Designated Fund	19,417	(10,210)	9,207
Building Fund (Designated)	13,776	(8,230)	5,546
Overseas (Designated)	1,000	(6,875)	(5,875)
	153,878	(126,293)	27,585
Restricted funds			
Youth Work	2,826	(5,121)	(2,295)
Compassion fund	450	(465)	(15)
India Missions	708	(1,677)	(969)
Community Events	-	(487)	(487)
	3,984	(7,750)	(3,766)
TOTAL FUNDS	157,862	(134,043)	23,819

Designated Funds

Building Fund

This fund has been designated for the repairs of the church building.

Overseas Fund

This fund has been designated as it is an offering to the mission in South Africa.

New Building Fund

The trustees are investigating the possibility of rebuilding the church and as such have designated monies for this purpose.

Life Church Lincoln

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

16. MOVEMENT IN FUNDS - continued

Restricted Funds

A description of the material restricted funds is detailed below.

India Missions

This fund has arisen from specific fund-raising campaigns for India, for example the orphanage, sewing machines, send a cow.

Toddlelife

Mums & Toddlers group held at St Luke's youth hall. Income is generated from fees which is used to fund the costs of the group.

Youth Work

This fund was set up for a previous youth worker as at the time there were grants. Now only used for Soul Survivor income and expenditure for which the income received is restricted for the delivery of the service.

Trips

Income & expenditure for day trips and weekends away for church members. Income is collected for a specific trip for which it must be expended on.

Oasis

Specific donations have been received for a Luncheon club for all ages by mainly over 50's.

Compassion Fund

This fund has arisen from restricted incoming resources for help support individuals and families within the church community during times of hardship.

Dancelife Fund

Dance classes held in Life Church hall. Income is generated from fees which is used to fund the costs of the group.

Community Events

Income and expenditure for specific events, including summer Kid's club, Light party, Christmas activities. Income is generated from fees which is used to fund the cost of the events.

JB/RB Mission

This fund has arisen from specific donations received towards mission work in the Birchwood Community undertaken by two of the leadership team at Life Church Lincoln. This mission work is self-funder or part of local projects or initiatives.

Big Local- Foodbank

This fund has arisen from funding from Birchwood Big Local to support the operation of a Foodbank.

Transfers between funds

Unrestricted Funds

Designated Fund

The trustees decided to transfer a total of £5,461 from the Designated fund, £4,961 to the Overseas (Designated) fund and £500 to the JB & RB Mission fund.

Overseas (Designated)

The trustees decided to transfer £4,961 from the Designated fund to the Overseas (Designated). This represents 5% of the designated income which has been allocated for South Africa mission payments.

Contingency Reserve

Due to the COVID-19 pandemic it was decided to reallocate the funds to the general reserves of the charity.

Life Church Lincoln

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

16. MOVEMENT IN FUNDS - continued

Transfers between funds

Restricted Funds

Community Events Fund

This restricted fund expended more than it had amounted during the period and therefore was supported by the general funds of the charity. Due to this a transfer of £316 was required from general funds.

JB & RB Mission

The trustees decided to transfer £500 to the JB & RB Mission fund to support this mission.

17. RELATED PARTY DISCLOSURES

Transactions with Related Parties

During the period, the charity made a grant payment of £1,000 (2019: £1,000) to the Birchwood Area Community Land Trust, an entity in which a trustee of Life Church Lincoln up to 30 September 2020, was also a director. The Charity is committed to paying out £1,000 for the next four years to the Trust.

18. ULTIMATE CONTROLLING PARTY

The charity is controlled by its Board of Trustees.

Life Church Lincoln

Detailed Statement of Financial Activities
for the Year Ended 31 December 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	133,030	147,068
Other trading activities		
Fundraising events	87	217
Investment income		
Deposit account interest	165	403
Charitable activities		
Other income	-	98
Other income		
Rents received	<u>3,645</u>	<u>10,075</u>
Total incoming resources	136,927	157,861
EXPENDITURE		
Other trading activities		
Purchases	105	213
Investment management costs		
Administrative expenses	2,126	1,497
Charitable activities		
Wages	74,662	56,097
Social security	5,604	5,526
Pensions	2,941	4,264
Other direct costs	8,630	13,580
Advertising	537	1,156
Grants to institutions	13,017	17,387
Grants to individuals	<u>95</u>	<u>864</u>
	105,486	98,874
Support costs		
Management		
Cleaning	45	18
Telephone	2,427	1,508
Postage and stationery	<u>461</u>	<u>921</u>
	2,933	2,447
Finance		
Mortgage	4,470	5,829
Other		
Repairs and maintenance	1,147	800
Rent, rates and water	499	404
Insurance	1,844	492
Light and heat	2,975	4,648
Telephone and website costs	-	230
Travel	974	2,494
Sundries	1,197	660
Carried forward	8,636	9,728

This page does not form part of the statutory financial statements

Life Church Lincoln

Detailed Statement of Financial Activities
for the Year Ended 31 December 2020

	2020 £	2019 £
Other		
Brought forward	8,636	9,728
Repairs and maintenance	1,757	2,105
Independent examination	2,874	3,015
Freehold property	6,210	6,210
Improvements to property	3,147	2,256
Fixtures and fittings	1,249	976
Computer equipment	<u>1,585</u>	<u>893</u>
	<u>25,458</u>	<u>25,183</u>
Total resources expended	<u>140,578</u>	<u>134,043</u>
Net (expenditure)/income	<u><u>(3,651)</u></u>	<u><u>23,818</u></u>