

COMPANY REGISTRATION NUMBER: 04428832
CHARITY REGISTRATION NUMBER: 1094098

The Lee Abbey Movement
Company Limited by Guarantee
Financial Statements
30 April 2022

WESTCOTTS (SW) LLP

Chartered accountants & statutory auditor
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

The Lee Abbey Movement
Company Limited by Guarantee
Financial Statements
Year ended 30 April 2022

	Pages
Trustees' annual report (incorporating the director's report)	1 to 9
Independent auditor's report to the members	10 to 13
Statement of financial activities (including income and expenditure account)	14
Statement of financial position	15
Statement of cash flows	16
Notes to the financial statements	17 to 25

The Lee Abbey Movement
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 30 April 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 April 2022.

Objectives and activities

The charity's objects are the advancement of the Christian faith worldwide through the ministry of communities of Christians whose shared lives in the fellowship of the Holy Spirit communicate the love of God revealed in Christ Jesus.

These objects are fulfilled through the activities of the Lee Abbey Movement itself and its three operating subsidiary charities: Lee Abbey Fellowship (aka Lee Abbey Devon), Lee Abbey International Students' Club (aka Lee Abbey London) and Lee Abbey Household Communities (aka Lee Abbey Small Missional Communities). The participation and prayer support of the Lee Abbey Friends continues to be a powerful tool for meeting these objects.

Achievements and performance

Review of Activities and Achievements

The Council has continued to keep the governance structures introduced in 2006 under review and continues to be encouraged by the way in which the three subsidiary Boards work as constituent and contributing parts of the Movement. This has been due, in no small part, to the leadership of their Chairs: Sandy Pepper (London), Susan Edmondson (SMCs) and David Widdows (Devon), and to the commitment and skills of Board members. Council wishes to put on record its sincere appreciation of the dedication, care and skill they all bring to their respective Boards.

The supportive relationships Boards have with local management teams and communities, led by their respective leaders, is important in achieving successful outcomes.

Movement

Covid 19 has continued to have a significant impact on our activities and achievements during the whole of the 2021-2022 Financial Year. Despite all of these challenges, all of the constituent parts of the Movement have continued to operate, albeit in a reduced but recovering capacity and guests have been welcomed in Devon, students welcomed in London and the new Small Missional Community established in Ford, Plymouth continues to flourish.

As part of our ongoing management of the Movement and its constituent parts, Council and Board meeting were held with increased regularity using online collaboration technology during the year thus keeping the missional and financial status of the Movement keep under constant and appropriate review.

The Communities of Lee Abbey, formally Acknowledged by the Church of England (as multi-denominational Communities) continue to develop in all their diverse expressions.

The Lee Abbey Movement

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2022

Achievements and performance *(continued)*

London (Lee Abbey International Students Club)

The year has continued to be challenging due to the ongoing impact of the COVID-19 pandemic, which resulted in smaller numbers of students wanting accommodation in London. Plans and budgets for managing the unprecedented situation were put in place and executed with the support of the Board and Community.

Further details are available in the individual charities' trustees' annual report.

Small Missional Communities (Lee Abbey Household Communities)

During the year, new members joined our communities and a new Small Missional Community established in Ford, Plymouth in conjunction with the Diocese of Exeter continued to flourish.

The Aston and Knowle West communities continue to engage in mission in their local areas, though this too has been challenging in the Pandemic.

Further details are available in the individual charities' trustees' annual report.

Devon (Lee Abbey Fellowship)

Covid 19 has continued to have a significant impact on what we have been able to achieve during the Financial Year.

It has been challenging for the Lee Abbey Fellowship to offer the full range of retreats, courses, Christian holidays and conferences, in the main House, Beacon and at the Camp in the light of Coronavirus restrictions. However, guests have been welcomed and we were able to open several units on the estate for self-catering guests and we have continued to nurture the Christian discipleship of community members.

Further details are available in the individual charities' trustees' annual report.

Public benefit

Lee Abbey Movement is the holding charity of its three subsidiary charities. Its primary activity has been the oversight of its operating subsidiaries including the monitoring of their activities for public benefit. In monitoring those activities, the Council has kept well in mind the Charity Commission's general guidance on public benefit; and in particular its supplementary guidance on the advancement of religion and fee-charging.

The beneficiaries of the charity include the members of all Communities as well as those whom we welcome in the name of Christ to stay either in Devon or in London and those who are served by the Household Communities. An important aspect of the ministry of the charity is an encouragement and equipping of members of Communities to grow in their Christian faith and to develop positive values, attitudes and skills and a lifelong commitment to show the love of God in Christ by serving other people from any background or culture. They also obtain work skills as well as skills in ministry and worship that they can use in the future. The Council view our bursary schemes as important in ensuring that wherever possible all those who seek to benefit from the mission who would otherwise not be able to afford the fees are able to come to Lee Abbey. In 2022 bursaries amounting to £74,482 (2021 £75,031) were given. Bursaries are considered following application to the Warden in Devon and the Director in London.

The Lee Abbey Movement

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2022

Achievements and performance *(continued)*

The Lee Abbey Movement has made a number of direct grants in carrying out its charitable purposes during the year. Most of the grants have been made to its three subsidiaries to assist them in fulfilling their charitable objectives for the benefit of the public in the particular ways specified in their Trustees' reports. The Council considers that each of these grants has been for the benefit of the public within the guidelines issued by the Charity Commissioners.

Going Concern

As previously mentioned, COVID-19 has continued to have an effect and significant impact on the activities of the charity during the year and the Trustees expect that the effects of the pandemic will continue to be felt during the financial year ending 30 April 2023. The impact on future performance and on the measurement of certain assets and liabilities and on liquidity might be significant depending on the longer term impact of COVID-19 and other world events. These impacts could be both positive and negative.

The Trustees have reviewed various scenarios and evaluated management actions to ensure the safety of its communities and to mitigate the effects of the ongoing but increasingly controlled pandemic on the charity's activities. They have determined that when the accounts were prepared there was not a material uncertainty that casts significant doubt on the charity's ability to continue as a going concern for the foreseeable future. Indeed, as we emerge from COVID-19 a more positive outlook may be a possibility.

The Lee Abbey Movement
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 30 April 2022

Financial review

The Lee Abbey Movement itself not including the activities of its subsidiaries made a surplus of £21,325 (2021 £9,316) on unrestricted funds restricted funds for the year. Overall the cash position of the Movement remains very solid which enables appropriate levels of reserves and cash to cover other requirements to be held in accordance with good governance practices.

Principal Funding Sources

The Lee Abbey Movement's principal funding sources continue to be Friends' donations and contributions from our subsidiary charities. We continue to be grateful to The Lee Abbey Friends for donations amounting to £132,553 (2021 £169,135).

Reserves

The running costs of The Lee Abbey Movement are financed by contributions from our subsidiary charities. As such the charity requires only minimal unrestricted reserves.

Investment Powers, Policy and Performance

Under the Memorandum and Articles of Association the charity has power to make any investment which the Trustees think fit.

The Lee Abbey Movement

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2022

Plans for future periods

The Council is continuing to develop and implement its Strategic Plan 'Interpreting the Lee Abbey Vision for Today'. The headlines of which are:

- Our purpose: To enable all people to encounter the living Christ
- Our Vision: Communicating Christ through relationships
- Our Goal: To reach out to offer God's welcome in Devon, London and the SMC's
- Our Strategic Priorities: The advancement of the Christian faith through the ministry of Communities
- Our Enabling Priorities: Implementation and Operational Plan Details

The Boards of the subsidiary charities are considering how they should develop their own plans within this overall approach. The overall plan will also be supported by a number of enabling plans such as Mission Plan, Communications Plan and Governance Plan.

All three subsidiary Boards are facing significant challenges and Council will need to play an appropriate role of guidance and, where necessary, approval. In particular, this will be required for the next stages in the Lee Abbey Devon developments, the future development of the Lee Abbey Households, and the planned refurbishment and modernisation of Lee Abbey London.

The Lee Abbey Movement

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2022

Senior Management

The Council has delegated the day to day management of the operations of the charity to the Executive Chair and Secretary of the Council.

Appointment of Trustees

As set out in the Articles of Association the Council may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee. A Council member so appointed will hold office only until the next Annual General Meeting.

Trustee Induction and Training

New trustees are encouraged to spend time with the Executive Chair of Council, who will guide them through the induction process which includes visits to the operational charities and time with their senior management teams.

Organisation

The Council administers the charity and sets up sub-committees and working groups as necessary. The Council has delegated the day to day management of the subsidiary charities to the Local Boards of Trustees and their senior management teams.

Grant Making Policy

The Trustees view our bursary schemes as important in ensuring that wherever possible all those who seek to benefit from our mission who would otherwise not be able to afford the fees are able to come to Lee Abbey in Devon or London

Governance and Internal Control

Careful consideration continued to be given to risk management. Risks are categorised according to potential severity and their likely incidence. The levels of risks are regularly reviewed and procedures to mitigate those risks are set in place. In addition to its continued oversight of health and safety matters, the Board also regularly monitors safeguarding policy and procedures (both for young people and for vulnerable adults) in all aspects of its charitable activities. The Board has instructed external auditors to assist it with such oversight and monitoring.

The Lee Abbey Movement

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2022

Reference and administrative details

Registered charity name The Lee Abbey Movement

Charity registration number 1094098

Company registration number 04428832

Principal office and registered office Lee Abbey
Lynton
Devon
EX35 6JJ

The trustees

Revd Dr G R Cappleman Chair
Sr S P Berry
Revd J K S Denniston
S M Edmondson
Revd J H Simmons
Dr M A Paul
Prof A A Pepper
Mr P A v Rossum
Revd Dr L B Taylor
Revd D C R Widdows
Revd R M Eastwood Dewing (Appointed 4 December 2021)

Company secretary CLC Secretarial Services Limited (Appointed 1 January 2022)

Auditor Westcotts (SW) LLP
Chartered accountants & statutory auditor
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Bankers National Westminster
41 High Street
Barnstaple
Devon
EX31 1BZ

Solicitors Carter Lemon Camerons LLP
3rd Floor, 20 King Street
London
EC2V 8EG

The Lee Abbey Movement

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2022

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

The Lee Abbey Movement
Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2022

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

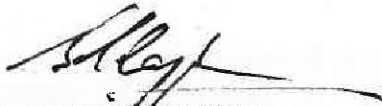
- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 21/2/22 and signed on behalf of the board of trustees by:



Revd Dr G R Cappleman
Chairman

The Lee Abbey Movement

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Lee Abbey Movement

Year ended 30 April 2022

Opinion

We have audited the financial statements of The Lee Abbey Movement (the 'charity') for the year ended 30 April 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The Lee Abbey Movement
Company Limited by Guarantee

Independent Auditor's Report to the Members of The Lee Abbey Movement
(continued)

Year ended 30 April 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

The Lee Abbey Movement

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Lee Abbey Movement

(continued)

Year ended 30 April 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The charity is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other companies legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of companies legislation.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The Lee Abbey Movement

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Lee Abbey Movement

(continued)

Year ended 30 April 2022

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Westcotts (SW) LLP

David Cresswell BA FCA (Senior statutory auditor)

Westcotts (SW) LLP

Chartered accountants & statutory auditor

47 Boutport Street

Barnstaple

Devon

EX31 1SQ

2/12/22

The Lee Abbey Movement
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 30 April 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	132,553	132,553	169,135
Charitable activities	6	71,400	71,400	26,400
Investment income	7	79	79	1,941
Total income		<u>204,032</u>	<u>204,032</u>	<u>197,476</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	8	51,939	51,939	36,126
Expenditure on charitable activities	9,10	132,768	132,768	152,034
Total expenditure		<u>184,707</u>	<u>184,707</u>	<u>188,160</u>
Net income and net movement in funds		<u>19,325</u>	<u>19,325</u>	<u>9,316</u>
Reconciliation of funds				
Total funds brought forward		150,222	150,222	140,906
Total funds carried forward		<u>169,547</u>	<u>169,547</u>	<u>150,222</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 25 form part of these financial statements.

The Lee Abbey Movement
Company Limited by Guarantee
Statement of Financial Position
30 April 2022

	Note	2022 £	£	2021 £
Current assets				
Debtors	13	1,945,597		1,804,162
Cash at bank and in hand		<u>614,880</u>		<u>950,140</u>
		2,560,477		2,754,302
Creditors: amounts falling due within one year	14	<u>(321,451)</u>		<u>(259,569)</u>
Net current assets			2,239,026	2,494,733
Total assets less current liabilities			2,239,026	2,494,733
Creditors: amounts falling due after more than one year	15		<u>(2,069,479)</u>	<u>(2,344,511)</u>
Net assets			<u>169,547</u>	<u>150,222</u>
Funds of the charity				
Unrestricted funds			<u>169,547</u>	<u>150,222</u>
Total charity funds	16		<u>169,547</u>	<u>150,222</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 21/12/22....., and are signed on behalf of the board by:


Revd Dr G R Cappleman
Chairman

The notes on pages 17 to 25 form part of these financial statements.

The Lee Abbey Movement
Company Limited by Guarantee
Statement of Cash Flows
Year ended 30 April 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	19,325	9,316
<i>Adjustments for:</i>		
Other interest receivable and similar income	(79)	(1,941)
Accrued expenses	3,005	230
<i>Changes in:</i>		
Trade and other debtors	(141,435)	(114,248)
Cash generated from operations	(119,184)	(106,643)
Interest received	79	1,941
Net cash used in operating activities	<u>(119,105)</u>	<u>(104,702)</u>
Cash flows from financing activities		
Proceeds from borrowings	(216,727)	424,102
Proceeds from loans from group undertakings	572	13,789
Net cash (used in)/from financing activities	<u>(216,155)</u>	<u>437,891</u>
Net (decrease)/increase in cash and cash equivalents	(335,260)	333,189
Cash and cash equivalents at beginning of year	950,140	616,951
Cash and cash equivalents at end of year	<u>614,880</u>	<u>950,140</u>

The notes on pages 17 to 25 form part of these financial statements.

The Lee Abbey Movement
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 30 April 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Lee Abbey, Lynton, Devon, EX35 6JJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Lee Abbey Movement

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specific purpose and which the charity may use for its purpose at its discretion.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

The Lee Abbey Movement
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 30 April 2022

3. Accounting policies (continued)

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% reducing balance
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Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

4 years straight line	- Fixtures and Fittings
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Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

The Lee Abbey Movement

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The Lee Abbey Movement is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £10 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations	132,553	132,553	144,135	144,135
Legacies				
Legacies	—	—	25,000	25,000
	<u>132,553</u>	<u>132,553</u>	<u>169,135</u>	<u>169,135</u>

The Lee Abbey Movement
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 April 2022

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Contributions from communities	<u>71,400</u>	<u>71,400</u>	<u>26,400</u>	<u>26,400</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other interest receivable	<u>79</u>	<u>79</u>	<u>1,941</u>	<u>1,941</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Staff and fundraising costs	<u>51,939</u>	<u>51,939</u>	<u>36,126</u>	<u>36,126</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Making grants for community ministry development	65,400	65,400	72,400	72,400
Support costs	67,368	67,368	79,634	79,634
	<u>132,768</u>	<u>132,768</u>	<u>152,034</u>	<u>152,034</u>

The Lee Abbey Movement

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

10. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
Wages	25,225	25,225	30,433
Employers' NIC	1,125	1,125	1,444
Other motor and travelling costs	9,373	9,373	3,066
Trustees' honorarium	6,000	6,000	2,769
Trustees' indemnity insurance	4,280	4,280	7,184
Auditor remuneration	4,560	4,560	4,550
Professional fees	2,133	2,133	3,751
Interest	10,828	10,828	23,688
Bank charges	3,844	3,844	2,749
	<u>67,368</u>	<u>67,368</u>	<u>79,634</u>

11. Staff costs

The average head count of employees during the year was 3 (2021: 3). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Number of staff	<u>3</u>	<u>3</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

12. Trustee remuneration and expenses

Trustees' emoluments

During the year Trustees' received remuneration and other emoluments of £6,000 (2021: £2,769).

Travel and incidental expenses of £9,373 (2021 - £3,066) have been reimbursed to the trustees during the year.

The Lee Abbey Movement
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 30 April 2022

13. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	1,945,220	1,804,162
Other debtors	377	—
	<u>1,945,597</u>	<u>1,804,162</u>

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	290,294	231,989
Amounts owed to group undertakings	23,722	23,150
Accruals and deferred income	7,435	4,430
	<u>321,451</u>	<u>259,569</u>

The bank loan is secured by a charge over the freehold properties owned by the Lee Abbey International Students Clubs and is repayable over a period ending on 30 April 2029.

The bank loan is over a fifteen year term and carries an interest rate of 2.18% above the base rate.

15. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	<u>2,069,479</u>	<u>2,344,511</u>

The bank loan is secured by a charge over the freehold properties owned by the Lee Abbey International Students Clubs and is repayable over a period ending on 30 April 2029.

The bank loan is over a fifteen year term and carries an interest rate of 2.18% above the base rate.

16. Analysis of charitable funds

Unrestricted funds

	At 1 May 2021 £	Income £	Expenditure £	At 30 April 2022 £
General fund	<u>150,222</u>	<u>204,032</u>	<u>(184,707)</u>	<u>169,547</u>

	At 1 May 2020 £	Income £	Expenditure £	At 30 April 2021 £
General fund	<u>140,906</u>	<u>197,476</u>	<u>(188,160)</u>	<u>150,222</u>

The Lee Abbey Movement

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

17. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	2022	2022
	£	£
Current assets	2,560,477	2,560,477
Creditors less than 1 year	(321,451)	(321,451)
Creditors greater than 1 year	(2,069,479)	(2,069,479)
Net assets	169,547	169,547

	Unrestricted Funds	Total Funds
	2021	2021
	£	£
Current assets	2,754,302	2,754,302
Creditors less than 1 year	(259,569)	(259,569)
Creditors greater than 1 year	(2,344,511)	(2,344,511)
Net assets	150,222	150,222

18. Analysis of changes in net debt

	At 1 May 2021	Cash flows	At 30 Apr 2022
	£	£	£
Cash at bank and in hand	950,140	(335,260)	614,880
Debt due within one year	(255,139)	(58,877)	(314,016)
Debt due after one year	(2,344,511)	275,032	(2,069,479)
	<u>(1,649,510)</u>	<u>(119,105)</u>	<u>(1,768,615)</u>

19. Related parties

The charity is part of the group known as The Lee Abbey Movement and has transactions with other group members. These comprise;

- payments to Lee Abbey Fellowship of £50,400 (2021 - £50,400)
- payments to Lee Abbey Household Communities of £15,000 (2021 - £15,000)
- a contribution to Lee Abbey Fellowship for administrative expenses of £6,238 (2021 - £6,707)
- a contribution from Lee Abbey Fellowship of £30,000 (2021 - £27,500)
- a contribution from Lee Abbey Household Communities of £2,400 (2021 - £2,400)
- a contribution from Lee Abbey International Students Club of £30,000 (2021 - £NIL)

As at 30 April 2022 the Movement was owed £23,722 (2021 - £23,075 owed from Lee Abbey Fellowship) from Lee Abbey Fellowship and owed £Nil (2021 - £Nil) to Lee Abbey International Students Club.

The Lee Abbey Movement
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 April 2022

20. Controlling party

The company is controlled by its Council. No Council member has overall control. The Council members are sole guarantors of this company. The liability of each member is limited to £10.

Copies of group's consolidated accounts are available on request from the company's registered office.

The Lee Abbey Movement
Company Limited by Guarantee
Management Information
Year ended 30 April 2022

The following pages do not form part of the financial statements.

The Lee Abbey Movement
Company Limited by Guarantee
Detailed Statement of Financial Activities
Year ended 30 April 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations	132,553	144,135
Legacies	—	25,000
	<u>132,553</u>	<u>169,135</u>
 Charitable activities		
Contributions from communities	<u>71,400</u>	<u>26,400</u>
 Investment income		
Other interest receivable	<u>79</u>	<u>1,941</u>
 Total income	<u><u>204,032</u></u>	<u><u>197,476</u></u>
 Expenditure		
Costs of raising donations and legacies		
Staff - Wages and salaries	29,543	15,703
Staff - Employer's NIC	2,411	1,315
Establishment - Rent	6,238	6,238
Office - Printing, postage and stationery	38	800
Publishing 'Rapport'	11,241	12,070
Other expenses	2,468	—
	<u>51,939</u>	<u>36,126</u>
 Expenditure on charitable activities		
Making grants for community ministry development		
Activities undertaken directly		
Pastoral care grants to subsidiary charities	<u>65,400</u>	<u>72,400</u>
 Support costs		
Wages and salaries	25,225	30,433
Employer's NIC	1,125	1,444
Trustee's Indemnity Insurance	4,280	7,184
Other motor and travelling costs	8,385	3,066
Auditor remuneration	4,560	4,550
Trustee's Honorarium	6,000	2,769
Interest	10,828	23,688
Bank charges	3,844	2,749
Professional fees	3,121	3,751
	<u>67,368</u>	<u>79,634</u>
 Total expenditure	<u><u>184,707</u></u>	<u><u>188,160</u></u>
 Net income	<u><u>19,325</u></u>	<u><u>9,316</u></u>

