

Company Number: 6461016 (England and Wales)

Charity Number: 1123123 (England and Wales)

Edge Church International

Trustees' Report and Financial Statements

Year ended 31 December 2021

Audited



Contents

Page No.

Reference and Administrative Details	3
Trustees' Report.....	4
Report of the Independent Auditor to the Trustees	9
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements.....	15

Reference and Administrative Details
of the Charity, its Trustees and Advisers

Name	Edge Church International ('The Church')
Charity Registration Number	1123123
Company Registration Number	6461016
Principal Office of the Charity & Registered Office of the Company	Edge Church International 1160 Park Avenue Aztec West Business Park Almondsbury Bristol BS32 4TF
Trustees/Directors of the Company	Gionatan Fontanarosa Robert Morgan Philip Watkins (retired 23 June 2021) Anthony Webster Andrew Shepherd (retired 23 June 2021) Steven Preston (removed 14 December 2021) Matthew Somers (appointed 28 April 2021) Ruth Davies (appointed 28 April 2021)
Senior Management Team	Steven Preston (up to 23 December 2021) Robert Morgan Philip Watkins (retired 23 June 2021)
Bankers	HSBC Bank 40 High Street Portishead Bristol BS20 6EN
Solicitors	Geldards LLP Law Firm Number 1 Pride Place Pride Park Derby DE24 8QR
Independent Auditor	Dunkley's, Chartered Accountants and Statutory Auditors Woodlands Grange Woodlands Lane Bradley Stoke Bristol BS32 4JY

Trustees' Report (including Directors' Report)

The Trustees present their report for the year ended 31 December 2021.

The Trustees shown below have held office during the whole period from 1 January 2021 to the date of this report.

Gionatan Fontanarosa

Robert Morgan

Anthony Webster

The following Trustees have been appointed during the year.

Matthew Somers (28 April 2021)

Ruth Davies (28 April 2021)

The following Trustees have completed their appointment during the year.

Philip Watkins (23 June 2021)

Andrew Shepherd (23 June 2021)

Steve Preston (14 December 2021)

Principal aims and objectives

The principal aims and objectives of the Church, as set out in the Memorandum and Articles of Association (dated 31 December 2007 and revised 21 October 2019) is to advance the Christian faith, to relieve sickness and financial hardship, to promote and to preserve good health and to advance education.

The mission of Edge Church is to "Know Christ, Be the Church and Serve our Community with a message of hope, truth and love".

The strategy to achieve these objectives is to take the truth of the message of Jesus Christ and the teaching of the Christian faith and communicate them in ways relevant to the culture of today.

When planning the activities of the Church the trustees have given due consideration to the Charity Commission's published guidance on public benefit requirements. In particular, worship services, children's and youth programs are held for people living in the local and wider community. Pastoral care is provided for members of the church together with the local community.

Structure, governance and management

Edge Church International is a company limited by guarantee and a registered charity.

The charity is affiliated with Edge Church International Limited (ECIL) based in Adelaide, Australia. The ECIL board provides leadership and vision for the charity.

Day-to-day management is vested in the leadership team led by the interim Campus Pastor, Andrew Shepherd.

**Trustees' Report
(including Directors' Report) (continued)**

The trustees have delegated aspects of decision making to the leadership team, whilst maintaining control over major strategic and financial decisions. The trustees who served during the year and up to the date of this trustee report are listed on page 3.

Recruitment and training of trustees

Trustees must demonstrate strong ethical values and a commitment to the church. Potential new trustees are nominated for appointment by a current trustee and then a vote is held of all trustees. If the current trustees are in agreement the new trustee is approached and appointed.

Trustees are updated on developments regularly.

Achievements and performance

During 2021 there have been many challenges due to the global pandemic however the church has continued to grow numerically and spiritually throughout this time. In March 2020 Church Online was launched in response to the pandemic. Online gatherings were put in place for Sunday church as well as for our midweek groups. The Bristol Central campus physical gatherings were temporarily put on hold and were moved to online activities. Bristol Central continues to gather online whilst Bristol North campus has resumed physical COVID-safe gatherings which have been extensively risk-assessed and prepared for in line with government guidance.

Work has continued in partnership with Transform Cambodia – contributing towards the continual upkeep of the existing houses sponsored (currently 4) which provide education, food and support for over 600 children and families as well as sponsoring the Transform Cambodia national conference.

The Edge Kids program has continued in person and online and was consistently attended by 80 children each Sunday from January to March 2020. Those who are not able to attend in person have joined Church Online gatherings which include a special message recorded just for the Kids. The midweek Edge mum's and toddler group (Little Hedgehogs) has recommenced with a COVID safe environment in 2021.

The work done in the church and community was made possible through the dedication and commitment of many individuals who offer their time and energy to serve. As more volunteers were empowered, this core group of people continued to grow in 2021 despite all of the limitations and the impact was significant.

**Trustees' Report
(including Directors' Report) (continued)**

The close collaboration with the Edge Church Australian team has been a significant factor in the continued growth and fruitfulness of the UK campuses. There is a greater shared understanding and unity of purpose because of opportunities created to work more closely together.

Income has not been included in the financial statements to reflect the donated services of volunteer time due to valuation difficulties.

Financial Review

During the year the Church made a surplus of £195,751 (2020: £140,654). The surplus resulting from unrestricted funds was £169,333 (2020: £141,545) and the surplus from restricted funds was £26,418 (2020: £891 deficit).

The principal funding source of the charity during the year was unrestricted donations of £504,878 (2020: £459,569). The income was higher than the previous year largely as a result of increased tithes and offerings giving.

Income from trading activities was £78,812 (2020: £83,139), £5,661 (2020: £4,820) from Resource and Café sales and £39,870 (2020: 46,204) from the hire of the charity's facilities. Restricted income from trading activities of £26,518 (2020: 7,157) was generated from sponsorship/fundraising through the Run to RED mission initiative.

Investment income received during of £9,523 (2020: £10,163) includes feed-in and export tariff for £9,509 (2020: £10,054) for electricity generated from solar panels installed during 2018.

Expenditure during the period was £405,815 (2020: £414,783), with £100 (2020: £41,523) expended on raising funds and £395,819 (2020: £373,260) on charitable activities.

Support costs of £249,095, (2020: £305,421) were apportioned across activities in accordance with note 9.

Balance Sheet funds at 31 December 2021 total £1,664,547 comprising of unrestricted funds of £1,614,056 and restricted funds of £50,491.

Plans for future periods

The mission and objective of the church remain the same as outlined above. A strong base has been established for the church to expand and build. It is the charity's intention to see growth in people accepting the Christian faith in becoming actively involved in the church and in serving the community. Our passion as a body of believers is to Gather, Grow and Go in our mission to serve our community with a message of hope, truth and love.

The mission arm of the church (RED) funds are distributed amongst work with partners to support their objectives as well as developing in house mission initiatives to the local community.

**Trustees' Report
(including Directors' Report) (continued)**

Reserves Policy

The charity had cash reserves as at 31 December 2021 of £492,806.

The trustees' intention is to ensure that cash reserves are maintained to cover at least 3 months' operating activities. The trustees review the amount of reserves together with cash flow forecasts on a quarterly basis at their board meetings to ensure that they are adequate to fulfill the charity's continuing obligations.

Risk Management

The trustees have identified potential risks for the charity and have put in place measures to minimise these risks. Whilst risk management procedures continue to develop and improve, the charity has adopted and adapted structures and policies from the Australian entity. The key controls implemented by the charity include;

- Regular board meetings with formal agenda and minutes
- Comprehensive planning, budgeting, management reporting and accounting
- Financial authorisation and delegation levels along with budget approval processes
- Written policies and procedures

While it is recognised that systems and internal controls provide reasonable but not absolute assurance that major risks are managed appropriately, the trustees are satisfied that the major risks have been identified and mitigated where possible.

The report of the trustees has been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within part 15 of the Companies Act 2006.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' annual 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 trustees prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently,
- Observe methods and principles in the Charities SORP,
- Make judgements 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.

Trustees' Report
(Including Directors' Report) (continued)

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 requirements of 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.

Provision of information to auditor

So far as each of the Trustees is aware at the time the report is approved;

- There is no relevant audit information of which the company's auditor is unaware,
- and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Dunkley's will be proposed for reappointment at the forthcoming Annual General Meeting.

This report was approved by the Board on 16/03/22 and signed of its behalf.

Signature:



Trustee / Director Name:

Anthony Webster

Robert Morgan

**Report of the Independent Auditors to the Trustees of
Edge Church International (Registered number: 06461016)**

Opinion

We have audited the financial statements of Edge Church International (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its result, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Trustees of
Edge Church International (Registered number: 06461016)**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the activities and sector, control environment and performance including the design of the charity's remuneration policies, bonus levels and performance targets;
- any matters we identified, having obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, and revenue recognition.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

Report of the Independent Auditors to the Trustees of
Edge Church International (Registered number: 06461016)

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- enquiring of management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alisa White

for and on behalf of Dunkley's
Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date: 29/03/2022

**Statement of Financial Activities
(including Income and Expenditure Account)
for the Year Ended 31 December 2021**

**STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
For the year ended 31 December 2021**

		Unrestricted funds Dec 2021	Restricted funds Dec 2021	TOTAL year ended Dec 2021	Unrestricted funds Dec 2020	Restricted funds Dec 2020	TOTAL year ended Dec 2020
	Notes	£	£	£	£	£	£
INCOME							
Donations	2	504,878	-	504,878	459,569	-	459,569
Investment income	3	9,523	-	9,523	10,163	-	10,163
Income from charitable activities	4	8,353	-	8,353	2,566	-	2,566
Income from trading activities	5	52,294	26,518	78,812	75,982	7,157	83,139
TOTAL INCOME		575,048	26,518	601,566	548,280	7,157	555,437
EXPENDITURE							
Expenditure on raising funds	6	9,996	-	9,996	41,523	-	41,523
Expenditure on charitable activities	7	395,719	100	395,819	365,212	8,048	373,260
TOTAL EXPENDITURE		405,715	100	405,815	406,735	8,048	414,783
NET INCOME/(EXPENDITURE)		169,333	26,418	195,751	141,545	(891)	140,654
Transfer between funds		-	-	-	-	-	-
Revaluation Gain		-	-	-	-	-	-
NET MOVEMENT IN FUNDS		169,333	26,418	195,751	141,545	(891)	140,654
FUNDS BROUGHT FORWARD		1,444,723	24,073	1,468,796	1,303,178	24,964	1,328,142
FUNDS CARRIED FORWARD	16	1,614,056	50,491	1,664,547	1,444,723	24,073	1,468,796

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Edge Church International
Trustees' Report and Financial Statements
For the Year Ended 31 December 2021

Balance Sheet
as at 31 December 2021

		31 Dec 2021	31 Dec 2020
	Notes	£	£
FIXED ASSETS			
Tangible assets	13	1,973,064	1,992,395
		<u>1,973,064</u>	<u>1,992,395</u>
CURRENT ASSETS			
Stock		5,059	6,743
Debtors	14	12,488	23,809
Cash at bank and in hand		492,806	327,903
		<u>510,353</u>	<u>358,455</u>
LIABILITIES			
Creditors: amounts falling due within one year	15	- 69,478 -	79,357
		<u>440,875</u>	<u>279,098</u>
NET CURRENT ASSETS			
NON CURRENT LIABILITIES			
Creditors: amounts falling due after one year	15	- 749,392 -	802,697
		<u>1,664,547</u>	<u>1,468,796</u>
NET ASSETS			
THE FUNDS OF THE CHARITY			
Unrestricted income fund		1,614,056	1,444,723
Restricted income fund		50,491	24,073
TOTAL FUNDS	16	<u>1,664,547</u>	<u>1,468,796</u>

These accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard 102 (effective January 2015).

Approved and adopted for issue by the trustees on 16/3/22 and signed

Signature:



Trustee / Director Name:

Anthony Webster

The notes on pages 15-23 form part of these financial statements

Statement of Cash Flows
For the Year Ended 31 December 2021

	31 Dec 2021	31 Dec 2020
	£	£
Cash flows from operating activities		
Net income	195,751	140,654
Depreciation of tangible fixed assets	65,391	57,517
Interest paid	31,707	16,800
Decrease/(Increase) in stocks	1,684	9
Decrease/(Increase) in debtors	- 2,950	8,129
(Decrease)/Increase in creditors	- 1,127	10,222
Net cash generated from operating activities	290,456	196,611
Cash flows from investing activities		
Purchase of tangible fixed assets	- 46,060	500
Disposal of tangible fixed assets	-	4,609
Net cash used in investing activities	- 46,060	4,109
Cash flows from financing activities		
Repayment of Bank Loan	- 61,557	60,349
Interest paid	- 31,707	16,800
Movement in group loans	13,771	
Net cash used in financing activities	- 79,493	77,149
Net increase in cash and cash equivalents	164,903	123,571
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	327,903	208,618
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	492,806	332,189
Cash and cash equivalents comprise:		
Cash at bank	492,806	327,903

The notes on pages 15-23 form part of these financial statements

Notes to the Financial Statements

Note 1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

a) Basis of accounting

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)', 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, as modified by the revaluation of certain assets.

b) Changes in accounting policies

There have been no changes in accounting policies in the year.

c) Fund accounting

Unrestricted funds are donations and other income received or generated for the objectives of the Church without specified purpose and are available as general funds. Restricted funds comprise income received to be used in accordance with specific instructions imposed by donors, less associated costs.

d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy. All income is reported excluding VAT, discounts and other sales taxes. 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.

Clothing and other items donated for resale through the charity's shop (closed in 2020) are included as income resources within activities for generating funds when they are sold.

Investment income is included when receivable.

Incoming resources from charitable activities includes registration and other income from events and is recognised in the accounting period in which the event is held.

Other income resources are items received outside of the normal course of the charity's activities and are included when receivable.

Time donated by the Church's members is not recognised in the financial statements as this cannot be reliably valued.

Notes to the Financial Statements (continued)

e) Resources expended

Expenditure is recognised on an accruals 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 including the charity's shop (closed in 2020).

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.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and included the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in note 9.

f) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the term of the lease.

g) Tangible fixed assets

Freehold Land and Buildings are carried at fair value at the date of revaluation less any subsequent accumulated depreciation.

Individual fixed assets costings £500 or more are capitalised at cost and are depreciated on a straight line basis over their estimated useful lives as follows;

Freehold buildings	2.5%
Leasehold improvements	Over the term of the lease
Furniture, Fixtures and equipment	5% or 20%

h) Stock

Stock is valued at the lower of cost and net realisable value. All stocks held are goods for resale.

i) Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources

j) Taxation

The charity is exempt from corporation tax on its charitable and other activities

k) Going Concern

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

Notes to the Financial Statements (continued)

Note 2. Donations

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Tithes and other offerings including gift aid	442,979	-	442,979	409,371
Donations	-	-	-	-
Faith for the future income including gift aid	61,899	-	61,899	50,198
Other restricted offerings	-	-	-	-
Total	504,878	-	504,878	459,569
For the year ended 31 December 2020	459,569	-	459,569	

Note 3. Investment Income

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Bank interest receivable	14	-	14	109
Income from solar panels	9,509	-	9,509	10,054
Total	9,523	-	9,523	10,163
For the year ended 31 December 2020	10,163	-	10,163	

Note 4. Income from Charitable Activities

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Event registration income	8,353	-	8,353	2,566
For the year ended 31 December 2020	2,566	-	2,566	

Note 5. Income from Trading Activities

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Charity Shop income	980	-	980	7,566
Resource and Cafe sales	5,661	-	5,661	4,820
Venue Hire	39,870	-	39,870	46,203
Sponsorship / Fundraising	-	26,518	26,518	7,157
Other Income from trading activities	5,783	-	5,783	17,393
Total	52,294	26,518	78,812	83,139
For the year ended 31 December 2020	75,982	7,157	83,139	

Notes to the Financial Statements (continued)

Note 6. Expenditure on Raising Funds

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Shop and resource	3,721	-	3,721	13,188
Rental property	58	-	58	11,358
Sponsorship/Fundraising	100	-	100	8,048
Support costs	6,117	-	6,117	8,929
	9,996	-	9,996	41,523
For the year ended 31 December 2020	41,523	-	41,523	

Note 7. Expenditure on Charitable Activities

	Church Activities £	Financing £	Events £	Missions £	Total £	2020 £
Unrestricted Funds						
Direct costs	112,261	31,707	8,773	-	152,741	68,719
Support costs	218,682	-	12,148	12,148	242,978	296,493
	330,943	31,707	20,921	12,148	395,719	365,212
Restricted Funds						
Direct costs	-	-	-	100	100	8,048
	-	-	-	100	100	8,048
31 December 2021	330,943	31,707	20,921	12,248	395,819	373,260
31 December 2020	299,448	33,828	16,499	23,485	373,260	

Included within direct costs is "Bank loan interest; Other interest and charges" of £31,707 (2020: £33,828).

Note 8. Governance Costs

	2021 £	2020 £
Audit and independent examiners fees	4,300	5,040
Other accountancy costs	1,485	6,168
	5,785	11,028

Notes to the Financial Statements (continued)

Note 9. Support Cost Breakdown by Activity

	Costs of generating funds £	Charitable activities £	Total 2021 £	Total 2020 £
Administration	888	16,839	17,727	13,567
Depreciation	-	65,391	65,391	57,517
Travel	-	-	-	-
Premises	-	61,384	61,384	69,340
Salaries	4,940	93,868	98,808	153,969
Governance Costs	289	5,496	5,785	11,028
Impairment charge/(release) on revaluation	-	-	-	-
	6,117	242,978	249,095	305,421

Depreciation is apportioned on the basis of whether the asset is used for charitable or other activities.

Wages and salaries and administrative costs are apportioned on the basis of estimated staff time applied

All other support costs relate to charitable activities

Note 10. Staff Costs

	2021 £	2020 £
Salary costs	90,015	140,890
Social security costs	7,099	10,657
Pension costs	1,573	2,422
	98,687	153,969

No employees earned more than £60,000 in the year (2020: None). The average number of employees during the year was 4 (2020: 5)

Note 11. Net Incoming/Outgoing Resources

	2021 £	2020 £
This is stated after charging:		
Auditors Fees	4,300	5,040
Depreciation	65,391	57,517

Note 12. Trustee's Remuneration, Benefits & Expenses

No trustees' expenses were paid and no trustee received any remuneration in relation to their duties and responsibilities as trustee. In accordance with the Charity's Memorandum and Articles of Association, remuneration was paid to the following trustees' for employment within the charity.

A Shepherd received emoluments of £0 (2020: £36,293)

R Morgan received emoluments of £33,540 (2020: £35,217)

S Preston received emoluments of £32,548 (2020: £7,474 – appointed 29 October 2020)

Notes to the Financial Statements (continued)

The emoluments paid to the trustees were in respect to their roles as ministers of religion. Included in the emoluments received were pension payments of;

R Morgan £803

S Preston £778

During the year 2 trustees (2020: 5) claimed or incurred expenses in relation to their employed or ministry positions in the Church as follows;

Business mileage and parking £137 (2020: £1,586)

Travel & Subsistence £366 (2020: £671)

Hospitality and Pastoral Care £364 (2020: £2,585)

Telephone and Home Internet £0 (2020: £430)

Note 13. Fixed Assets

	Freehold Land & Buildings £	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Tangible Fixed Assets Total £
As at 1st January 2021				
Cost	1,900,000	13,756	400,808	2,314,564
Accumulated depreciation and impairment	- 25,000	- 13,756	- 283,413	- 322,169
Net Book Amount	1,875,000	-	117,395	1,992,395
Year ended 31 December 2021				
Opening net book amount	1,875,000	-	117,395	1,992,395
Additions	-	805	45,255	46,060
Acquisitions	-	-	-	-
Transfers	-	-	-	-
Disposals - cost	-	-	-	-
Disposals - depreciation	-	-	-	-
Depreciation	- 32,500	-	32,891	- 65,391
Impairment	-	-	-	-
Foreign Exchange translation adjustment	-	-	-	-
Closing Net Book Amount	1,842,500	805	129,759	1,973,064
Net book value				
At 31 December 2021				
Cost	1,900,000	14,561	446,063	2,360,624
Accumulated depreciation and impairment	- 57,500	- 13,756	- 316,304	- 387,560
Net Book Amount	1,842,500	805	129,759	1,973,064
At 31 December 2020	1,875,000	-	117,395	1,992,395

Included in cost/valuation of Freehold Land & Buildings is freehold land of £600,000

The freehold building at Aztec West Business Park was revalued at 31 December 2019 based on a valuation on 11 December 2019 by Andrew Forbes Chartered Surveyors, an independent valuer. The valuation is on a "Fair Value" basis in line with FRS102. The valuation is based upon the value per the original building purpose, and not as a Church or event centre.

The Trustees have reviewed the book value of the Freehold Land and Buildings as at 31 December 2021 and have confirmed that the value is not materially different to Fair Value.

Notes to the Financial Statements (continued)

Note 14. Debtors

	2021 £	2020 £
Gift aid recoverable	4,331	4,633
Prepayments	6,608	4,293
Amounts due from associated entity	-	14,271
Other debtors	1,549	612
	<u>12,488</u>	<u>23,809</u>

Note 15. Creditors

	2021 £	2020 £
Amounts falling due within one year		
Trade creditors	-	-
Accruals	5,251	6,551
Taxation and social security	3,889	3,037
Bank Loans	53,309	61,561
Amounts due to associated entity	-	500
Other creditors	7,029	7,708
	<u>69,478</u>	<u>79,357</u>
Amounts falling due after one year		
1-2 years	55,382	53,309
2-5 years	179,322	172,611
>5 years	514,688	576,777
Bank Loans	<u>749,392</u>	<u>802,697</u>

Included in bank loans is one loans with HSBC. The loan taken out in 2015 of £1,100,000 has a balance of £802,701 at 31st December 2021. This loan is secured by a fixed charge over the charity's freehold property. The proportion of the loan amount to the value of the assets mortgages is 47.5%. The bank loan is repayable over a term of 16 years and 6 months with a fixed interest rate of 3.82% for 10 years, then tracking at 1.9% per annum over the Bank of England Base Rate.

A further loan was taken out in 2016 to fund the installation of solar panels, the balance of this loan is £0 at 31 December 2021. This loan is repayable over 5 years at a fixed interest rate of 2.8998%

All other balances are on normal trading repayment schedules and do not accrue interest. The group loan is repayable on demand. Creditors include £521,496 (2020: £576,777) not wholly repayable within 5 years.

Notes to the Financial Statements (continued)

Note 16. Summary of Fund Movements

	Opening Fund Balances £	Incoming Resources £	Outgoing Resources £	Transfer £	Building Revaluation £	Closing Fund Balances £
Unrestricted funds	1,444,723	575,048	- 398,213	-	-	1,621,558
Building fund	-	-	-	-	-	-
Café	5,104	-	-	-	-	5,104
Transform Cambodia	-	-	-	-	-	-
Run to Red	18,969	26,518	- 100	-	-	45,387
Restricted funds	24,073	26,518	- 100	-	-	50,491
Total funds	1,468,796	601,566	- 398,313	-	-	1,672,049

Sponsorship funds for the Run to RED mission initiative is held in a restricted fund.

The figure brought forward was £18,969. After the year's income received and expenditure made, as shown above the balance carried forward was £45,630.

Note 17. Analysis of Net Assets

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed Assets	1,975,460	5,104	1,980,564
Current Assets	467,737	42,618	510,355
Current Liabilities	- 72,247	2,769	- 69,478
Non Current Liabilities	- 749,392	-	- 749,392
31 December 2021	1,621,558	50,491	1,672,049
Fixed Assets	1,987,291	5,104	1,992,395
Current Assets	334,010	24,445	358,455
Current Liabilities	- 73,881	5,476	- 79,357
Non Current Liabilities	- 802,697	-	- 802,697
31 December 2020	1,444,723	24,073	1,468,796

Note 18. Operating Lease Commitments

At 31 December 2020, the company had no annual commitments under non-cancellable operating leases. The commitments held in 2019 were terminated during 2020.

Notes to the Financial Statements (continued)

Note 19. Related Party Transactions

Total remuneration of £68,035 (2020: £78,985) was paid in respect of the Trustees and their spouses during the period for employment with the charity as detailed in note 12.

The Church is affiliated with Edge Church International Ltd in Adelaide, Australia and the trustee G Fontanarosa is also a director of the Australian entity.

The Church reimbursed expenditure during the year and prior year to Edge Church International Ltd in Adelaide and reimbursement of expenditure was also received from the Australian Entity. At the year end £0 was due to the Church from the Australian Entity (2020: £13,771 due by the Australian entity).

Note 20. Controlling Party

The company is limited by guarantee and does not have a share capital. The sole member of the company is Edge Church International Limited (Incorporated in Australia).

Note 21. Parent Company

Edge Church International Limited (Incorporated in Australia) is regarded by the trustees as being the charitable company's ultimate parent company.

Note 22. Defined Contribution Plan

The amount contributed by the charity to a defined contribution pension scheme for its employees was £7099 (2020: £10,658). At the end of the year £Nil was unpaid (2020: £Nil).

The basis for allocating the liability and expense between activities is to proportionally apply it in line with the wage costs to which it relates, per note 10. The allocation by funds is in line with the wage costs to which it relates.

Note 23. Members

The amount guaranteed by each member in the event of the company being wound up is £1, there have been no changes to the amount guaranteed per member during the year.