

**Company Number: 6461016 (England and Wales)**

**Charity Number: 1123123 (England and Wales)**

# **Edge Church International**

**Trustees' Report and Financial Statements**

**Year ended 31 December 2022**

**Audited**



Edge Church International (Registered number: 06461016)  
Trustees' Report and Financial Statements  
For the Year Ended 31 December 2022

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Edge Church International (Registered number: 06461016)  
Trustees' Report and Financial Statements  
For the Year Ended 31 December 2022

**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 (Retired 23 August 2022) Anthony Webster Matthew Somers Ruth Davies
Senior Management Team	Andrew Shepherd - Pastoral Kim Tovey – Operations
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 2022.

The Trustees shown below have held office during the whole period from 1 January 2022 to the date of this report.

Gionatan Fontanarosa  
Anthony Webster  
Matthew Somers  
Ruth Davies

The following Trustees have completed their appointment during the year.  
Robert Morgan (retired 23 August 2022)

**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 vision 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 and the Operations Lead, Kim Tovey.

**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 agree the new trustee is approached and appointed.

Trustees are updated on developments regularly.

**Achievements and performance**

During 2022 the church has continued to grow with many new families joining the church. Attendance trends have been unique in 2022 due to many families taking the opportunity to travel to visit family now that most travel restrictions have lifted.

With the appointment of an Operations Lead there has been a focus on building an Operations Team made up of volunteers to activate the vision across the campus. G3 Circles (small groups focussing on relationship and discipleship) have continued to be a focus area of the church with approximately 50-60% of active congregation being a part of a G3 Circle.

The families team continues to minister to our youth and children and their families. Key activities during the year included G3 Circles on A Prayer Filled Life in homes, message nights, RED night, social activities and a This is My House Night. A key focus of our kids team has been building the team of leaders to facilitate the growth in families joining the church and accessing the kids program on Sundays.

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 2022.

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.

**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 £154,756 (2021: £195,751). The surplus resulting from unrestricted funds was £141,735 (2021: £169,333) and the surplus from restricted funds was £13,021 (2021: £26,418).

The principal funding source of the charity during the year was unrestricted donations of £505,296 (2021: £504,878). Restricted income from Other restricted donations of £22,966 (2021: £0) was generated from fundraising through the RED mission initiative. The income was higher than the previous year largely because of increased tithes and offerings giving.

Income from trading activities was £49,143 (2021: £78,812), £10,163 (2021: £5,661) from Resource and Café sales and £38,802 (2021: 39,870) from the hire of the charity's facilities. Restricted income from trading activities of £0 (2021: 26,518) was generated from sponsorship/fundraising through the RED mission initiative.

Investment income received during 2022 of £10,664 (2021: £9,523) includes feed-in and export tariff for £10,223 (2021: £9,509) for electricity generated from solar panels installed during 2018.

Expenditure during the period was £433,937 (2021: £405,815), with £11,679 (2021: £9,996) expended on raising funds and £422,258 (2021: £395,819) on charitable activities.

Support costs of £228,888. (2021: £249,095) were apportioned across activities in accordance with note 9.

Balance Sheet funds at 31 December 2022 total £2,259,303 comprising of unrestricted funds of £2,195,791 and restricted funds of £63,512.

**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 vision to serve our community with a message of hope, truth and love.

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

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.

**Reserves Policy**

The charity had cash reserves as at 31 December 2022 of £699,632.

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 13-4-23 and signed of its behalf.

Signature:





Trustee / Director Name:

RUTH DAVIES

MATTHEW SOMERS



**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 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 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; 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.

**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.

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

**Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 145 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.

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 industry and sector, control environment and business performance including the design of the company's remuneration policies, bonus levels and performance targets;
- any matters we identified, having obtained and reviewed the company'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 company 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.

**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.

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

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](http://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.

*Disa White*

Dunkley's Statutory Auditors 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: 18 April 2023

Edge Church International (Registered number: 06461016)  
Trustees' Report and Financial Statements  
For the Year Ended 31 December 2022

**Statement of Financial Activities  
(Including Income and Expenditure Account)  
for the Year Ended 31 December 2022**

		Unrestricted funds Dec 2022	Restricted funds Dec 2022	TOTAL year ended Dec 2022	Unrestricted funds Dec 2021	Restricted funds Dec 2021	TOTAL year ended Dec 2021
	Notes	£	£	£	£	£	£
<b>INCOME</b>							
Donations	2	505,296	22,966	528,262	504,878	-	504,878
Investment Income	3	10,664	-	10,664	9,523	-	9,523
Income from charitable activities	4	624	-	624	8,353	-	8,353
Income from trading activities	5	49,143	-	49,143	52,294	26,518	78,812
<b>TOTAL INCOME</b>		<b>565,727</b>	<b>22,966</b>	<b>588,693</b>	<b>575,048</b>	<b>26,518</b>	<b>601,566</b>
<b>EXPENDITURE</b>							
Expenditure on raising funds	6	11,679	-	11,679	9,996	-	9,996
Expenditure on charitable activities	7	412,313	9,945	422,258	395,719	100	395,819
<b>TOTAL EXPENDITURE</b>		<b>423,992</b>	<b>9,945</b>	<b>433,937</b>	<b>405,715</b>	<b>100</b>	<b>405,815</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>141,735</b>	<b>13,021</b>	<b>154,756</b>	<b>169,333</b>	<b>26,418</b>	<b>195,751</b>
Transfer between funds		-	-	-	-	-	-
Revaluation Gain		440,000	-	440,000	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>581,735</b>	<b>13,021</b>	<b>594,756</b>	<b>169,333</b>	<b>26,418</b>	<b>195,751</b>
<b>FUNDS BROUGHT FORWARD</b>		<b>1,614,056</b>	<b>50,491</b>	<b>1,664,547</b>	<b>1,444,723</b>	<b>24,073</b>	<b>1,468,796</b>
<b>FUNDS CARRIED FORWARD</b>	16	<b>2,195,791</b>	<b>63,512</b>	<b>2,259,303</b>	<b>1,614,056</b>	<b>50,491</b>	<b>1,664,547</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

Edge Church International (Registered number: 06461016)  
Trustees' Report and Financial Statements  
For the Year Ended 31 December 2022

**Balance Sheet  
as at 31 December 2022**

		31 Dec 2022	31 Dec 2021
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	13	2,363,380	1,973,064
		<u>2,363,380</u>	<u>1,973,064</u>
<b>CURRENT ASSETS</b>			
Stock		5,060	5,059
Debtors	14	16,842	12,488
Cash at bank and in hand		699,632	492,806
		<u>721,534</u>	<u>510,353</u>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	15	- 131,596 -	69,478
		<u>589,938</u>	<u>440,875</u>
<b>NET CURRENT ASSETS</b>			
<b>NON CURRENT LIABILITIES</b>			
Creditors: amounts falling due after one year	15	- 694,015 -	749,392
		<u>2,259,303</u>	<u>1,664,547</u>
<b>NET ASSETS</b>			
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted income fund		2,195,791	1,614,056
Restricted income fund		63,512	50,491
<b>TOTAL FUNDS</b>	16	<u>2,259,303</u>	<u>1,664,547</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not deposited notice, pursuant to Section 476 of the Companies Act requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) Ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) Preparing financial statements which give a true and fair value of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

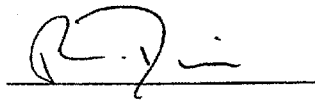
Edge Church International (Registered number: 06461016)  
Trustees' Report and Financial Statements  
For the Year Ended 31 December 2022

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

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

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

Signature:



Trustee / Director Name:

RUTH DAVIES

The notes on pages 16-25 form part of these financial statements

Edge Church International (Registered number: 06461016)  
Trustees' Report and Financial Statements  
For the Year Ended 31 December 2022

**Statement of Cash Flows  
For the Year Ended 31 December 2022**

	31 Dec 2022	31 Dec 2021
	£	£
<b>Cash flows from operating activities</b>		
Net income	154,756	195,751
Depreciation of tangible fixed assets	65,173	65,391
Interest paid	29,739	31,707
Increase in stocks	-	1,684
Decrease/(Increase) in debtors	- 4,354	-
(Decrease)/Increase in creditors	2,293	1,127
<b>Net cash generated from operating activities</b>	<u>247,606</u>	<u>290,456</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	- 15,489	- 46,060
Disposal of tangible fixed assets	-	-
<b>Net cash generated from investing activities</b>	<u>- 15,489</u>	<u>- 46,060</u>
<b>Cash flows from financing activities</b>		
Repayment of Bank Loan	- 53,304	- 61,557
Interest paid	- 29,739	- 31,707
Movement in group loan	57,753	13,771
<b>Net cash used in financing activities</b>	<u>- 25,290</u>	<u>- 79,493</u>
<b>Net increase in cash and cash equivalents</b>	<u>206,828</u>	<u>164,903</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	492,806	327,903
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><u>699,632</u></u>	<u><u>492,806</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	<u>699,632</u>	<u>492,806</u>

The notes on pages 16-25 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 received.

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:

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 costing £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.

Edge Church International (Registered number: 06461016)  
Trustees' Report and Financial Statements  
For the Year Ended 31 December 2022

**Notes to the Financial Statements (continued)**

**Note 2. Donations**

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Tithes and other offerings including gift aid	462,847	-	462,847	442,979
Donations	-	-	-	-
Faith for the future income including gift aid	42,449	-	42,449	61,899
Other restricted donations	-	22,966	22,966	-
<b>Total</b>	<b>505,296</b>	<b>22,966</b>	<b>528,262</b>	<b>504,878</b>
For the year ended 31 December 2021	504,878	-	504,878	

**Note 3. Investment Income**

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Bank interest receivable	441	-	441	14
Income from solar panels	10,223	-	10,223	9,509
<b>Total</b>	<b>10,664</b>	<b>-</b>	<b>10,664</b>	<b>9,523</b>
For the year ended 31 December 2021	9,523	-	9,523	

**Note 4. Income from Charitable Activities**

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Event registration income	624	-	624	8,353
<b>Total</b>	<b>624</b>	<b>-</b>	<b>624</b>	<b>8,353</b>
For the year ended 31 December 2021	8,353	-	8,353	

**Note 5. Income from Trading Activities**

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Charity Shop income	-	-	-	980
Resource and Cafe sales	10,163	-	10,163	5,661
Venue Hire	38,802	-	38,802	39,870
Sponsorship / Fundraising	-	-	-	26,518
Other Income from trading activities	178	-	178	5,783
<b>Total</b>	<b>49,143</b>	<b>-</b>	<b>49,143</b>	<b>78,812</b>
For the year ended 31 December 2021	52,294	26,518	78,812	

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**Notes to the Financial Statements (continued)**

**Note 6. Expenditure on Raising Funds**

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Shop and resource	7,155	-	7,155	3,721
Rental property	-	-	-	58
Sponsorship/Fundraising	-	-	-	100
Support costs	4,524	-	4,524	6,117
	<u>11,679</u>	<u>-</u>	<u>11,679</u>	<u>9,996</u>
For the year ended 31 December 2021	9,996	-	9,996	

**Note 7. Expenditure on Charitable Activities**

	Church Activities £	Financing £	Events £	Missions £	Total £	2021 £
<b>Unrestricted Funds</b>						
Direct costs	157,578	29,739	633	-	187,950	152,741
Support costs	201,927	-	11,218	11,218	224,363	242,978
	<u>359,505</u>	<u>29,739</u>	<u>11,851</u>	<u>11,218</u>	<u>412,313</u>	<u>395,719</u>
<b>Restricted Funds</b>						
Direct costs	-	-	-	9,945	9,945	100
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,945</u>	<u>9,945</u>	<u>100</u>
31 December 2022	<u>359,505</u>	<u>29,739</u>	<u>11,851</u>	<u>21,164</u>	<u>422,258</u>	<u>395,819</u>
31 December 2021	330,943	31,707	20,921	12,248	395,819	

Included within direct costs is "Bank loan interest; Other interest and charges" of £29,739 (2021: £31,707).

**Note 8. Governance Costs**

	2022 £	2021 £
Audit and independent examiners fees	6,000	4,300
Other accountancy costs	1,536	1,485
	<u>7,536</u>	<u>5,785</u>

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**Notes to the Financial Statements (continued)**

**Note 9. Support Cost Breakdown by Activity**

	Costs of generating funds £	Charitable activities £	Total 2022 £	Total 2021 £
Administration	946	17,965	18,913	17,727
Depreciation	-	65,173	65,173	65,391
Travel	-	-	-	-
Premises	-	73,253	73,253	61,384
Salaries	3,201	60,812	64,013	98,808
Governance Costs	377	7,159	7,536	5,785
Impairment charge/(release) on revaluation	-	-	-	-
	<u>4,524</u>	<u>224,363</u>	<u>228,888</u>	<u>249,095</u>

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**

	2022 £	2021 £
Salary costs	61,875	90,015
Social security costs	1,300	7,099
Pension costs	838	1,573
	<u>64,013</u>	<u>98,687</u>

No employees earned more than £60,000 in the year (2021: None). The average number of employees during the year was 3 (2021: 4)

**Note 11. Net Incoming/Outgoing Resources**

	2022 £	2021 £
This is stated after charging:		
Auditors Fees	6,000	4,300
Depreciation	<u>65,173</u>	<u>65,391</u>

**Notes to the Financial Statements (continued)**

**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.

R Morgan received emoluments of £27,094 (2021: £33,540)

S Preston received emoluments of £ 0 (2021: £32,548 – appointed as Trustee 29 October 2020 removed 14 Dec 2021)

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 £641

During the year 2 trustees (2021: 2) claimed or incurred expenses in relation to their employed or ministry positions in the Church as follows;

Business mileage and parking £625 (2021: £137)

Travel & Subsistence £26,085 (2021: £366)

Hospitality and Pastoral Care £2,030 (2021: £364)

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**Notes to the Financial Statements (continued)**

**Note 13. Fixed Assets**

	Freehold Land & Buildings £	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Tangible Fixed Assets Total £
<b>As at 1st January 2022</b>				
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
<b>Year ended 31 December 2022</b>				
Opening net book amount	1,842,500	805	129,759	1,973,064
Additions	-	4,496	10,993	15,489
Transfers	-	10,551	10,551	-
Transfer - accumulated depreciation	-	779	779	-
Disposals - cost	-	13,756	6,211	19,967
Disposals - depreciation	-	13,756	6,211	19,967
Depreciation	- 32,500 -	- 1,434 -	- 31,239 -	- 65,173
Revaluation / Impairment	440,000	-	-	440,000
Closing Net Book Amount	2,250,000	13,639	99,741	2,363,380
<b>Net book value</b>				
<b>At 31 December 2022</b>				
Cost	2,250,000	15,852	440,294	2,706,146
Accumulated depreciation and impairment	-	2,213	340,553	- 342,766
Net Book Amount	2,250,000	13,639	99,741	2,363,380
<b>31 December 2021</b>	1,842,500	805	129,759	1,973,064

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 2022 based on a valuation on 14 December 2022 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.

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**Notes to the Financial Statements (continued)**

**Note 14. Debtors**

	2022 £	2021 £
Gift aid recoverable	10,608	4,331
Prepayments	5,488	6,608
Amounts due from associated entity	-	-
Other debtors	746	1,549
	<u>16,842</u>	<u>12,488</u>

**Note 15. Creditors**

	2022 £	2021 £
<b>Amounts falling due within one year</b>		
Trade creditors	4,774	-
Accruals	7,259	5,251
Taxation and social security	1,687	3,889
Bank Loans	55,382	53,309
Amounts due to associated entity	57,752	-
Other creditors	4,742	7,029
	<u>131,596</u>	<u>69,478</u>
	2022 £	2021 £
<b>Amounts falling due after one year</b>		
1-2 years	57,461	55,382
2-5 years	186,367	179,322
>5 years	450,187	514,688
Bank Loans	<u>694,015</u>	<u>749,392</u>

Included in bank loans is one loan with HSBC. The loan taken out in 2015 of £1,100,000 has a balance of £749,397 at 31<sup>st</sup> December 2022. 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 mortgaged 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.

All other balances are on normal trading repayment schedules and do not accrue interest. The group loan is repayable on demand. Creditors include £450,187 (2021: £521,496) not wholly repayable within 5 years.

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**Notes to the Financial Statements (continued)**

**Note 16. Summary of Fund Movements**

	Opening Fund Balances Restated £	Incoming Resources £	Outgoing Resources £	Transfer £	Building Revaluation £	Closing Fund Balances £
Unrestricted funds	1,614,056	565,727	- 423,992	0.00	440,000	2,195,791
Building fund	-	-	-	-	-	-
Café	-	-	-	-	-	-
Transform Cambodia	-	-	-	-	-	-
Run to Red	50,491	22,966	- 9,945	-	-	63,512
Restricted funds	50,491	22,966	- 9,945	-	-	63,512
Total funds	1,664,547	588,693	- 433,937	-	440,000	2,259,303

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

The figure brought forward was £50,491. After the year's income received and expenditure made, as shown above the balance carried forward was £73,457.

**Note 17. Analysis of Net Assets**

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed Assets	2,363,380	-	2,363,380
Current Assets	660,435	61,099	721,534
Current Liabilities	- 134,009	2,413	- 131,596
Non Current Liabilities	- 694,015	-	- 694,015
31 December 2022	2,195,792	63,512	2,259,304
Fixed Assets	1,967,960	5,104	1,973,064
Current Assets	467,735	42,618	510,353
Current Liabilities	- 72,247	2,769	- 69,478
Non Current Liabilities	- 749,392	-	- 749,392
31 December 2021	1,614,056	50,491	1,664,547

**Note 18. Operating Lease Commitments**

At 31 December 2022, the company had no annual commitments under non-cancellable operating leases.



**Notes to the Financial Statements (continued)**

**Note 19. Related Party Transactions**

Total remuneration of £27,094 (2021: £68,035) 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 £59,351 was due to the Church from the Australian Entity (2021: £0 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 £838 (2021: £7,099). 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.