

LIFE CHURCH (EUROPE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

LIFE CHURCH (EUROPE)
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for the year ended 31 August 2024

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LIFE CHURCH (EUROPE)
COMPANY INFORMATION
for the year ended 31 August 2024

REGISTERED NUMBER: 07288147

DIRECTORS/ TRUSTEES: D. McLaughlin
M.H.J. Wattis
L. Beedham
Rev. D.P. Murphy

SENIOR MANAGEMENT PERSONNEL:

Rev. D.P. Murphy
N. C. Murphy
N. N. Camacho
E. Jackson

REGISTERED OFFICE AND OPERATIONAL ADDRESS:

: The Christian Centre
Bulkington Road
Bedworth
Warwickshire
CV12 9DG

CHARITY NUMBER: 1138461

INDEPENDENT AUDITORS: Dafferns Audit Limited
Chartered Accountants
Statutory Auditors
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

BANKERS: Lloyds Bank
17/23 Coventry Street
Nuneaton
Warwickshire
CV11 5TD

LIFE CHURCH (EUROPE)

TRUSTEES' REPORT (Including Directors' Report) for the year ended 31 August 2024

The Directors, who are also the Trustees under charity law, present their annual report along with the financial statements of the charitable company for the year ended 31 August 2024. The Trustees have adopted the provisions of Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual reports and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Life Church (Europe) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 17 June 2010. It is a registered charity, number 1138461.

The Trustees (who are also the directors of the company) who served during the year and since the period end are set out on page 1. Trustees are appointed by the board and meet every 2 months.

The Board of Trustees is made up of 4 Trustees including the Senior Pastor. Decisions are made on a majority vote. The Senior Pastor leaves voting to the other Trustees to ensure a majority is achieved. The Finance/HR/Safeguarding Officer is also present at all meetings to ensure Trustees have accurate up-to-date information to be confident the decisions made are reasonable. The Officer also minutes the decisions made.

INDUCTION AND TRAINING OF TRUSTEES

New directors undergo training as to their legal obligations under charity and company law and are presented with copies of the Memorandum and Articles of Association as well as Life Church (Europe) policy documents which have been approved by the Board. The induction process involves meeting with the Chair of Trustees and Senior Pastor to familiarise them with the expectations of trustees, decisions recently made, regularity of meetings and areas of responsibility led by individual Trustees.

Directors are expected to undertake Safeguarding Training in line with Life Church staff and volunteers (annually). Trustees are informed of training available from Assemblies of God, the Charity Commission, CAVA and are encouraged to attend training events in rotation.

RISK MANAGEMENT

The Trustees have considered the major risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage them.

OBJECTIVES AND ACTIVITIES

The objective and activity of the Charity is to be a vibrant Christian community who passionately worship God, develop devoted followers of Christ and empower them to meet the needs of our communities and beyond through transforming our towns, reaching our region and having international influence.

The Charity commenced activities on 1 March 2011, when the activities of Life Church International were transferred to Life Church Europe.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Life Church (Europe)'s aims and objectives and in planning future activities. In particular, the Trustee's consider how planned activities will contribute to the aims and objectives they have set.

LIFE CHURCH (EUROPE)
TRUSTEES' REPORT
(Including Directors' Report)
for the year ended 31 August 2024

The main aims of Life Church (Europe) are:-

- To provide a place for Christians to grow and develop in their Christian faith through the provision of collective acts of worship; study groups; discipleship courses; programmes for children and young people.
- To provide practical support to individuals and families in the local community and surrounding areas through its Harbour Centre including a grocery store assisting those facing financial hardship, signposting to support agencies for areas of need such as benefits, utility bills, grief, loneliness.
- To offer the chance for people in the community to connect with others and lessen isolation and loneliness through projects like Unforgotten for those suffering with dementia and their carers; Vintage for those of senior age; Spec for families with children who have special needs so that all can meet with others with similar experiences in a safe and supportive environment.
- To make provision of a safe space for local young people to meet weekly (term-time only) to engage them in safe activities and provide mentoring and support for those who may be vulnerable.
- To provide opportunities for church attendees to develop skills such as singing and instrument playing through worship groups; the arts through acting, pantomimes and creative displays in schools and prisons; leadership through taking responsibility for study groups, joining ministry teams and church leadership teams.

ACHIEVEMENTS AND PERFORMANCE

Life Church Europe continues to serve the community with the help of staff and over 200 volunteers through the work of:

- Parent and Toddler Groups
- Youth and Children's Work in Bedworth weekly Friday night youth activities as well as our Sunday Life Kids programme. We also run a monthly activity for children with special education needs (SPEC).
- Vintage – an over 50's Group which provides lunch, friendship and support to members of the community.
- Christians Against Poverty (CAP) Café – reaching out to those who need debt advice Pastoral care through Life Groups, Service Teams, Pastoral Care Team & Connect Groups.
- Through the Harbour centre which opened in February 2022 we now offer other courses such as helping those through bereavement, domestic abuse, carers support, dementia support and other spiritual courses. The space is also used by our local MP once a month for his surgery and we have Utility Warehouse present there to help people discuss their energy bills.
- Life Church continues to support overseas mission work in countries such as Serbia, Ukraine, Russia and India. We have taken nineteen minibus loads of medical supplies to Ukraine since the conflict started there.
- We still have an online service for those who are vulnerable or ill and cannot come along in person.

FINANCIAL REVIEW

Total incoming resources for the year amounted to £993,309 (2023: £960,495). Total resources expended were £801,153 (2023: £712,014). The net incoming resources for the year amounted to a surplus of £192,156 (2023: £248,481).

Significant events, risks and factors affecting future financial performance

Life Church received planning permission for a building project in November 2024 for a substantial development of and extension to its main building. This will demand significant funding supported from fundraising events and the length of time taken to pay off those loans.

LIFE CHURCH (EUROPE)

TRUSTEES' REPORT (Including Directors' Report) for the year ended 31 August 2024

The reputation of LifeChurch potentially is at risk of damage from its activities with families, in the local community and with international partners through misunderstanding or misrepresentation. In such circumstances this might result in the termination of sources of income or costs of legal procedures.

Whilst all checks and balances are in place and Lifechurch only works with organisations it has established links with there is the risk of misappropriation of funds by partner agencies or individuals.

RESERVES POLICY

The unrestricted funds of the charity are separated into accumulated income and designated funds as shown in note 14 to the financial statements. The designated fund of £119,307 (2023: £151,297) represents funds held following the sale of a property and is to be used for future building spend.

It is the policy of the Charity to maintain the accumulated income fund within unrestricted funds at a level equivalent to approximately three month's salary costs. The available free reserves now stand at £12,815 (2023: £70,700).

At the year end the charity had total funds of £3,373,787 (2023: £3,181,631), of which £527,565 (2023: £281,851) relates to restricted funds.

PLANS FOR THE FUTURE

Activities across the church have continued to see an increase in attendance. This has put some strain on our current facilities. The trustees continue to monitor and have plans to increase the number of services on Sundays.

We are also putting plans in place to expand the current church building and have appointed architects to act on our behalf towards that. Planning permission has now been granted.

Through our ongoing support of churches across the region we are putting together a framework of how these partnerships can develop further.

FUNDRAISING STANDARDS INFORMATION

Life Church (Europe) does not contract to a third party to undertake any fundraising on its behalf, consequently we have received no fundraising complaints during the year.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Life Church (Europe) for the purposes of company law) 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 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

LIFE CHURCH (EUROPE)
TRUSTEES' REPORT
(Including Directors' Report)
for the year ended 31 August 2024

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

In approving the Trustees Annual Report, we also approve the Strategic Report included therein in our capacity as Company directors. This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

ON BEHALF OF THE BOARD



L. Beedham:

Dated: 27 June 2025

LIFE CHURCH (EUROPE)
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES AND MEMBERS OF LIFE CHURCH (EUROPE)

Opinion

We have audited the financial statements of Life Church (Europe) (the "charitable company") for the year ended 31 August 2024 which comprise a statement of financial activities, a 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, including Financial Reporting Standard 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 charitable company's affairs as at 31 August 2024, 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 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 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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.

LIFE CHURCH (EUROPE)
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES AND MEMBERS OF LIFE CHURCH (EUROPE)

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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 and proper 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 directors' 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.

Other Matter

The comparative figures are unaudited.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out on page 4, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

LIFE CHURCH (EUROPE)
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES AND MEMBERS OF LIFE CHURCH (EUROPE)

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and 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 members and its trustees 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:

Geoffrey Cox BA FCA (Senior Statutory Auditor)
For and on behalf of Dafferns Audit Limited
Chartered Accountants
Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 27 June 2025

LIFE CHURCH (EUROPE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 August 2024

	<u>Notes</u>	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income and endowments from:					
Donations and grants	2	425,430	309,068	734,498	770,250
Income from charitable activities	3	189,819	-	189,819	112,833
Other trading activities	4	68,992	-	68,992	77,412
Total income and endowments		<u>684,241</u>	<u>309,068</u>	<u>993,309</u>	<u>960,495</u>
Expenditure on:					
Raising funds		14,675	6,799	21,474	43,036
Charitable activities	5	723,124	56,555	779,679	668,978
Total expenditure		<u>737,799</u>	<u>63,354</u>	<u>801,153</u>	<u>712,014</u>
Net income/(expenditure)		(53,558)	245,714	192,156	248,481
Net movement in funds		(53,558)	245,714	192,156	248,481
Reconciliation of funds:					
Total funds brought forward		<u>2,899,780</u>	<u>281,851</u>	<u>3,181,631</u>	<u>2,933,150</u>
Total funds carried forward		<u>2,846,222</u>	<u>527,565</u>	<u>3,373,787</u>	<u>3,181,631</u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the period.

The notes on pages 12 to 19 form part of these financial statements

LIFE CHURCH (EUROPE)

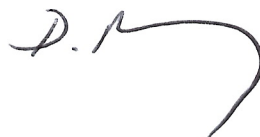
BALANCE SHEET
as at 31 August 2024


	Notes	£	<u>2024</u>	£	£	<u>2023</u>	£
FIXED ASSETS							
Tangible assets	11			2,714,100			2,677,783
CURRENT ASSETS							
Debtors	12	3,248			3,323		
Cash at bank and in hand		670,424			511,081		
			<u>673,672</u>		<u>514,404</u>		
CREDITORS							
Amounts falling due within one year	13	(13,985)			(10,556)		
NET CURRENT ASSETS				659,687			503,848
NET ASSETS				<u>3,373,787</u>			<u>3,181,631</u>
FUNDS OF THE CHARITY:							
Restricted funds	15			527,565			281,851
Unrestricted income funds							
Accumulated income fund	14			2,726,910			2,748,483
Designated funds	14			<u>119,307</u>			<u>151,297</u>
TOTAL CHARITY FUNDS				<u>3,373,787</u>			<u>3,181,631</u>

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

The financial statements were approved and authorised for issue by the Board:

ON BEHALF OF THE BOARD:

Rev. D.P. Murphy: 

L. Beedham: 

Date: 27 June 2025

The notes on pages 12 to 19 form part of these financial statements

LIFE CHURCH (EUROPE)
STATEMENT OF CASHFLOWS
for the year ended 31 August 2024

	<u>Notes</u>	<u>2024</u> £	<u>2023</u> £
Cash flow from operating activities			
Net income/(expenditure) for period		192,156	248,481
Depreciation	11	10,233	5,238
Decrease/(increase) in debtors	12	75	(3,323)
(Decrease)/increase in creditors	13	3,429	9,936
Net cash flow from operating activities		<u>205,893</u>	<u>260,332</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	11	<u>(46,550)</u>	<u>(74,582)</u>
Net cash flow from investing activities		<u>(46,550)</u>	<u>(74,852)</u>
Net increase/(decrease) in cash and cash equivalents		159,343	185,750
Cash and cash equivalents at 01 September 2023		<u>511,081</u>	<u>325,331</u>
Cash and cash equivalents at 31 August 2024		<u>670,424</u>	<u>511,081</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		670,424	511,081
Cash and cash equivalents at 31 August 2024		<u>670,424</u>	<u>511,081</u>
	<u>2023</u> £	Cashflow £	<u>2024</u> £
Cash and cash equivalents	511,081	159,343	670,424
Total net debt	<u>511,081</u>	<u>159,343</u>	<u>670,424</u>

The notes on pages 12 to 19 form part of these financial statements

LIFE CHURCH (EUROPE)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2024

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of preparation**

Life Church (Europe) is a charity that is a company limited by guarantee in England/Wales. The address of the registered office is given in the charity information on page 1 of these financial statements.

The nature of the charity's operations and principal activities are to advance the Christian faith, to relieve sickness and financial hardship and promote and preserve good health in the United Kingdom or the World.

The financial statements have been prepared in accordance with applicable accounting standards, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2019 (SORP (FRS102)). The charity meets the definition of a public benefit entity under FRS102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in sterling, which is the functional currency of the charity, transactions are rounded to the nearest £.

The significant accounting policies applied in the preparations of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise of unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are used in accordance with specific restrictions imposed by the donors, or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Details of the nature and purpose of each fund is set out in notes 14 and 15.

The amount held in the Income Reserve Fund is entirely at the discretion of the Trustees.

c) **Income recognition**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be measured reliably, and it is probable that it will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity, and it is probable that they will be fulfilled. Cash donations are recognised upon receipt.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Income from trading activities is received in exchange for supplying goods and services or rental income in order to raise funds and is recognised when entitlement has occurred.

LIFE CHURCH (EUROPE)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2024

1. ACCOUNTING POLICIES (CONTINUED)

d) **Cash flow statement**

The charity's cash flow statement reflects the presentation requirements of FRS102

e) **Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

f) **Support cost allocation**

Costs incurred to support church activities, are allocated accordingly to costs for charitable activities. These costs compose primarily of staff and office costs and are allocated based on an estimate of staff time spent per charitable activity.

g) **Governance costs**

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs comprise of costs related to independent examination and legal fees, together with an allocation of support costs.

h) **Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

i) **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits

j) **Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense to the Statement of Financial Activities as they fall due.

k) **Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation, and accumulated impairment losses.

Costs, include costs directly attributable to making the asset capable of operating as intended.

Depreciation is at the following annual rates in order to write off the cost of each asset over its estimated useful life:

Freehold property	Not depreciated
Assets in the course of construction	Not depreciated
Fixtures and fittings	20% reducing balance
Motor vehicles	33% straight line

l) **Financial Instruments**

Debtors and creditors with no stated interest rate and receivable or payable within one period are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

LIFE CHURCH (EUROPE)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2024

1. ACCOUNTING POLICIES (CONTINUED)

m) Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease.

n) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

o) Critical accounting judgements and key sources of estimation uncertainty

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

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

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

2. INCOME FROM DONATIONS AND GRANTS

	<u>2024</u>	<u>2023</u>
	£	£
Donations for expansion fund	205,698	303,365
General donations	468,036	363,874
Donations for overseas	27,731	57,400
Other	33,033	45,611
	<u>734,498</u>	<u>770,250</u>

For 2024, £425,430 was unrestricted income (2023: £363,567) and £309,068 was restricted income (2023: £406,683).

3. INCOME FROM CHARITABLE ACTIVITIES

	<u>2024</u>	<u>2023</u>
	£	£
Families	26,042	31,385
Discipleship	15,525	10,712
General Ministries	4,903	6,468
Harbour shop	117,728	29,753
Conferences	25,621	34,515
	<u>189,819</u>	<u>112,833</u>

All income from charitable activities for the current and prior year is unrestricted.

LIFE CHURCH (EUROPE)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2024

4. INCOME FROM OTHER TRADING ACTIVITIES

	<u>2024</u> £	<u>2023</u> £
Galley coffee shop	53,115	48,284
Property income	398	6,552
Other sales	15,479	22,576
	<u>68,992</u>	<u>77,412</u>

All income from other trading activities for the current and prior year is unrestricted.

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly	Support costs	<u>2024</u> <u>Total</u>	<u>2023</u> <u>Total</u>
	£	£	£	£
Families	34,541	65,982	100,523	92,392
Discipleship	15,354	21,994	37,348	38,043
General Ministries	21,240	263,929	285,169	280,778
Harbour shop	177,118	65,982	243,100	138,223
Conferences	6,920	21,994	28,914	60,667
Global Missions	70,609	-	70,609	46,319
Other	14,016	-	14,016	12,556
	<u>339,798</u>	<u>439,881</u>	<u>779,679</u>	<u>668,978</u>

For 2024, £723,124 of the above were attributable to unrestricted funds (2023: £469,767) and £56,555 of the above to restricted funds (2023: £199,211)

6. SUPPORT COSTS

	Families	Discipleship	General Ministries	Harbour shop	Conferences	2024 Total
	£	£	£	£	£	£
Salaries	43,172	14,390	172,686	43,172	14,390	287,810
Other staff costs	2,043	680	8,165	2,041	680	13,609
Office costs	2,843	948	11,372	2,843	948	18,954
Professional fees	4,556	1,519	18,227	4,557	1,519	30,378
Property costs	8,189	2,730	32,760	8,190	2,730	54,599
Depreciation	1,534	512	6,140	1,535	512	10,233
Other	3,173	1,057	12,689	3,172	1,057	21,148
Governance costs	472	158	1,890	472	158	3,150
	<u>65,982</u>	<u>21,994</u>	<u>263,929</u>	<u>65,982</u>	<u>21,994</u>	<u>439,881</u>

For 2024, £430,200 of the above were attributable to unrestricted funds and £9,682 of the above to restricted funds.

LIFE CHURCH (EUROPE)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2024

7. GOVERNANCE COSTS

	<u>2024</u> £	<u>2023</u> £
Audit fee	3,150	3,000
	<u>3,150</u>	<u>3,000</u>

8. NET INCOME IS STATED AFTER CHARGING

	<u>2024</u> £	<u>2023</u> £
Depreciation	10,233	5,238
Audit fee	3,150	3,000
Other accountancy services	2,178	6,360
Pension costs	5,192	4,301

9. TRUSTEES REMUNERATION AND KEY MANAGEMENT PERSONNEL

During the year, no trustees received any remuneration or benefit in kind for their duties as trustee (2023: £nil). No trustees had expenses met by the charity in fulfilling their duties as a trustee and the total amount reimbursed to trustees or paid to third parties was £nil.

The total amount of employee benefits received by key management personnel is £102,620.

10. STAFF COSTS

	<u>2024</u> £	<u>2023</u> £
Wages and salaries	288,182	255,530
Social security	15,444	15,764
Pension contributions	5,192	4,301
	<u>308,818</u>	<u>275,595</u>

	2024	2023
Average number of staff		
Charitable activities	19	17
	<u>11</u>	<u>10</u>
Full time equivalent		

No employee received remuneration of £60,000 or more.

The company operated a defined contribution pension scheme. The charge for the period was £5,192 (2023: £4,301). The defined contribution liability is allocated to unrestricted funds.

LIFE CHURCH (EUROPE)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2024

11. FIXED ASSETS

	Freehold Property £	Assets in Course of Construction £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 September 2023	2,588,466	41,693	241,704	-	2,871,863
Additions	-	40,800	-	5,750	46,550
Disposals	-	-	-	-	-
At 31 August 2024	2,588,466	82,493	241,704	5,750	2,918,413
Depreciation					
At 1 September 2023	-	-	194,080	-	194,080
Charge for the period	-	-	9,525	708	10,233
Released	-	-	-	-	-
At 31 August 2024	-	-	203,605	708	204,313
Net book value					
At 31 August 2024	2,588,466	82,493	38,099	5,042	2,714,100
At 1 September 2023	2,588,466	41,693	47,624	-	2,677,783

12. DEBTORS FALLING DUE WITHIN 1 YEAR

	<u>2024</u> £	<u>2023</u> £
Trade debtors	-	75
Prepayments	3,248	3,248
	<u>3,248</u>	<u>3,323</u>

13. CREDITORS FALLING DUE WITHIN 1 YEAR

	<u>2024</u> £	<u>2023</u> £
Trade creditors	675	576
Accruals	13,310	9,980
	<u>13,985</u>	<u>10,556</u>

LIFE CHURCH (EUROPE)

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2024**

14. UNRESTRICTED FUNDS

	Balance 1 September <u>2023</u> £	Income, transfers and gains £	Expenditure, transfers and losses £	Balance 31 August <u>2024</u> £
Designated funds				
Building works	151,297	-	(41,693)	109,604
Harbour funds	-	174,334	(164,631)	9,703
Accumulated income fund	2,748,483	509,907	(531,475)	2,726,910
	<u>2,899,780</u>	<u>684,241</u>	<u>(737,799)</u>	<u>2,846,222</u>

Designated funds comprise of reserves held for future building spend, and in relation to operational costs for the Harbour centre.

Accumulated income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

15. RESTRICTED FUNDS

	Balance 1 September <u>2023</u> £	Income, transfers and gains £	Expenditure, transfers and losses £	Balance 31 August <u>2024</u> £
Expansion fund	252,842	206,535	(16,480)	442,897
Restricted general donations	14,925	46,470	(1,474)	59,921
Overseas donations	2,793	27,731	(30,524)	-
Harbour grants	-	28,332	(13,133)	15,199
Compassion ministries	3,817	-	-	3,817
Other	7,474	-	(1,743)	5,731
	<u>281,851</u>	<u>309,068</u>	<u>(63,354)</u>	<u>527,565</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed <u>assets</u> £	Net current <u>assets</u> £	<u>Total</u> £
Restricted fund	-	527,565	527,565
Unrestricted funds	2,714,100	132,122	2,846,222
	<u>2,714,100</u>	<u>132,122</u>	<u>3,373,787</u>

LIFE CHURCH (EUROPE)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2024

18. RELATED PARTY TRANSACTIONS

The Lead Pastor, who is a Trustee, received gross remuneration of £48,126 (2023: £48,526) and pension contributions of £1,257 (2023: £1,262) during the year in his employed capacity. His wife, in her capacity as assistant pastor, received gross remuneration of £7,555 (2023: £7,700) and pension contributions of £nil during the current and prior year. There were no other related party transactions in the current or preceding financial year.

19. OPERATING LEASE COMMITMENTS

Total future minimum lease payables under non-cancellable operating lease are as follows:

	<u>2024</u> £	<u>2023</u> £
Within one year	12,000	12,000
Within one to five years	9,000	21,000
	<u>21,000</u>	<u>33,000</u>

Operating lease expenditure recognised in the year was £12,000 (2023: £6,000).

20. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £5,192 (2023 £4,301).

The defined contribution liability is allocated to unrestricted funds.

21. CONTROLLING PARTY

The charitable company is under the control of its Board of Directors/ Trustees.