

Company registration number: 07435582

Charity registration number: 1139671

Life Church Lancashire

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

KM
1st Floor, Block C
The Wharf
Manchester Road
Burnley
Lancashire
BB11 1JG

Life Church Lancashire

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Financial Statements	7 to 13

Life Church Lancashire

Reference and Administrative Details

Trustees	B Baker Reverend J Brunton Mr M Brunton Mr M Hirst Mrs R Sollis
Principal Office	Life Church 30 Sycamore Avenue Burnley BB12 6QP
Company Registration Number	07435582
Charity Registration Number	1139671
Solicitors	Geldards LLP Number One Pride Place Pride Park Derby DE24 8QR
Bankers	Kingdom Bank Nottingham Ruddington Fields Business Park Mere Way, Ruddington Nottingham NG11 6JS Yorkshire Bank 25 Manchester Road Burnley Lancashire BB11 1HX
Independent Examiner	KM 1st Floor, Block C The Wharf Manchester Road Burnley Lancashire BB11 1JG

Life Church Lancashire

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2020.

Objects, aims and activities

Objects and aims

The objects of the charity as per the Articles of Association are:

To advance the Christian faith in accordance with the Statement in such ways and in such parts of the UK or the world as the directors from time to time may think fit;

To relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support in such parts of the UK or the world as the directors from time to time think fit, and

To advance education in such ways and in such parts of the UK or the world as the directors from time to time may think fit.

In addition to the objects and the furtherance of the work of the Gospel of Jesus Christ at home and overseas we also:

provide assistance to the community including support of a Food Bank, Women's Refuge, Asylum seekers, Money Management, Parenting and Marriage Courses and local schools.

provide regular activities for children, youth, the elderly and those recovering from addiction.

Activities

For much of the year activities were limited, although services continued online. The Church provided financial assistance and volunteering at local schools, Burnley Together Food Bank and Womens' Refuge. Within the community training and improvement of life skills was provided.

Plans to complete the first floor were put on hold as a cost saving exercise due to the pandemic.

Our income from conferencing was significantly reduced due to government forced closure of conference centres.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

Our total income for the year was down by £60,277. Our thanks as trustees to all our church members for their continued giving during this pandemic year. Expenditure was also down by £78,125.

At the year end our general reserve amounted to £85,067. This is an increase on the previous year which is a remarkable achievement considering the pandemic.

During the year, prior to the pandemic, £10,540 was incurred on initial work on the first floor. The mortgage was reduced by a net of £13,681. Interest is charged at 5.5%, with a term outstanding of 23 years. Monthly repayments are approx £5,500. The mortgage is secured on the property.

Life Church Lancashire

Trustees' Report

Reserves

At the year end our general reserve amounted to £85,067. Our policy is to maintain three to six months running costs in reserve. The charity is therefore able to continue its activities in the short term, maintain staff levels and cover ongoing overhead costs.

A designated reserve for the fixed assets less borrowings is maintained amounting to £1,149,105.

Structure, governance and management

Nature of governing document

The charity is governed by its Articles of Association dated 10th November 2010.

Recruitment and appointment of trustees

The trustees comprise the Senior Minister of the church together with such persons as the Senior Minister shall nominate and the trustees shall from time to time appoint.

Trustees remuneration

Remuneration of the Senior Minister is permitted by the Articles of Association along with remuneration to other trustees as long as the majority of trustees do not benefit

Risk management

The trustees have risk management policies in place, which are reviewed from time to time. One of the major risks is safeguarding and the trustees are satisfied that appropriate policies and training are in place, and that all DBS checks are carried out.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on and signed on its behalf by:

.....
Reverend J Brunton
Trustee

Life Church Lancashire

Independent Examiner's Report to the trustees of Life Church Lancashire

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

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

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

Independent examiner's statement

Since Life Church Lancashire's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Charity Independent Examiners, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Life Church Lancashire as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Mark Heaton FCCA FCIE DChA
KM
1st Floor, Block C
The Wharf
Manchester Road
Burnley
Lancashire
BB11 1JG

Date:.....

Life Church Lancashire

Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £	Unrestricted funds £	Total 2019 £
Income from:					
Donations	3	248,514	248,514	240,749	240,749
Other trading activities	4	15,542	15,542	63,478	63,478
Investment income	5	341	341	619	619
Other income		-	-	19,828	19,828
Total income		<u>264,397</u>	<u>264,397</u>	<u>324,674</u>	<u>324,674</u>
Expenditure on:					
Charitable activities	6	<u>(249,984)</u>	<u>(249,984)</u>	<u>(328,109)</u>	<u>(328,109)</u>
Total expenditure		<u>(249,984)</u>	<u>(249,984)</u>	<u>(328,109)</u>	<u>(328,109)</u>
Net income/(expenditure)		<u>14,413</u>	<u>14,413</u>	<u>(3,435)</u>	<u>(3,435)</u>
Net movement in funds		14,413	14,413	(3,435)	(3,435)
Reconciliation of funds					
Total funds brought forward		<u>1,243,980</u>	<u>1,243,980</u>	<u>1,247,415</u>	<u>1,247,415</u>
Total funds carried forward	16	<u>1,258,393</u>	<u>1,258,393</u>	<u>1,243,980</u>	<u>1,243,980</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 16.

Life Church Lancashire
(Registration number: 07435582)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	2,054,472	2,072,240
Current assets			
Debtors	12	2,501	9,137
Cash at bank and in hand		<u>85,456</u>	<u>64,634</u>
		87,957	73,771
Creditors: Amounts falling due within one year	13	<u>(20,132)</u>	<u>(22,446)</u>
Net current assets		<u>67,825</u>	<u>51,325</u>
Total assets less current liabilities		2,122,297	2,123,565
Creditors: Amounts falling due after more than one year	14	<u>(863,904)</u>	<u>(879,585)</u>
Net assets		<u><u>1,258,393</u></u>	<u><u>1,243,980</u></u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>1,258,393</u>	<u>1,243,980</u>
Total funds	16	<u><u>1,258,393</u></u>	<u><u>1,243,980</u></u>

For the financial year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 5 to 13 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
Reverend J Brunton
Trustee

Life Church Lancashire

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

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Life Church
30 Sycamore Avenue
Burnley
BB12 6QP

[Authorised for issue date](#)

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Life Church Lancashire meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity is exempt from preparing a cash flow statement.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Life Church Lancashire

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

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold property	1% per annum on straight line basis
Fixtures and fittings	10% per annum on cost

Trade debtors

Trade debtors are amounts due for services performed in the ordinary course of business.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Life Church Lancashire

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

3 Income from donations

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Donations from individuals	194,766	194,766	191,606
Gift aid reclaimed	38,819	38,819	32,901
Grants - CJRS claims	14,929	14,929	-
	<u>248,514</u>	<u>248,514</u>	<u>224,507</u>

4 Income from other trading activities

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Impact conferencing	15,542	15,542	62,495
Special events	-	-	331
Resource stand	-	-	652
	<u>15,542</u>	<u>15,542</u>	<u>63,478</u>

5 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Interest receivable on bank deposits	<u>341</u>	<u>341</u>	<u>619</u>

6 Expenditure on charitable activities

		Unrestricted funds			
	Note	Designated	General	Total	Total
		£	£	2020	2019
				£	£
Charitable activities		-	57,657	57,657	122,901
Depreciation		28,308	-	28,308	28,308
Staff costs	9	-	114,203	114,203	126,738
Bank interest payable	7	49,216	-	49,216	50,162
Governance costs	7	-	600	600	-
		<u>77,524</u>	<u>172,460</u>	<u>249,984</u>	<u>328,109</u>

Life Church Lancashire

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

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total 2020
	General £	£
Independent Examiner's remuneration	600	600
	<u>600</u>	<u>600</u>

8 Trustees remuneration and expenses

Salaries were paid to Rev J Brunton in his position of Senior Minister as authorised by the Articles of Association.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	98,511	111,974
Social security costs	3,470	9,131
Pension costs	<u>12,222</u>	<u>5,633</u>
	<u>114,203</u>	<u>126,738</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Charitable activities	<u>4</u>	<u>5</u>

No employee received emoluments of more than £60,000 during the year.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Life Church Lancashire

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

11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2020	2,030,778	80,000	2,110,778
Additions	<u>10,540</u>	<u>-</u>	<u>10,540</u>
At 31 December 2020	<u>2,041,318</u>	<u>80,000</u>	<u>2,121,318</u>
Depreciation			
At 1 January 2020	22,538	16,000	38,538
Charge for the year	<u>20,308</u>	<u>8,000</u>	<u>28,308</u>
At 31 December 2020	<u>42,846</u>	<u>24,000</u>	<u>66,846</u>
Net book value			
At 31 December 2020	<u>1,998,472</u>	<u>56,000</u>	<u>2,054,472</u>
At 31 December 2019	<u>2,008,240</u>	<u>64,000</u>	<u>2,072,240</u>

12 Debtors

	2020 £	2019 £
Trade debtors	948	7,584
Prepayments	<u>1,553</u>	<u>1,553</u>
	<u>2,501</u>	<u>9,137</u>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	17,242	17,242
Other taxation and social security	-	2,214
Other creditors	961	1,215
Accruals	<u>1,929</u>	<u>1,775</u>
	<u>20,132</u>	<u>22,446</u>

Life Church Lancashire

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

14 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	863,904	877,585
Other loans	-	2,000
	<u>863,904</u>	<u>879,585</u>

15 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £12,222 (2019 - £5,633).

16 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
General	66,567	264,397	(172,460)	(73,437)	85,067
Designated	<u>1,177,413</u>	<u>-</u>	<u>(77,524)</u>	<u>73,437</u>	<u>1,173,326</u>
Total funds	<u>1,243,980</u>	<u>264,397</u>	<u>(249,984)</u>	<u>-</u>	<u>1,258,393</u>
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2019 £
Unrestricted funds					
General	58,938	324,674	(249,639)	(67,406)	66,567
Designated	<u>1,188,477</u>	<u>-</u>	<u>(78,470)</u>	<u>67,406</u>	<u>1,177,413</u>
Total funds	<u>1,247,415</u>	<u>324,674</u>	<u>(328,109)</u>	<u>-</u>	<u>1,243,980</u>

Life Church Lancashire

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

17 Analysis of net assets between funds

	Unrestricted funds		Total funds
	General	Designated	
	£	£	£
Tangible fixed assets	-	2,054,472	2,054,472
Current assets	87,957	-	87,957
Current liabilities	(2,290)	(17,242)	(19,532)
Creditors over 1 year	-	(863,904)	(863,904)
Total net assets	<u>85,667</u>	<u>1,173,326</u>	<u>1,258,993</u>

	Unrestricted funds		Total funds
	General	Designated	
	£	£	£
Tangible fixed assets	-	2,072,240	2,072,240
Current assets	73,771	-	73,771
Current liabilities	(5,204)	(17,242)	(22,446)
Creditors over 1 year	(2,000)	(877,585)	(879,585)
Total net assets	<u>66,567</u>	<u>1,177,413</u>	<u>1,243,980</u>