

Westminster Chapel
(a company limited by guarantee)

Report and Financial Statements

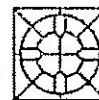
For the year ended

31 December 2020

Company Number 6458950
Charity Number 1144831

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The Trustees present their report together with the audited financial statements of the Chapel for the year ended 31 December 2020. The financial statements comply with the Companies Act 2006, Charities Act 2011, the company's Memorandum and Articles of Association, 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 (FRS 102), and FRS102.

Reference and Administrative Details

Operational Address:

Buckingham Gate, London, SW1E 6BS

Directors

The trustees, who are also the directors for the purposes of company law, who served during the period are listed below:

James Edwards (Treasurer)
Paul Gardner (Secretary)
Howard Satterthwaite (Lead Elder / Director)
Stephen Sloan
Roger Skervin

The key management personnel comprise all the directors.

Bankers

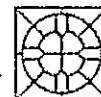
Barclays Bank PLC – 93 Baker Street, London W1A 4SD
CAF Bank Ltd – 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Auditor

Jacob Cavenagh & Skeet – 5 Robin Hood Lane, Sutton, Surrey, SM1 2SW

Solicitors

Anthony Collins Solicitors LLP – 134 Edmund Street, Birmingham, B3 2ES



Structure, Governance and Management

Governing Document

Westminster Chapel (the "Chapel") is registered with the Charity Commission as a Charity (no. 1144831) and is also a company (no. 06458950). The Chapel is governed by its Memorandum and Articles of Association. It sets out the objects and powers of the charitable company and how the charity is to be governed. Under the Articles of Association, all future trustees shall be appointed by a resolution of the church members.

Trustee Recruitment and Induction

The Elders identify suitable candidates who are invited to serve as Trustees, subject to the affirmation of Chapel's members. Suitability is based primarily on commitment to the Chapel, demonstrated by membership, regular attendance and a high degree of involvement and significant spiritual maturity.

New Trustees are provided with copies of a Trustee job description, Chapel's mission, vision and values, the last three years' Annual Reports and Accounts, and the following Charity Commission documents: the Essential Trustee: What You Need To Know (CC3); Faith in Good Governance; General Guidance on Public Benefit.

Organisational Structure

The Chapel is led by an Eldership Team currently made up of two Trustees (Howard Satterthwaite and Stephen Sloan), plus Daniel Skead, who serves solely as an Elder, and Andrew Mehigan, who serves as an Elder and is a full-time member of staff. This team meets weekly to review strategy and set the spiritual direction of the church. The Trustees support the Eldership Team, and meet five times a year to review the management and administration of the Chapel's property and funds, policy and other operational matters. Conflicts of interest are managed sensitively and appropriately in accordance with the Charity Commission guidance. Trustees and all Elders meet informally twice a year.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day to day basis. Apart from the Lead Elder, all other trustees give of their time freely and received no remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Note 9 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Each senior staff's pay review is carried out by the Trustees in their absence.

Related Parties and Other Organizations

The Chapel is affiliated with Commission Apostolic Trust, the FIEC (Fellowship of the Independent Evangelical Churches), the EFCC (Evangelical Fellowship of Congregational Churches) and is a member of the Evangelical Alliance.

The Chapel also supports a number of other charitable organisations both in the UK and abroad and in particular a pregnancy crisis centre in Westminster (The Gate), Christian overseas missionaries and mission organisations.

Risk Management

The Trustees have assessed the major risks to which the church is exposed, in particular those related to the operations and finances of the church and are satisfied that systems are in place to mitigate its exposure to the major risks. The principal risks and uncertainties currently facing the charity are considered to be:



- Mission risk: The Chapel should continue its key mission of being “A witnessing church, and a church worth witnessing – for the glory of God.”
- Financial risk: The value of the Chapel building is high in proportion to the income expected from the size of the Chapel's current membership. Unexpected repair cost could potentially be unaffordable relative to its current income and reserve level.
- Risk in connection with working with children and young adults: The Chapel staff and volunteers have regular contact with children and young adults. There is a risk that the appropriate level of due care over these individuals is not adequate.

Our plans and strategies for managing these risks include;

- regular meetings between the leadership team and monitoring of membership level, missional activities;
- maintaining adequate insurance cover, ensure an adequate reserve is held, the use of fire, and intruder alarms; and
- having appropriate safeguarding procedures in place.

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds of £150,000 (approximately three months' unrestricted charitable expenditure). The trustees consider that this level will provide sufficient funds to respond to an unexpected drop in income or rise in expenditure in the short term allowing fixed assets to be realised should the need arise.

The balance held as unrestricted funds at 31 December 2020 was £3,791,705 of which £1,178,538 are regarded as free reserves, after allowing for funds tied up in designated funds, tangible fixed assets and investments.

Objectives and Activities

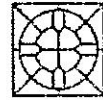
The Trustees confirm that they have complied with the duty in section 4 of Chapter 1 of the Charities Act 2011 have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Chapel.

The Chapel's object set out in its Articles of Association is 'to advance the Christian faith as an independent protestant church according to the Basis of Faith'.

The Chapel's Vision as set out in its Vision Statement is to see 'Hundreds of lives transformed, tens of congregations started'. More details are available at our website <http://www.westminsterchapel.org.uk/who-we-are/>. Practically speaking this means Blessing Everyone, Strengthening Believers and Training Leaders.

The Trustees do not believe that it is possible to accurately report on the individual performance of the above as they are intrinsically linked and thus impossible to account for independently. The Trustees believe that to do so would not give an accurate representation of the Chapel's purpose or achievements. However the Chapel's significant activities that advance its vision include:

- A Sunday service for the proclamation of the Christian faith, corporate worship, the study of the Bible and the mutual encouragement of those attending. A low-cost lunch (catering for 100-120 people each Sunday) is provided for anyone that would like to attend.
- LifeGroups, small relational groups of 8-14 people that meet during the week in people's homes across London to encourage friendship and discipleship.



- An Alpha Course, primarily for people who aren't churchgoers to explore the Christian faith in a relaxed setting, with free dinner over a few thought-provoking weekly sessions, run once a year.
- A Foodbank which gives three days of nutritionally balanced (non-perishable) food and support to people experiencing emotional or financial crisis in the borough of Westminster.
- A Christians against Poverty (CAP) Course, run twice a year, helping people to manage their finances better and give advice on how to deal with debt.
- A Christians against Poverty (CAP) Debt centre, aims to show God's love in action by providing sustainable poverty relief through debt counselling and practical help.
- 18-30s Ministry, primarily for students and young professionals working in London. Along with LifeGroups, it plans social events, educational talks by guest speakers, weekends away & weekends at home and seeks to be a friendly environment for young people far from home.
- Children and Youth Ministry, provides activities on a Sunday and during the week, to equip and build friendships.
- Summer Street Party for local community with food and games.
- Prayer Meetings both weekly and monthly.
- Mission and Benevolent Giving: The Chapel gives about a tenth of its income to mission causes that further its vision in London and overseas, and also provides financial support, loans and gifts, from its Benevolent Fund to members and friends of the Chapel experiencing financial hardship.
- Pastoral Care Team that provides care, support and relational connections to members in need.
- Equip Academy: Training after church services on a termly basis focusing on multiple different streams of life with God and growing in understanding.
- The Trustees are confident that the church has advanced the Christian faith for the public benefit. The Chapel receives a certain amount of voluntary help. It is not possible to quantify the value of this.

Achievements and Performance

Members

In 2020 the Chapel had 34 new members and 16 resignations. Comparative figures for 2019 were 15 new members, 21 resignations and 3 baptisms.

Sunday Services and Special Services

The way we measured attendance had to change in 2020 as we were no longer meeting in the building, so we measured online attendance by counting peak concurrent views across the platforms. Our average peak concurrent viewers were 170 for 2020. For comparison, in 2019, the average attendance in person at services was 250. The Chapel benefited from the ministry of several guest speakers including Carl Beech, Glen Scrivener and Ben Lindsey.

Life Groups

At the end of the year there were 16 Chapel Life Groups.

Alpha

The autumn course saw 17 guests attending at least twice.

Foodbank

A total of 1094 adults and 296 children were fed through the Foodbank. A full-time Foodbank Coordinator

oversees the running of the Centre, management of volunteers and funds and seeking ways to increase awareness to the public. We continue to seek growth in this ministry and are looking for local funding to assist us in the running of the Foodbank.

18-30's Ministry

There is a group of approximately 127 young people attending events run by the 18-30's team. We have seen approximately 20 new students and young professionals join this group over the past year.

Children and Youth

The Chapel had an average of 25 children aged 0-10 and 7 children aged 11-18 at its Sunday morning online services in 2020.

Prayer

Due to the Covid Pandemic, Westminster Chapel's prayer meetings took place online, which enabled the Church to have a weekly midweek prayer service. For comparison we had 7 midweek prayer services in 2019. Before every Sunday morning service, a faithful group, growing in numbers, has continued to gather to pray.

Current and Future Charitable Activities

Planning permission was granted in 2020 for our building renovations which are planned to commence in May 2021. Funds have been designated for this purpose and will be utilised. The estimated cost for these renovations is £1.75m and the estimated completion date is November 2021.

Mission and Benevolent Fund Giving

The Chapel gave £66,590 in Mission and Benevolent Giving for the 12 months ended 31 December 2020. A summary of the recipients are included in the accounts.

Upcoming 2020 Ministries

Our sermon series for the coming year include: Walking In Love - A series looking through Ephesians 5&6, and Stronger Together, again looking through Ephesians 6.

Impact of COVID-19

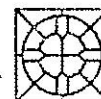
The Church has utilised communications like Zoom, YouTube, and Church online to continue core activities such as services on a Sunday, programmes for children, LifeGroups, Alpha courses and more. We however have had to shut our physical premises to the public which meant we could not hold our annual street party. In addition, our annual gathering with the rest of the Commission churches was cancelled.

Financial Review

The financial results from 1 Jan 2019 – 31 Dec 2020 show a surplus of £34,671 after a £100,000 downward revaluation of the Chapel Manse. The Chapel is substantially funded by donations from its congregation. These enable staff to be employed and premises maintained so that the Chapel can carry out its ministry.

Fundraising

Westminster Chapel engaged in fundraising. This took the form of receiving free-will offerings/donations, some of which were gift aided, from members of our fellowship during the year. However, we did not contract



the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. Other than publicly inviting an offering at every service, we do not engage in persistent fundraising or intrusive fundraising practices with any of our donors, including vulnerable people, and we never have private or coercive discussions with Individuals about their giving. Our fundraising practices are ethical and in accordance with Biblical principles. No complaints were received about our fundraising practices.

Related Parties

An unincorporated excepted charity, known as Westminster Chapel, is the legal owner of the land and buildings known as Westminster Chapel, Buckingham Gate. The Westminster Chapel corporate charity is the trustee of this unincorporated charity and is permitted to use the Chapel property for worship, by persons being Protestant Dissenters of the Independent Denomination, by a Charity Commission scheme dated 14 November 2013. Further details about the use of this property are given in Note 10.

Westminster Chapel Manse Trust is a registered charity (no:259677) and is the legal owner of a leasehold property. The Westminster Chapel corporate charity is trustee of this unincorporated charity and is permitted to use the leasehold property by a Charity Commission scheme dated 14 November 2013. Further details about the use of this property are given in Note 10.

Statement of Trustees' responsibilities

The trustees (who are also directors of Westminster Chapel 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;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable 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.

On behalf of the Trustees

James Edwards

Date: 25 July 2021

Westminster Chapel, Buckingham Gate, London, SW1E 6BS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTMINSTER CHAPEL

Opinion

We have audited the financial statements of Westminster Chapel (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 December 2020 and of its incoming resources and application of resources 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 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 Charity's ability to continue as a going concern for a period of at least 12 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 annual report, including the trustees' 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.

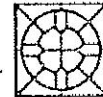
Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTMINSTER CHAPEL(continued)

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

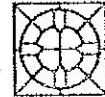
We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items, correct claiming of government assistance (furlough income) and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing trustees minutes, challenging significant accounting estimates, evaluating the internal controls, agreeing financial statement disclosures to underlying supporting documentation, testing the calculation of claims made under the Coronavirus Job Retention Scheme and identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTMINSTER CHAPEL(continued)**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 regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

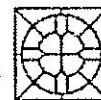
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 19/08/21

Statement of Financial Activities (including the Income and Expenditure Account) For the year ended 31 December 2020

		Year ended 31 Dec 2020			Year ended 31 Dec 2019		
		Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	Note	£	£	£	£	£	£
<i>Income from:</i>							
Donations and legacies	3	144,207	601,611	745,818	61,988	623,193	685,181
Other trading activities	5	-	49,252	49,252	-	125,212	125,212
Investments	4	-	25,071	25,071	-	42,983	42,983
Total income		<u>144,207</u>	<u>675,934</u>	<u>820,141</u>	<u>61,988</u>	<u>791,388</u>	<u>853,376</u>
<i>Expenditure on:</i>							
Charitable activities	6	<u>74,959</u>	<u>678,030</u>	<u>752,989</u>	<u>47,709</u>	<u>671,089</u>	<u>718,798</u>
Total expenditure		<u>74,959</u>	<u>678,030</u>	<u>752,989</u>	<u>47,709</u>	<u>671,820</u>	<u>718,798</u>
Net gains/(losses) on investments	12	-	(32,481)	(32,481)	-	(60,000)	(60,000)
Net income/(expenditure)		69,248	(34,577)	34,671	14,279	60,299	74,578
Transfer between funds	16	653	(653)	-	760	(760)	-
Net movement in funds		69,901	(35,230)	34,671	15,039	59,359	74,578
Reconciliation of funds							
Total fund brought forward		<u>15,039</u>	<u>3,826,935</u>	<u>3,841,974</u>	<u>-</u>	<u>3,767,396</u>	<u>3,767,396</u>
Total funds carried forward		84,940	3,791,705	3,876,645	15,039	3,826,935	3,841,974

The notes numbered 1 to 17 form part of these financial statements.



Balance sheet as at 31 December 2020

	Note	31.12.2020 £	31.12.2019 £
<i>Fixed assets</i>			
Tangible assets			
Properties	10	1,850,000	1,950,000
Equipment and furniture	11	94,978	67,658
Investments	12	2	900,002
		<u>1,944,980</u>	<u>2,917,660</u>
Current assets			
Stocks		31,761	31,242
Debtors and prepayments	13	461,835	321,277
Cash at bank and in hand		<u>1,492,837</u>	<u>621,040</u>
		<u>1,986,433</u>	<u>973,559</u>
Current liabilities			
Creditors: amounts falling due within one year	14	<u>54,768</u>	<u>49,245</u>
Net current assets		<u>1,931,665</u>	<u>924,314</u>
Net assets	15	<u><u>3,876,645</u></u>	<u><u>3,841,974</u></u>
Funds			
Restricted funds	16	84,940	15,039
Unrestricted funds			
Revaluation reserves	16	-	-
Designated funds	16	636,426	515,510
General funds	16	<u>3,155,279</u>	<u>3,311,425</u>
Total funds		<u><u>3,876,645</u></u>	<u><u>3,841,974</u></u>

The notes numbered 1 to 17 form part of these financial statements.

These financial statements were approved by the trustees on 25 July 2021 and signed on their behalf by:

James Edwards, Trustee

Stephen Sloan, Trustee

Company number: 06458950



Statement of cash flows for the period ended 31 December 2020

	Note	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Cash utilised by operating activities	(i)	38,471	56,608
<i>Cash flows from investing activities</i>			
Interest income		25,071	42,983
Purchase of tangible fixed assets		(59,264)	(3,683)
Purchase of investments		-	-
Proceeds from sale of investments		867,519	-
<i>Cash (used in)/from investing activities</i>		<u>833,326</u>	<u>39,300</u>
Increase in cash and cash equivalents during the year		871,797	95,908
Cash and cash equivalents brought forward		<u>621,040</u>	<u>525,132</u>
Cash and cash equivalents carried forward		<u>1,492,837</u>	<u>621,040</u>

(i) Reconciliation of net movement in funds to cash used in operating activities

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Net movement in funds	34,671	74,578
Add back depreciation and impairment charge	131,944	32,766
Deduct investment income shown in investing activities	(25,071)	(42,983)
Deduct gains/add back losses on investments	32,481	60,000
(Increase)/Decrease in stock	(519)	(24,448)
(Increase)/Decrease in debtors	(140,558)	(35,246)
(Decrease)/Increase in creditors	5,523	(8,059)
Net cash utilised by operating activities	<u>38,471</u>	<u>56,608</u>

Notes to the Financial Statements

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) Accounting Convention

The accounts have been prepared in accordance with the Articles of Association of Westminster Chapel, the Companies Act 2006, 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 (FRS 102)". The trust is a Public Benefit Entity as defined by FRS 102.

The accounts have been prepared for the year ended 31 December 2020.

The accounts have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

B) Going Concern

2020 was dominated by an unprecedented event, the Covid 19 pandemic. This resulted in the first of three national lockdowns on 23 March 2020, which enforced the physical closure of our building for meetings from 23 March 2020 for the remainder of the year. The main financial impact of this closure was the loss of the weekly collection of offerings in note and coin and in the loss of all premises hire income. However, there were some cost savings from the running costs associated with the hire of the premises. If the income and expenses from designated and restricted fund activities is removed, the Church made a deficit of £23,670 on its general unrestricted fund for 2020.

A cash flow forecast is prepared and updated monthly on a rolling basis for the next 12 months. This shows the maintenance of a general fund reserve to cover any unexpected costs. In addition, a minimum of two trustees must approve all anticipated expenditures in excess of £1,000. The Trustees also meet several times each year to review the most up to date management accounts together with the latest forecast.

Accordingly, the Trustees consider the going concern basis for the preparation of the charity's financial statements to be reasonable.

C) Income

Donations and other (including legacies) are included in the Statement of Financial Activities (SOFA) when the charity has entitlement to the income, it is probable the income will be received, and the amount of income receivable can be reliably measured. The following specific policies are applied to particular categories of income:

- Investment income, including bank interest receivable is recognised when receivable.
- Rental income from the Chapel's manses and room hire is recognized when receivable.
- Donated goods to the Foodbank are recognized when they are received and valued at £1.85 per kg.
- The right to use premises is recognised at fair value, where this can be reliably estimated.

The value of services donated by volunteers has not been included in these accounts.



D) Expenditure recognition

All expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities and has been classified under headings that aggregate all costs related to the category.

Support and governance costs

Support costs comprise all expenditure incurred in supporting the work related to the objects of the charity. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Chapel, and include audit fees and other professional costs. All support and governance costs have been allocated directly to charitable expenditure.

Charitable activity costs

Charitable activity costs include those incurred by the Chapel in the delivery of its activities and services for its beneficiaries. It includes both the costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

E) Tangible Fixed Assets

All assets costing more than £1,000 have been capitalized. Fixed assets are stated at cost less accumulated depreciation. Where the charity enjoys the right to use premises, without acquiring legal ownership, the fair value of the asset is recognised as income and a fixed asset. Fair value is estimated from the financial benefits expected to flow to the charity as it will avoid the cost it would otherwise have incurred in obtaining premises.

Depreciation

Depreciation is charged on furniture and equipment at a rate of 20% of cost per annum on a monthly basis from the date of purchase.

No depreciation is charged on leasehold property where the estimate residual value is considered to be the same or higher than the carrying value in the accounts. Impairments are recognised when the carrying value of an asset exceeds its recoverable amount.

F) Pensions

Contributions to the Charity's defined contribution pension scheme are charged to the SoFA in the year in which they become payable.

G) Investments

Fixed asset investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation is taken to the SoFA and shown in the Revaluation reserve within the Chapel's funds.

H) Funds

Funds held by Chapel are:

Unrestricted general funds: these are funds which can be used in accordance with the charitable objects of the Chapel at the discretion of the trustees.

Designated funds: these are funds set aside by the trustees for specific purposes or projects.

Restricted funds: these are funds which can only be used for particular purposes within the charitable objects of the Chapel. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

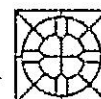
The nature and purpose of each fund is further explained in note 16 to the financial statements.

I) Grants Payable

Grants are included when they have been approved by the trustees and the expenditure is committed.

J) Stock

The stock of items held by the Foodbank is included at an estimate of £1.85 per kg.



K) Debtors

Grants receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

L) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

M) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

N) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

O) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

P) Operating leases

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Q) Job Retention Scheme government grant Income

For JRS grant income, the income is recognised in the period to which the underlying furloughed staff costs relate.

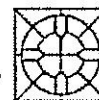
2. Critical accounting estimates and judgements

In the application of the charity's/company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period of the revision and future periods where the revision affects both current and future periods.

3. Donations and legacies

	Restricted Funds £	Unrestricted Funds £	Total 2020 £	Restricted Funds £	Unrestricted Funds £	Total 2019 £
Freewill offerings	144,109	519,198	663,307	61,420	568,719	630,139
HMRC Job Retention Scheme	-	15,918	15,918	-	-	-
Income tax recoverable	98	66,495	66,593	568	54,474	55,042
	<u>144,207</u>	<u>601,611</u>	<u>745,818</u>	<u>61,988</u>	<u>623,193</u>	<u>685,181</u>



4. Investment Income

	Restricted Funds	Unrestricted Funds	Total 2020	Restricted Funds	Unrestricted Funds	Total 2019
	£	£	£	£	£	£
Interest receivable	-	649	649	-	1,059	1,059
Manse rent receivable	-	24,422	24,422	-	41,924	41,924
	-	25,071	25,071	-	42,983	42,983

5. Other trading activities

	Restricted Funds	Unrestricted Funds	Total 2020	Restricted Funds	Unrestricted Funds	Total 2019
	£	£	£	£	£	£
Income from tower rental	-	35,504	35,504	-	32,978	32,978
Room hire	-	13,748	13,748	-	92,234	92,234
	-	49,252	49,252	-	125,212	125,212

6. Expenditure

	Restricted Funds	Unrestricted Funds	Support Cost	Total 2020	Total 2019
	Direct cost £	Direct costs £	£	£	£
Charitable activities					
Gifts made	653	65,937	-	66,590	74,527
Other charitable activities	74,306	225,544	386,549	686,399	644,271
Total charitable activities	74,959	291,481	386,549	752,989	718,798

Gifts made were as follows:

	Gifts to Institutions	Gifts to Individuals	Total 2020	Total 2019
	£	£	£	£
Benevolent needs	-	653	653	900
Overseas missionaries	-	11,000	11,000	12,000
Latin Link	5,500	-	5,500	6,000
Commission Apostolic Trust	27,504	-	27,504	36,835
FIEC	6,953	-	6,953	8,978
Grace Church Ghana	2,509	-	2,509	-
UCCF	1,200	-	1,200	-
The Gate Pregnancy Crisis Centre	6,000	-	6,000	6,000
Others	5,271	-	5,271	3,814
Total gifts	54,937	11,653	66,590	74,527

7. Support Costs

	2020 £	2019 £
Staff costs	144,821	154,740
Premises costs	37,308	62,256
Professional fees	29,234	22,087
Depreciation	31,944	32,766
Impairments of leasehold property	100,000	-
Auditors remuneration	7,320	5,120
Other costs	35,922	58,953
	386,549	335,922



8. Staff costs

	2020	2019
	£	£
Wages and salaries	265,539	245,480
Social security costs	17,283	18,303
Pension costs	13,140	12,243
Other employment costs	1,680	11,937
	<u>297,643</u>	<u>287,963</u>

The average number of full time and part time staff employed by the Chapel during the year was 11 (2019: 10)

There were no employees who received employee benefits of more than £60,000. (2019: none)

9. Related party transactions

Remuneration was paid to trustees and their close family as follows:

	Salary	Pension contribution	Benefits in kind
	£	£	£
Mr Howard Satterthwaite	41,818	2,200	-
	<u>41,818</u>	<u>2,200</u>	<u>-</u>

Mr. H Satterthwaite is the only trustee remunerated for their employment as pastoral staff of the Chapel. These payments are allowed under the terms of the company's Memorandum and Articles of Association. Additionally, Mr. H Satterthwaite is also provided with Manse accommodation for he and his family's use. This accommodation is made available to be used for appropriate church gatherings and the hosting of guest visitors invited to special church events when these occur. No other trustees received any remuneration or reimbursement of expenses. The total employee benefits received by key management personnel were £92,959. (2019: £88,159).

10. Properties

Properties – leasehold	31.12.2020	31.12.2019
	£	£
Residential property value brought forward	1,950,000	1,950,000
Impairment in year	(100,000)	-
Value carried forward	<u>1,850,000</u>	<u>1,950,000</u>

The charity is not the legal owner of the Residential and Chapel properties but enjoys the use of them as explained in the Trustees Report. The right to use them is therefore recognised as a leasehold fixed asset, with a corresponding amount of income at the date the right to use began.

The fair value of the assets is estimated from the financial benefits expected to flow to the charity as it will avoid the cost it would otherwise have incurred in obtaining premises.

For the residential property this was estimated using open market value, as advised by surveyors when the use began, adjusted for subsequent impairment.

The Chapel property is a specialised property, subject to specific historical trusts on how it may be used. The trustees cannot reliably estimate the fair value of the use of this premises and therefore no asset value and corresponding donation has been recognised.



11. Equipment and Furniture

	31.12.2020	31.12.2019
	£	£
Cost		
Brought forward	183,755	180,072
Additions in the year	59,264	3,683
Carried forward	<u>243,019</u>	<u>183,755</u>
Accumulated Depreciation		
Brought forward	116,097	83,331
Charge for the year	31,944	32,766
Carried forward	<u>148,041</u>	<u>116,097</u>
Net book value		
Carried forward	<u>94,978</u>	<u>67,658</u>

12. Fixed Asset Investments

	31.12.2020	31.12.2019
	£	£
Brought forward	900,002	960,002
Disposal in year	(900,000)	-
Revaluation	-	(60,000)
Carried forward	<u>2</u>	<u>900,002</u>
Investment property	-	900,000
Investment in subsidiary	<u>2</u>	<u>2</u>
	<u>2</u>	<u>900,002</u>

The leasehold investment properties were both sold in 2020. Flat 4 in March for £441,125 after fees and Flat 6 in December for £426,395 after fees totalling £867,519 which was £32,481 less than we had them valued for.

13. Debtors

	31.12.2020	31.12.2019
	£	£
Amounts falling due within one year		
Other debtors	85,804	36,335
Prepayments	376,031	284,942
	<u>461,835</u>	<u>321,277</u>

14. Creditors

	31.12.2020	31.12.2019
	£	£
Amounts falling due within one year		
Accounts payable	17,874	15,521
Other creditors	17,595	17,695
Accruals	19,299	16,029
	<u>54,768</u>	<u>49,245</u>



15. Analysis of Net Assets between Funds

	General funds	Designated funds	Restricted funds	Total 2020
	£	£	£	£
Tangible fixed assets	1,944,978	-	-	1,944,978
Investments	2	-	-	2
Current assets	1,265,067	636,426	84,940	1,986,433
Creditors: Amounts falling due within one year	(54,768)	-	-	(54,768)
	<u>3,155,279</u>	<u>636,426</u>	<u>84,940</u>	<u>3,876,645</u>

2019 Comparative Analysis of Net Assets between Funds

	General Funds	Designated funds	Restricted Funds	Total 2019
	£	£	£	£
Tangible fixed assets	2,017,658	-	-	2,017,658
Investments	900,002	-	-	900,002
Current assets	443,010	515,510	15,039	973,559
Creditors: Amounts falling due within one year	(49,245)	-	-	(49,245)
	<u>3,311,425</u>	<u>515,510</u>	<u>15,039</u>	<u>3,841,974</u>

16. Movement in Funds

	Balance at 31.12.2019	Income and gains	Expenditure	Transfers	Balance at 31.12.2020
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Missions fund	97,074	-	-	-	97,074
Building fund	418,436	120,916	-	-	539,352
	<u>515,510</u>	<u>120,916</u>	<u>-</u>	<u>-</u>	<u>636,426</u>
Undesignated funds					
General fund	3,311,425	522,539	(645,551)	(33,134)	3,155,279
Revaluation reserve	-	-	(32,481)	32,481	-
	<u>3,826,935</u>	<u>643,455</u>	<u>(678,032)</u>	<u>(653)</u>	<u>3,791,705</u>
Restricted funds					
Benevolent fund	-	-	(653)	653	-
Food bank	15,039	134,436	(70,636)	-	78,839
Debt centre	-	2	(2)	-	-
Walthamstow	-	6,101	-	-	6,101
Special appeals	-	3,668	(3,668)	-	-
	<u>15,039</u>	<u>144,207</u>	<u>(74,959)</u>	<u>653</u>	<u>84,940</u>
Total funds	<u>3,841,974</u>	<u>787,662</u>	<u>(752,991)</u>	<u>-</u>	<u>3,876,645</u>



16. Movement in Funds (continued)

2019 Comparative of Movement in Funds

	Balance at 31.12.2018 £	Income and gains £	Expenditure £	Transfers £	Balance at 31.12.2019 £
Unrestricted funds					
Designated funds					
Missions fund	97,074	-	(73,627)	73,627	97,074
Building fund	303,208	115,228	-	-	418,436
	<u>400,282</u>	<u>115,228</u>	<u>(73,627)</u>	<u>73,627</u>	<u>515,510</u>
Undesignated funds					
General fund	3,367,114	616,160	(537,462)	(134,387)	3,311,425
Revaluation reserve	-	-	(60,000)	60,000	-
	<u>3,767,396</u>	<u>731,388</u>	<u>(671,089)</u>	<u>(760)</u>	<u>3,826,935</u>
Restricted funds					
Benevolent fund	-	140	(900)	760	-
Food bank	-	61,680	(46,641)	-	15,039
Debt centre	-	-	-	-	-
Special appeals	-	168	(168)	-	-
	<u>-</u>	<u>61,988</u>	<u>(47,709)</u>	<u>760</u>	<u>15,039</u>
Total funds	<u>3,767,396</u>	<u>793,376</u>	<u>(718,798)</u>	<u>-</u>	<u>3,841,974</u>

The Benevolent Fund is restricted for the use of members and friends of the Chapel in financial need.

The Missions Fund is designated for use in supporting mission activities.

The Foodbank fund supports the operation of the Food Bank.

The building fund is to be used to support a very significant specific building reconstruction and refurbishment project which requires planning permission.

The Walthamstow fund relates to the expenses to be incurred to set up a new church in Walthamstow. Any surplus in the fund after all set up expenses incurred will be donated to the new church.

The transfers from unrestricted funds were made to meet expenditure which exceeded restricted income, where the trustees are not confident that future receipts will cover these deficits.

17. Post balance sheet events

In June 2021 a contract was signed for the renovation of the church building. The estimated cost of the renovations is £1.75m and the estimated completion date is November 2021.