# EMMANUEL EVANGELICAL CHURCH

England & Wales · Charity number 1154866

## Details

| | |
|---|---|
| **Other names** | EEC |
| **Status** | Registered |
| **Legal form** | CIO |
| **Registered** | 2013-12-04 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Emmanuel Centre<br>9-23 Marsham Street<br>London<br>SW1P 3DW |
| **Phone** | 02076545649 |
| **Email** | admin@emmanuelchurch.org.uk |
| **Website** | www.emmanuelchurch.org.uk |

## Activities

**Objects:** THE OBJECT OF THE CIO IS TO ADVANCE THE CHRISTIAN FAITH FOR THE PUBLIC BENEFIT IN LONDON AND BEYOND BY THE PUBLICATION AND PROCLAMATION OF THE GOSPEL OF THE GRACE OF GOD AS REVEALED IN HOLY SCRIPTURE.

**Activities:** WORSHIP SERVICES (IN ENGLISH), CELL GROUPS; COFFEE MORNINGS FOR PARENTS/TODDLERS, HOMEWORK CLUB FOR CHILDREN (5-11 YEARS), YOUTH CLUB; E-KIDZ (CHILDRENS CHURCH), LEADERSHIP & DISCIPLESHIP TRAINING, MEETINGS FOR SEEKERS, GIVING FOR RELIEF, CARING FOR THE HOMELESS AND DEAF AND USE OF EMMANUEL CENTRE BY OTHER CHURCHES, CHRISTIAN AGENCIES & PUBLIC INSTITUTIONS FOR CONFERENCES.

## Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Overseas Aid/famine Relief, Religious Activities
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

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## Geography

- **Area of benefit:** LONDON AND BEYOND
- Barnet
- City Of Westminster

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2024-12-31 | £1,725,556 | £1,634,128 | £14,953,988 | 29 |
| 2023-12-31 | £1,696,076 | £1,466,137 | £14,847,570 | 31 |
| 2022-12-31 | £1,525,316 | £1,287,462 | £14,628,984 | 29 |
| 2021-12-31 | £1,102,092 | £1,126,556 | £13,882,000 | 28 |
| 2020-12-31 | £1,229,460 | £1,536,631 | £13,906,464 | 37 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Martin Bruce Atkinson** | Chair | 2026-01-25 |
| Amanda Lawrence | | 2023-11-05 |
| Andy Tham | | 2015-12-06 |
| Chiang Joo Lim | | 2025-11-23 |
| David Hsu | | 2023-11-05 |
| Lai Kuen Tang | | 2024-11-03 |
| Olufunmilayo Olakitan | | 2022-11-13 |

## Linked charities

- EMMANUEL EVANGELICAL CHURCH (1154866-1)

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**EMMANUEL EVANGELICAL CHURCH**

England & Wales - Charity number 1154866

# Accounts

# EMMANUEL EVANGELICAL CHURCH

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their report and the audited financial statements of the Church for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies on pages 13 and 14 and comply with the Church's Constitution, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Reference and administrative information set out on page 1 forms part of this report.

**Board of Trustees**

Throughout this report the members of the Board of Trustees are collectively referred to as the Trustees. The Trustees are responsible as a body for governance, policy implementation, monitoring of general conduct, overall performance, and for reporting to the membership at general meetings. The Trustees delegate operational management of the Church to the Senior Pastor.

The Trustees who served during the year, who are also Church Council members, were as follows:

| | |
|---|---|
| Chairman: | Senior Pastor Peter Yee Kong Loo |
| Treasurer: | Mr Andy Tham |
| Other Council Members: | Ms Francesca Hammond<br>Mr David Hsu<br>Ms Amanda Lawrence<br>Ms Olufunmilayo Olakitan<br>Miss Lai Kuen Tang (appointed 3 November 2024) |

**Structure, governance and management**

***Governing document***
The Church is a registered charity and is governed by its Constitution adopted on 24 May 1990 and revised on 23 March 1997, 21 August 2002, 4 July 2011 and 14 July 2013. Its former registered number was 803024. The Church now operates as a Charitable Incorporated Organisation. Its registered number is now 1154866.

***Structure***
The Church Council constitutes the governing body of the Church. Its voting members are the legal Trustees of the Church, who are appointed by the Council and endorsed by members of the congregation either at the Church Annual General Meeting or at an Extraordinary General Meeting. Their appointments and endorsements are prescribed in the Church Constitution.

***Governance***
The Council Members are responsible for overall policies and ensure the Charity operates within its objectives. They delegate to the Senior Pastor and his staff teams the vision of the Church and the daily operations. A Finance and Administration Committee (F & A) assists the Treasurer in managing the finances of the church. EEC Trading Limited was incorporated on 12 Nov 2015 with the purpose of running the business of Emmanuel Centres of Westminster and Edgware. EEC Trading Limited has directors who are Council Members of Emmanuel Evangelical Church (EEC). Further responsibilities for the operation of the Emmanuel Centres at Westminster and Edgware were transferred from EEC CIO to EEC Trading Ltd during 2017. A Chief Operating Officer (COO), who is a Church member, was appointed in July 2017 to oversee EEC Trading Limited. The COO is accountable to the directors of EEC Trading Limited.

The F & A Committee is responsible for managing the finances of the Church and is directly accountable to the Church Council. It sets and reviews staff salaries in consultation with the Treasurer and the Senior Pastor except that of the Senior Pastor whose salary is set by the Council. Through the Treasurer who also serves as its Chairman, it submits the annual accounts and budgets for the approval of the Church Council and presentation to the members at a general meeting.

**Structure, governance and management, continued**

***Appointment of Trustees***
A potential Trustee normally goes through a period of training as a non-voting observer in the Council. The Council then decides his or her suitability to serve in the Council, and his or her appointment to the Council is then endorsed at a General Meeting of the Church.

***Trustee induction and training***
New Trustees take part in an induction process, which provides them with a briefing and information on their legal obligations under charity and company law, the content of the Church constitution, committee structure of the Board and its decision making process. In addition, new Trustees are given the opportunity to meet with staff, members of the Church and other Trustees as part of the orientation.

***Organisation***
The Board of Trustees meets at least six times per year as a full Board. During the year they address the following areas: governance, strategy and resources.

The staff team meets weekly for prayer, planning and implementing the vision of the Church. Once a month, the staff dedicate half a day in prayer and intercession for the Church.

***Risk management***
The Church Council with the assistance of the COO constantly reviews procedures for evaluating the risks associated with the Church operating plan activities, and also reviews annually all insurances, office, fire and general safety, and safeguarding, as well as the terms and conditions of employment of staff.

Risk management in the Church's ministries is delegated to the Senior Pastor and his staff team. They have established procedures for child protection. All workers with children and youth are DBS checked before they commence their ministry. Most staff members are also trained in first aid, safeguarding, and fire safety procedures.

**Objectives and activities**

The purpose of the Church is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Church has a wholly-owned subsidiary, EEC Trading Limited, whose principal activity is the provision of conference facilities and related catering services. The annual profits of the subsidiary are paid to the Church where finances permit.

***Mission Statement***
Emmanuel Evangelical Church is a cell-based church, committed to maturing believers who obey the Great Commandment (Matt 22:37-38) and fulfil the Great Commission (Matt 28:18-20).

In line with our Mission Statement, and our identity as a "cell-based church", we aim to develop a strong leadership base.

**Achievements and performance**

The year started off with a Watchnight service followed by six days of fasting and prayer.

We continued in 2024 with our vision of 'Enjoying God, Loving People' accompanied by our four values – a Lifestyle of Worship, Making Disciples, Authentic Relationships and Impacting the Community. As part of implementing the Great Commission, we have adopted Matt 4:19, "Follow Me and I will make you fishers of men" as a definition of what a disciple is.

By the end of 2024, the Church's membership was 344, with 11 people baptised during the year. There were 70 professions of faith, half of which occurred mainly in the streets of London.

**Achievements and performance, continued**

We are very pleased that Richard Hindley has joined the Church staff as Chief Operating Officer, overseeing the operation of the Centre and managing the Church's assets, while serving in Edgware as a bi-vocational Pastor, assisting Ps Doreen who is expected to retire by early 2025. In March, Ps Richard attended a Pastors' Conference at Trinity Christian Centre in Singapore.

21 Life Groups, spread across the city, continued to operate mainly meeting in person, with a few meeting online. We gather to nurture and build up believers through mutual encouragement and applying what was preached in our pulpit. The Life Groups also participate in reaching out to pre-Christian friends and new visitors to our Church. They remain vital building blocks for a healthy church. We have revised the Spiritual Parenting course to include mentoring as part of the programme after the formal training concludes. The Life Groups also organised a few inter-Life Group social gatherings.

The Covid 19 fund established in 2020 continues to be utilised to assist our members or friends of our members who are experiencing financial hardship.

EEC is a church that invests in young lives. The Church employs two staff members dedicated to caring for the children's ministry (ages 4-12) at both locations. However, due to her husband's job relocation, Laura Leonard had to sadly leave her role. Josh Lee joined the Church as an intern in autumn and assisted with the youth ministry.

Through our TREE (Truth Restoration Exchange Encounter), we nurture the inner spiritual lives of members, with a staff member leading a team of volunteers to pray and offer inner healing to those who identify a need for prayer in various aspects of their lives. Additionally, we support those who have signed up for the online Healing Rooms through the ministry of prayer. Ministry activities also take place throughout the year, including a weekend retreat. Courses are organised to help individuals understand their identities in Christ.

EEC demonstrates a strong commitment to the local communities in Westminster and Edgware. In Westminster, a staff member is dedicated to organising community activities, including Coffee Morning (for toddlers and their parents) and Homework Club (for children aged 8 to 12 years). We also ran a tea party for a local old folks' home. We also run a programme on Friday afternoons aimed at bringing the community youth together. While in Edgware, another part-time staff member runs a toddlers' group and a knitting class in Edgware. Additionally, a large table tennis group meets twice weekly in Edgware to foster community spirit.

The Young Adults went on a weekend retreat along the South Coast, strengthening relationships and studying the Word. They also hosted a Young Adults Alpha for seeker friends.

To reach out to those who have yet to know Christ, Ps Bruce launched a Gospel Café that runs alongside the Street Outreach twice a month. This Café aims to invite our friends or those we meet on the streets to come for refreshment and stay for worship, testimonies, and a short gospel message. Later in the year, Life Groups were also invited to host these Gospel Cafés.

John Boardman, along with a core team, led an Alpha course separately throughout the year. The attendees had greatly benefited.

We also have a Deaf Ministry that provides signing for the hard of hearing during our Sunday services.

We organised Christmas events and a Summer Music concert in both Edgware and Westminster to bring the community together. During Easter, we participated in the Edgware and District Churches' Palm Sunday Walk of Witness.

A team visits the homeless in Westminster monthly. Additionally, we also have members involved in the Street Pastors who minister twice a month in the Westminster area, helping those who may need spiritual and practical assistance. We were able to host a tea party in a nearby Old Folks' Home.

Over Christmas, the Westminster Community Gospel Choir hosted an evening of carol singing with a large turnout from the local community and Londoners. While in Edgware, we did a Christmas outreach in the Broadwalk Shopping Centre.

**Achievements and performance, continued**

Over the late May Bank holiday, we ran a Leaders' Retreat in The Oratory in Reading where the vision of EEC was strengthened.

For the Easter Conference, Rev Colin Dye was the main speaker on the subject of, 'Willing on the Day of His Power'.

Ps Amanda Conner and Ps Antoinette Attinson were the main speakers at our first women's conference with the theme 'Living an Impactful Life'.

The men gathered a couple of times for a men's breakfast, accompanied by a talk challenging us to be Godly Christian men.

Around eight people from a successful private business in the USA came and taught a day seminar on Servant Leadership.

The Emmanuel School of Ministry taught on 'Hermeneutics - how to handle the Word' and 'Body Ministry' to help equip the Church in becoming more effective disciples.

The Holy Spirit evening continues as a weekly online event, focusing on praying and prophesying together, accompanied by a talk primarily given by Ps. Bruce.

The Family Ministry ran a course on the topic of "6 qualities of a strong Christian family" and a day seminar on Parenting was held at Emmanuel Edgware.

The Evergreen ministry helps serve those who are retired with their special needs and provides opportunities to show the love of Christ to seekers.

Prayer plays a vital role in Church life. The Church organises a twice-yearly 24-hour prayer event starting from Friday evening. Edgware Church also hosts a prayer service on Thursday evening. We also hold an online prayer meeting every Friday at midnight for a couple of hours.

In both churches, Healing on the Streets and outreach continued to be run on a fortnightly basis.

We partnered with many Christian organisations, such as Street Pastors, The Gate in Westminster, CMCT (India), Open Doors, Operation Mobilisation, Ukraine War Relief, and other groups that share the same vision in relief, evangelism, and prayer for the Government and nation.

In 2024, Su Jen went on a week's mission in Laos, Cecilia Madlener was with the Mercy Ships and the Madleners participated in the OM Teen Street Germany.

A new heating system was installed in Westminster that was more efficient and reliable.

**Looking ahead: Plans for 2025**

The Church will continue to fulfil our Church vision, which is 'Enjoying God, Loving People' with the emphasis on Making Disciples using Matthew 4:19 as a definition of what a disciple is.

Mentoring and raising leaders will continue within the Life Groups as well as understanding how to raise up disciple makers. Life Groups will continue to be the main focal point for evangelism and spiritual nurture.

The gospel cafés will continue to be run on two Sunday afternoons a month with an emphasis on reaching out to the non-believers either directly from the streets or from our friends.

Richard Hindley, who has been working full-time as the chief operating officer of the Church and a bi-vocational pastor, will take over the role of Pastor focusing on EE after Ps Doreen retires in the first quarter of 2025. Ps Bruce will become the Senior Pastor Designate, with the aim of succeeding Pastor Peter, subject to AGM approval, who plans to retire by the

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2024

| | Unrestricted funds £ | Restricted funds £ | Revaluation reserve £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|---|
| **INCOME AND EXPENDITURE** | | | | | |
| **Income from:** | | | | | |
| Donations and legacies (note 2a) | 700,498 | 14,983 | - | 715,481 | 720,433 |
| Other operating activities (note 2b) | 964,789 | - | - | 964,789 | 975,258 |
| Grants receivable (note 2c) | 31,149 | - | - | 31,149 | - |
| Investments (note 2d) | 14,137 | - | - | 14,137 | 385 |
| **Total Income** | 1,710,573 | 14,983 | - | 1,725,556 | 1,696,076 |
| **Expenditure on:** | | | | | |
| Raising funds (note 3a) | 641,883 | - | - | 641,883 | 525,628 |
| Charitable activities (note 3b) | 911,318 | 80,927 | - | 992,245 | 940,509 |
| **Total Expenditure** | 1,553,201 | 80,927 | - | 1,634,128 | 1,466,137 |
| **Net Income/(Expenditure) before Taxation and Transfers** | 157,372 | (65,944) | - | 91,428 | 229,939 |
| Taxation (note 4) | 14,990 | - | - | 14,990 | (11,353) |
| Transfers between funds (notes 11 and 12) | 31,495 | 90,000 | (121,495) | - | - |
| **Net Income/(Expenditure) for the year** | £203,857 | £24,056 | £(121,495) | £106,418 | £218,586 |
| **Other recognised gains/(losses)** | - | - | - | - | - |
| **Net Movement in Funds** | **£203,857** | **£24,056** | **£(121,495)** | **£106,418** | **£218,586** |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total Funds brought forward at 1 January 2024 | 5,612,519 | 98,863 | 9,136,188 | 14,847,570 | 14,628,984 |
| **Total Funds carried forward at 31 December 2024** | **£5,816,376** | **£122,919** | **£9,014,693** | **£14,953,988** | **£14,847,570** |

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2024

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Group | Church | Group | Church |
| | £ | £ | £ | £ |
| **Fixed assets** | | | | |
| Tangible fixed assets (note 6) | 15,022,539 | 15,005,739 | 14,897,130 | 14,883,406 |
| Investments (note 7) | - | 2 | - | 2 |
| | 15,022,539 | 15,005,741 | 14,897,130 | 14,883,408 |
| **Current assets** | | | | |
| Debtors (note 8) | 90,966 | 107,357 | 132,799 | 54,166 |
| Cash at bank and in hand | 722,534 | 457,264 | 784,970 | 506,510 |
| | 813,500 | 564,621 | 917,769 | 560,676 |
| **Creditors: amounts falling due within one year** (note 9) | | | | |
| Creditors and accrued expenditure | (200,755) | (65,916) | (245,146) | (65,982) |
| **Net current assets** | 612,745 | 498,705 | 672,623 | 494,694 |
| **Total assets less current liabilities** | 15,635,284 | 15,504,446 | 15,569,753 | 15,378,102 |
| **Creditors: amounts falling due after more than one year** (note 10) | (677,096) | (669,596) | (718,752) | (701,252) |
| **Provisions for liabilities** | | | | |
| Deferred tax | (4,200) | - | (3,431) | - |
| **Net assets** | **£14,953,988** | **£14,834,850** | **£14,847,570** | **£14,676,850** |
| **Funds** | | | | |
| Unrestricted funds: | | | | |
| General fund | 5,816,376 | 5,697,238 | 5,612,519 | 5,441,799 |
| Revaluation reserve (note 11) | 9,014,693 | 9,014,693 | 9,136,188 | 9,136,188 |
| | 14,831,069 | 14,711,931 | 14,748,707 | 14,577,987 |
| Restricted funds (note 12) | 122,919 | 122,919 | 98,863 | 98,863 |
| | **£14,953,988** | **£14,834,850** | **£14,847,570** | **£14,676,850** |

Approved by the Board of Trustees on 5/12/2025 and signed on their behalf by:

**Pastor Peter Y K Loo**
**Trustee**

**Mr Andy Tham**
**Trustee**

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

| | Notes | 2024 £ | 2023 £ |
|---|---|---|---|
| **Net cash provided by operating activities** | 14 | 300,254 | 456,092 |
| **Cash flows from investing activities:** | | | |
| (Purchase) of fixtures, fittings and equipment | | (319,628) | (421,522) |
| Cash (used in) investing activities | | (319,628) | (421,522) |
| **Cash flows from financing activities** | | | |
| (Repayment) of bank borrowings | | (43,062) | (44,607) |
| Cash (used in) financing activities | | (43,062) | (44,607) |
| **(Decrease) in cash and cash equivalents in the year** | | **(62,436)** | **(10,037)** |
| Cash and cash equivalents at the beginning of the year | | 784,970 | 795,007 |
| **Total cash and cash equivalents at the end of the year** | | **£722,534** | **£784,970** |

# EMMANUEL EVANGELICAL CHURCH

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. Accounting Policies

#### a). Basis of accounting

The Church is a public benefit entity. The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and long leasehold property, and in accordance with the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" preparing their accounts in accordance with Financial Reporting Standard 102 and the Charities Act 2011, and on a going concern basis.

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The group accounts consolidate those of Emmanuel Evangelical Church and its subsidiary undertaking EEC Trading Limited (see note 7). A separate Statement of Financial Activities for the Church has not been presented.

#### b). Financial instruments

A financial asset or a financial liability is recognised only when the Church becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, when it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

#### c). Income recognition

Tithes and offerings are accounted for when received by the Church. Other income is accounted for on an accruals basis as far as it is prudent to do so.

#### d). Grants

Grants are recognised as income in the financial statements in the period in which they become receivable when there is reasonable assurance that the grants will be received and the Church will comply with any conditions attaching to them.

#### e). Recognition of liabilities

Accrued expenditure has been taken up in the accounts at the financial year end.

#### f). Fixed assets, depreciation, and amortisation

Depreciation is provided at the following annual rates, calculated to reduce the book value of the assets concerned to estimated residual value over their useful working lives:

Freehold property and improvements – 1% on valuation
Long leasehold property – 1% on valuation
Fixtures, fittings and equipment:
Fixtures, fittings and PA equipment - 15% on cost
Kitchen and catering appliances – 25% on cost
Office and computer equipment – between 15% and 33% on cost

**Statement on public benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Church's charitable purpose as enshrined in its objects is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Trustees ensure that this purpose is carried out for the public benefit through planning and monitoring activities by reference to the Church vision and strategy.

The structure of the Annual Report allows the Trustees to report on the progress of implementing the strategy, explaining activities and achievements during the year and the Church's plans for 2024.

**Responsibilities of the Trustees regarding the financial statements**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Church and of its incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to:

* select suitable accounting policies and then apply them consistently;
* observe the methods and principles of the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities';
* make judgements and estimates that are reasonable and prudent;
* state whether applicable 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 Church will continue in existence.

The Trustees are responsible for keeping proper accounting records which are sufficient to show and explain the Church's transactions and to disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that any statements of account comply with the requirements of the Church Constitution, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008. The Trustees are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

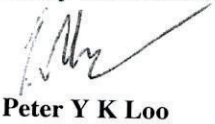
**Disclosure of information to auditors**

So far as the Trustees are aware, there is no relevant audit information of which the auditors are unaware. The Trustees have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

**Auditors**

A resolution to reappoint Geary Partnership as auditors of Emmanuel Evangelical Church will be put to members at the forthcoming Annual General Meeting.

**Approved by the Board of Trustees and signed on their behalf by:**



**Pastor Peter Y K Loo**
**Chairman of the Council**

**Date:** 5/10/2025

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH

## Opinion

We have audited the financial statements of Emmanuel Evangelical Church ('the parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet, the Consolidated Statement of Cash Flows, and notes to the financial statements, including 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 group's and parent charity's affairs as at 31 December 2024, and of the group's 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 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 group and parent charity 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 group and parent charity'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, to 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.

## Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH, continued

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the Trustees are responsible for the preparation of 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 group and parent 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 group or the parent charity 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 as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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. Procedures capable of detecting such irregularities performed during our audit included:

- tests to ensure all bank transactions have been accounted for;
- examination of offerings records, invoices and donor correspondence to ensure that income is fully recorded;
- verification of legitimacy of expenditure by reference to invoices, statements, and correspondence;
- examination of title records to ensure assets have not been misappropriated;
- tests of analysis to satisfy ourselves that ledger balances are reasonable and in line with expectations.

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 for the audit of the financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity'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 charity's 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Geary Partnership

**Geary Partnership**
**Statutory Auditor**
**Chartered Accountants**
**159a Chase Side**
**Enfield EN2 0PW**

Date: 8 October 2025

Geary Partnership is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**EMMANUEL EVANGELICAL CHURCH**

England & Wales - Charity number 1154866

# Accounts

# EMMANUEL EVANGELICAL CHURCH

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and the audited financial statements of the Church for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies on pages 13 and 14 and comply with the Church's Constitution, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Reference and administrative information set out on page 1 forms part of this report.

**Board of Trustees**

Throughout this report the members of the Board of Trustees are collectively referred to as the Trustees. The Trustees are responsible as a body for governance, policy implementation, monitoring of general conduct, overall performance, and for reporting to the membership at general meetings. The Trustees delegate operational management of the Church to the Senior Pastor.

The Trustees who served during the year, who are also Church Council members, were as follows:

| | |
|---|---|
| Chairman: | Senior Pastor Peter Yee Kong Loo |
| Treasurer: | Mr Andy Tham (re-appointed 5 Nov 2023) |
| Other Council Members: | Ms Francesca Hammond (re-appointed 5 Nov 2023)<br>Mr Richard Hindley (resigned 31 Dec 2023)<br>Mr David Hsu (appointed 5 Nov 2023)<br>Ms Amanda Lawrence (appointed 5 Nov 2023)<br>Ms Olufunmilayo Olakitan<br>Mr Patrick Pope (resigned 5 Nov 2023)<br>Mr Robert Prosper (resigned 5 Nov 2023) |

**Structure, governance and management**

***Governing document***
The Church is a registered charity and is governed by its Constitution adopted on 24 May 1990 and revised on 23 March 1997, 21 August 2002, 4 July 2011 and 14 July 2013. Its former registered number was 803024. The Church now operates as a Charitable Incorporated Organisation. Its registered number is now 1154866.

***Structure***
The Church Council constitutes the governing body of the Church. Its voting members are the legal Trustees of the Church, who are appointed by the Council and endorsed by members of the congregation either at the Church Annual General Meeting or at an Extraordinary General Meeting. Their appointments and endorsements are prescribed in the Church Constitution.

***Governance***
The Council Members are responsible for overall policies and ensure the Charity operates within its objectives. They delegate to the Senior Pastor and his staff teams the vision of the Church and the daily operations. A Finance and Administration Committee (F & A) assists the Treasurer in managing the finances of the church. EEC Trading Limited was incorporated on 12 Nov 2015 with the purpose of running the business of Emmanuel Centres of Westminster and Edgware. EEC Trading Limited has directors who are Council Members of Emmanuel Evangelical Church (EEC). Further responsibilities for the operation of the Emmanuel Centres at Westminster and Edgware were transferred from EEC CIO to EEC Trading Ltd during 2017. An Honorary Chief Operating Officer (COO), who is a Church member, was appointed in July 2017 to oversee EEC Trading Limited. The COO is accountable to the directors of EEC Trading Limited.

The F & A Committee is responsible for managing the finances of the Church and is directly accountable to the Church Council. It sets and reviews staff salaries in consultation with the Treasurer and the Senior Pastor except that of the Senior Pastor whose salary is set by the Council. Through the Treasurer who also serves as its Chairman, it submits the annual accounts and budgets for the approval of the Church Council and presentation to the members at a general meeting.

**Structure, governance and management, continued**

***Appointment of Trustees***
A potential Trustee normally goes through a period of training as a non-voting observer in the Council. The Council then decides his or her suitability to serve in the Council, and his or her appointment to the Council is then endorsed at a General Meeting of the Church.

***Trustee induction and training***
New Trustees take part in an induction process, which provides them with a briefing and information on their legal obligations under charity and company law, the content of the Church constitution, committee structure of the Board and its decision making process. In addition, new Trustees are given the opportunity to meet with staff, members of the Church and other Trustees as part of the orientation.

***Organisation***
The Board of Trustees meets at least six times per year as a full Board. During the year they address the following areas: governance, strategy and resources.

The staff team meets weekly for prayer, planning and implementing the vision of the Church. Once a month, the staff dedicate half a day in prayer and intercession for the Church.

***Risk management***
The Church Council with the assistance of the COO constantly reviews procedures for evaluating the risks associated with the Church operating plan activities, and also reviews annually all insurances, office, fire and general safety, and safeguarding, as well as the terms and conditions of employment of staff.

Risk management in the Church's ministries is delegated to the Senior Pastor and his staff team. They have established procedures for child protection. All workers with children and youth are DBS checked before they commence their ministry. Most staff members are also trained in first aid, safeguarding, and fire safety procedures.

**Objectives and activities**

The purpose of the Church is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Church has a wholly-owned subsidiary, EEC Trading Limited, whose principal activity is the provision of conference facilities and related catering services. The annual profits of the subsidiary are paid to the Church where finances permit.

***Mission Statement***
Emmanuel Evangelical Church is a cell-based church, committed to maturing believers who obey the Great Commandment (Matt 22:37-38) and fulfil the Great Commission (Matt 28:18-20).

In line with our Mission Statement, and our identity as a "cell-based church", we aim to develop a strong leadership base.

**Achievements and performance**

*Overall*

The year started off with a Watchnight service followed by six days of fasting and prayer. Apart from providing online services for the vulnerable, Sunday zoom services also proved instrumental in helping seekers to check us out before coming in person to our church.

We continued in 2023 with our vision of 'Enjoying God, Loving People' accompanied by our four values – a Lifestyle of Worship, Making Disciples, Authentic Relationships and Impacting the Community.

At the end of 2023, the membership of the Church stood at 369 and 12 people were baptised during the year. There were 42 professions of faith in total which happened mainly in the streets of London.

21 Life Groups, dispersed throughout the city, continued to function online and in person with innovative ways of encouragement, applying the Bible and meeting our social and emotional needs. They were also involved in reaching out to their pre-Christian friends (evangelism) and in nurturing and building up believers (discipleship). The Life Groups remain crucial building blocks for a healthy church. We have revamped the Spiritual Parenting course so that mentoring becomes part of it after the formal training is over.

The Covid 19 fund set up in 2020 continued to be used to help our members or friends of our members who are suffering financial hardship.

EEC is a church which 'invests' in young lives. The Church employs two part time staff members dedicated to looking after the children's ministry (4 - 12 years) in both churches. The vacant position of the Head of Youth for Westminster was taken over by the Senior Pastor's wife, who worked on an honorary basis. Five youths were able to spend 4 days in Teenstreet organised by OM.

EEC has a passionate concern for the local community in Westminster. One staff member is assigned to run community activities, including Coffee Morning (for toddlers and their parents) and Homework Club (for children 8 – 12 years). We also run on Friday afternoons a programme to bring community youth together in Westminster.

While in Edgware, a table tennis group and a knitting group continued to bring the community together with opportunities to share the gospel. We also run a toddlers club for the community children on Thursday mornings.

We held Christmas events and a Summer music concert in both Edgware and Westminster to bring the community together.

We also care for the inner spiritual lives of the members, and a staff member is dedicated to running a team of volunteers to pray and minister inner healing to members of the church who identify their need for prayer in areas in their lives. We also offer well-being support to the community through prayer. We train members to remain emotionally and spiritually healthy. Ministry is also given over the course of the year, including a weekend away.

The Holy Spirit evening continues as a weekly online event. The Family Ministry continues to run over zoom with a training on marriage and one on parenting each covering over 4 months on a twice a month basis.

Phase 3 to repair the Westminster roof was successfully executed in the summer of 2023.

The Church held a twice-yearly online 24-hour prayer weekend over zoom.

Over Easter Sunday, Richard Hindley was officially commissioned to be a bi-vocational pastor on top of his voluntary role as Chief Operating Officer.

We have four sessions of Biblical Hermeneutics for the Emmanuel School of Ministry in Spring.

The 'Walk Through the Bible' ministry was invited to minister in our Sunday service.

**Achievements and performance, continued**

Around eight people from a successful private business in the USA came and taught a day seminar on Servant Leadership.

A team visits the homeless in Westminster every fortnight. Additionally, we also have members involved in the Street Pastors that minister twice a month in the Westminster area. Over Christmas, the Westminster Community Gospel Choir had an evening of carol singing with a large turnout from the community and Londoners.

During the summer, we hosted four days of summer activities for 20 children of the local community. The parents were very grateful for this. In the Westminster area, we were able to host a Tea party in a nearby Old Folks' Home. In both churches, Healing on the Streets and outreach continued to be run fortnightly.

A hospitality team continued to serve in our Sunday services in both churches giving a warm welcome to first timers with a cup of beverage and biscuits.

We are thankful to God that as a church, we are able to continue to give 10% of its income to missions and crisis relief. We partnered amongst many Christian organisations such as Harvest Ministries in India, Street Pastors, CMCT (India), International China Concern, Operation Mobilisation and churches that share the same vision in the areas of relief, evangelism and prayer for the Government and nation.

EEC Trading Limited which runs the Emmanuel Centre pays rent to the Church.

**Looking ahead: Plans for 2024**

The church will continue to fulfil our church vision, which is 'Enjoying God, Loving People' with the emphasis on Making Disciples using Matthew 4:19 as a definition of what a disciple is.

Mentoring and raising leaders will continue within the Life Groups as well as understanding how to raise up disciple makers.

We will be starting a gospel café on two Sunday afternoons a month with an emphasis to reaching out to the non-believers either directly from the streets or from our friends.

Life Groups will continue to be the main focal point for evangelism and spiritual nurture.

Richard Hindley will be working full time as the chief operating officer of the church and a bi-vocational pastor at the beginning of January.

Rev Colin Dye has been invited to be the main Conference speaker at the Easter Conference.

We will also be exploring to plan an off site for both the Leaders Retreat as well as a Young Adult's retreat.

We will be launching a Woman's conference.

We plan to send members on short term mission with Operation Mobilisation and explore partnerships with Christians in Laos.

The church will continue to support members and the community in the light of high inflation and financial hardship.

The centre in Westminster will be used as a resource centre supporting Christian work and serving as a conference centre.

A new heating system for the Westminster church building is scheduled for execution in the summer months.

**Financial overview**

The Church reports a surplus for the financial year of £218,586 compared to a surplus of £746,984 reported in the previous financial year. The surplus of £746,984 in the previous year included a gain on revaluation of our Edgware church building of £546,779.

The principal sources of income and related expenditure in the year are shown in the Statement of Financial Activities and the notes included in the following accounts.

**Reserves policy**

The policy of the Trustees is to maintain sufficient liquid reserves to enable the future development and expansion of the ministries of the Church and to provide for on-going maintenance of the Church's freehold and leasehold properties through its annual budgeting process.

**Fundraising**

The Church does not solicit funds other than by appealing to members and attendees to honour the principles of giving set out in the Bible, and by charging third parties for use of our premises and facilities at normal commercial rates. The Church is subject to The Charities (Protection and Social Investment) Act 2016 in this respect. The Church does not utilise the services of recognised fundraisers. There have been no complaints received by the Church during the year in connection with fundraising. The ministerial and pastoral staff ensure, through supervision of offerings and review of records of monies received, that vulnerable people are protected.

**Risk and internal control**

The Trustees systematically review and assess the risks the Church faces, and the potential impact they may have on the organisation. Throughout 2023, Church giving has been affected by the economic uncertainty in the country. The Trustees have consistently identified the level of giving as one of the organisation's secondary risks, and this issue has been closely monitored and addressed by the church Finance & Administration Committee.

The Trustees and Finance & Administration Committee co-own the risk register, which operates as a working document.

During 2023, the presence of RAAC in part of the roof was identified at Emmanuel Edgware. In view of the potentially significant remedial costs, this was notified to the Charity Commission as a Serious Incident in December 2023. An action plan is currently being formulated to address the issue.

**Going Concern**

After considering the following areas, the Trustees believe the church has adequate financial resources to continue its operations for the foreseeable future:
- the 2023 financial performance
- our reserves policy
- budget and cash flow projections through to December 2024.

**Statement on public benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Church's charitable purpose as enshrined in its objects is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Trustees ensure that this purpose is carried out for the public benefit through planning and monitoring activities by reference to the Church vision and strategy.

**Statement on public benefit, continued**

The structure of the Annual Report allows the Trustees to report on the progress of implementing the strategy, explaining activities and achievements during the year and the Church's plans for 2024.

**Responsibilities of the Trustees regarding the financial statements**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Church and of its incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to:

* select suitable accounting policies and then apply them consistently;
* observe the methods and principles of the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities';
* make judgements and estimates that are reasonable and prudent;
* state whether applicable 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 Church will continue in existence.

The Trustees are responsible for keeping proper accounting records which are sufficient to show and explain the Church's transactions and to disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that any statements of account comply with the requirements of the Church Constitution, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008. The Trustees are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**Disclosure of information to auditors**

So far as the Trustees are aware, there is no relevant audit information of which the auditors are unaware. The Trustees have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

**Auditors**

A resolution to reappoint Geary Partnership as auditors of Emmanuel Evangelical Church will be put to members at the forthcoming Annual General Meeting.

**Approved by the Board of Trustees and signed on their behalf by:**



**Pastor Peter Y K Loo**
**Chairman of the Council**

**Date:** 18/10/2024

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

| | Unrestricted funds £ | Restricted funds £ | Revaluation reserve £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|---|
| **INCOME AND EXPENDITURE** | | | | | |
| **Income from:** | | | | | |
| Donations and legacies (Note 2a) | 715,296 | 5,137 | - | 720,433 | 678,361 |
| Other operating activities (Note 2b) | 975,258 | - | - | 975,258 | 846,846 |
| Investments (Note 2c) | 385 | - | - | 385 | 109 |
| **Total Income** | 1,690,939 | 5,137 | - | 1,696,076 | 1,525,316 |
| **Expenditure on:** | | | | | |
| Raising funds (Note 3a) | 525,628 | - | - | 525,628 | 451,474 |
| Charitable activities (Note 3b) | 858,105 | 82,404 | - | 940,509 | 835,988 |
| **Total Expenditure** | 1,383,733 | 82,404 | - | 1,466,137 | 1,287,462 |
| **Net Income/(Expenditure) before Taxation and Transfers** | 307,206 | (77,267) | - | 229,939 | 237,854 |
| Taxation (note 4) | (11,353) | - | - | (11,353) | (37,649) |
| Transfers between funds (notes 11 and 12) | 4,473 | 85,000 | (89,473) | - | - |
| **Net Income/(Expenditure) for the year** | **£300,326** | **£7,733** | **£(89,473)** | **£218,586** | **£200,205** |
| **Other recognised gains/(losses)** | | | | | |
| Gain on revaluation of fixed assets | - | - | - | - | 546,779 |
| **Net Movement in Funds** | **£300,326** | **£7,733** | **£(89,473)** | **£218,586** | **£746,984** |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total Funds brought forward at 1 January 2023 | 5,312,193 | 91,130 | 9,225,661 | 14,628,984 | 13,882,000 |
| **Total Funds carried forward at 31 December 2023** | **£5,612,519** | **£98,863** | **£9,136,188** | **£14,847,570** | **£14,628,984** |

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2023

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Group | Church | Group | Church |
| | £ | £ | £ | £ |
| **Fixed assets** | | | | |
| Tangible fixed assets (note 6) | 14,897,130 | 14,883,406 | 14,680,004 | 14,677,665 |
| Investments (note 7) | - | 2 | - | 2 |
| | 14,897,130 | 14,883,408 | 14,680,004 | 14,677,667 |
| **Current assets** | | | | |
| Debtors (note 8) | 132,799 | 54,166 | 121,903 | 162,209 |
| Cash at bank and in hand | 784,970 | 506,510 | 795,007 | 452,118 |
| | 917,769 | 560,676 | 916,910 | 614,327 |
| **Creditors: amounts falling due within one year** (note 9) | | | | |
| Creditors and accrued expenditure | (245,146) | (65,982) | (175,059) | (68,595) |
| **Net current assets** | 672,623 | 494,694 | 741,851 | 545,732 |
| **Total assets less current liabilities** | 15,569,753 | 15,378,102 | 15,421,855 | 15,223,399 |
| **Creditors: amounts falling due after more than one year** (note 10) | (718,752) | (701,252) | (792,427) | (764,623) |
| **Provisions for liabilities** | | | | |
| Deferred tax | (3,431) | - | (444) | - |
| **Net assets** | **£14,847,570** | **£14,676,850** | **£14,628,984** | **£14,458,776** |
| **Funds** | | | | |
| Unrestricted funds: | | | | |
| General fund | 5,612,519 | 5,441,799 | 5,312,193 | 5,141,985 |
| Revaluation reserve (note 11) | 9,136,188 | 9,136,188 | 9,225,661 | 9,225,661 |
| | 14,748,707 | 14,577,987 | 14,537,854 | 14,367,646 |
| Restricted funds (note 12) | 98,863 | 98,863 | 91,130 | 91,130 |
| | **14,847,570** | **14,676,850** | **£14,628,984** | **£14,458,776** |

Approved by the Board of Trustees on 18/10/2024 and signed on their behalf by:

**Pastor Peter Y K Loo**
**Trustee**

**Mr Andy Tham**
**Trustee**

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | 2023<br>£ | 2022<br>£ |
|---|---|---|---|
| **Net cash provided by operating activities** | 14 | 456,092 | 401,111 |
| **Cash flows from investing activities:** | | | |
| (Purchase) of fixtures, fittings and equipment | | (421,522) | (86,129) |
| Cash (used in) investing activities | | (421,522) | (86,129) |
| **Cash flows from financing activities** | | | |
| (Repayment) of bank borrowings and HP finance | | (44,607) | (65,733) |
| Cash (used in) financing activities | | (44,607) | (65,733) |
| **(Decrease)/increase in cash and cash equivalents in the year** | | **(10,037)** | **249,249** |
| Cash and cash equivalents at the beginning of the year | | 795,007 | 545,758 |
| **Total cash and cash equivalents at the end of the year** | | **£784,970** | **£795,007** |

# EMMANUEL EVANGELICAL CHURCH

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 1. Accounting Policies

#### a). Basis of accounting

The Church is a public benefit entity. The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and long leasehold property, and in accordance with the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" preparing their accounts in accordance with Financial Reporting Standard 102 and the Charities Act 2011, and on a going concern basis.

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The group accounts consolidate those of Emmanuel Evangelical Church and its subsidiary undertaking EEC Trading Limited (see note 7). A separate Statement of Financial Activities for the Church has not been presented.

#### b). Income recognition

Tithes and offerings are accounted for when received by the Church. Other income is accounted for on an accruals basis as far as it is prudent to do so.

#### c). Grants

Grants are recognised as income in the financial statements in the period in which they become receivable when there is reasonable assurance that the grants will be received and the Church will comply with any conditions attaching to them.

#### d). Recognition of liabilities

Accrued expenditure has been taken up in the accounts at the financial year end.

#### e). Fixed assets, depreciation, and amortisation

Depreciation is provided at the following annual rates, calculated to reduce the book value of the assets concerned to estimated residual value over their useful working lives:

Freehold property and improvements – 1% on valuation
Long leasehold property – 1% on valuation
Fixtures, fittings and equipment:
- Fixtures, fittings and PA equipment - 15% on cost
- Kitchen and catering appliances – 25% on cost
- Office and computer equipment – between 15% and 33% on cost

#### f). Funds

Unrestricted funds are funds that have not been restricted as to their use by donors. The principal unrestricted fund is the general fund which holds those reserves of the Church which have not been designated for a particular use by the Trustees.

Designated funds are unrestricted funds that have been designated for a particular use by the Trustees.

The revaluation reserve is also part of unrestricted funds. It represents the uplift in value when the Church's properties are restated in the balance sheet following a professional valuation.

Restricted funds are funds that have been restricted as to their use by donors.

## 1. Accounting Policies, continued

### g). Pension contributions

The church makes regular contributions towards the personal pension plans of its employees in compliance with the workplace pension regulations. Contributions are charged to staff costs as incurred.

### h). Taxation

As a registered charity, the Church is generally exempt from income tax and capital gains tax, but not from value added tax. Irrecoverable value added tax is included in the cost of those items to which it relates.

## 2. Income

| | | Unrestricted funds £ | Restricted funds £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|---|
| **a.** | **Donations and legacies** | | | | |
| | Tithes and offerings | 616,745 | 4,331 | 621,076 | 590,576 |
| | Tax recoveries | 98,551 | 806 | 99,357 | 87,785 |
| | | **£715,296** | **£5,137** | **£720,433** | **£678,361** |
| **b.** | **Other operating activities** | | | | |
| | Rent and facility charges receivable | 966,876 | - | 966,876 | 837,719 |
| | Other income | 8,382 | - | 8,382 | 9,127 |
| | | **£975,258** | **-** | **£975,258** | **£846,846** |
| **c.** | **Investments** | | | | |
| | Interest receivable | **£385** | **-** | **£385** | **£109** |

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH

## Opinion

We have audited the financial statements of Emmanuel Evangelical Church ('the parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet, the Consolidated Statement of Cash Flows, and notes to the financial statements, including 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 group's and parent charity's affairs as at 31 December 2023, and of the group's 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 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 group and parent charity 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 group and parent charity'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, to 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.

## Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH, continued

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the Trustees are responsible for the preparation of 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 group and parent 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 group or the parent charity 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 as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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. Procedures capable of detecting such irregularities performed during our audit included:

- tests to ensure all bank transactions have been accounted for;
- examination of offerings records, invoices and donor correspondence to ensure that income is fully recorded;
- verification of legitimacy of expenditure by reference to invoices, statements, and correspondence;
- examination of title records to ensure assets have not been misappropriated;
- tests of analysis to satisfy ourselves that ledger balances are reasonable and in line with expectations.

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 for the audit of the financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity'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 charity's 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Geary Partnership

**Geary Partnership**
**Statutory Auditor**
**Chartered Accountants**
**159a Chase Side**
**Enfield EN2 0PW**

Date: 21 October 2024

Geary Partnership is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**EMMANUEL EVANGELICAL CHURCH**

England & Wales - Charity number 1154866

# Accounts

# EMMANUEL EVANGELICAL CHURCH
## (Charitable Incorporated Organisation)

# CONSOLIDATED FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31 DECEMBER 2022

**Registered Charity No:**

**1154866**

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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# EMMANUEL EVANGELICAL CHURCH

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2022

| | |
|---|---|
| **Charity number:** | 1154866 |
| **Registered address and principal office:** | 9 – 23 Marsham Street<br>London<br>SW1P 3DW |
| **Chairman:** | Senior Pastor Peter Yee Kong Loo |
| **Treasurer:** | Mr Andy Tham |
| **Other Council Members:** | Mr Robert Prosper<br>Ms Francesca Hammond<br>Mr Patrick Pope<br>Mr Richard Hindley<br>Ms Olufunmilayo Olakitan |
| **Auditors:** | Geary Partnership<br>Chartered Accountants<br>159a Chase Side<br>Enfield<br>Middlesex<br>EN2 0PW |
| **Bankers:** | Barclays Bank PLC<br>P.O.Box 15163H<br>50 Pall Mall<br>London<br>SW1Y 5AX |

# EMMANUEL EVANGELICAL CHURCH

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and the audited financial statements of the Church for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies on pages 13 and 14 and comply with the Church's Constitution, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Reference and administrative information set out on page 1 forms part of this report.

**Board of Trustees**

Throughout this report the members of the Board of Trustees are collectively referred to as the Trustees. The Trustees are responsible as a body for governance, policy implementation, monitoring of general conduct, overall performance, and for reporting to the membership at general meetings. The Trustees delegate operational management of the Church to the Senior Pastor.

The Trustees who served during the year, who are also Church Council members, were as follows:

| | |
|---|---|
| Chairman: | Senior Pastor Peter Yee Kong Loo |
| Treasurer: | Mr Andy Tham (re-appointed 14 Nov 2021) |
| Other Council Members: | Mr Robert Prosper (re-appointed 14 Nov 2021)<br>Ms Francesca Hammond (re-appointed 14 Nov 2021)<br>Mr Benjamin Cheong (resigned 14 Nov 2021)<br>Mr Patrick Pope<br>Mr Richard Hindley<br>Ms Olufunmilayo Olakitan (appointed 13 Nov 2022) |

**Structure, governance and management**

***Governing document***
The Church is a registered charity and is governed by its Constitution adopted on 24 May 1990 and revised on 23 March 1997, 21 August 2002, 4 July 2011 and 14 July 2013. Its former registered number was 803024. The Church now operates as a Charitable Incorporated Organisation. Its registered number is now 1154866.

***Structure***
The Church Council constitutes the governing body of the Church. Its voting members are the legal Trustees of the Church, who are appointed by the Council and endorsed by members of the congregation either at the Church Annual General Meeting or at an Extraordinary General Meeting. Their appointments and endorsements are prescribed in the Church Constitution.

***Governance***
The Council Members are responsible for overall policies and ensure the Charity operates within its objectives. They delegate to the Senior Pastor and his staff teams the vision of the Church and the daily operations. A Finance and Administration Committee (F & A) assists the Treasurer in managing the finances of the church. EEC Trading Limited was incorporated on 12 Nov 2015 with the purpose of running the business of Emmanuel Centres of Westminster and Edgware. EEC Trading Limited has directors who are Council Members of Emmanuel Evangelical Church (EEC). Further responsibilities for the operation of the Emmanuel Centres at Westminster and Edgware were transferred from EEC CIO to EEC Trading Ltd during 2017. An Honorary Chief Operating Officer (COO), who is a Church member, was appointed in July 2017 to oversee EEC Trading Limited. The COO is accountable to the directors of EEC Trading Limited.

The F & A Committee is responsible for managing the finances of the Church and is directly accountable to the Church Council. It sets and reviews staff salaries in consultation with the Treasurer and the Senior Pastor except that of the Senior Pastor whose salary is set by the Council. Through the Treasurer who also serves as its Chairman, it submits the annual accounts and budgets for the approval of the Church Council and presentation to the members at a general meeting.

**Structure, governance and management, continued**

***Appointment of Trustees***
A potential Trustee normally goes through a period of training as a non-voting observer in the Council. The Council then decides his or her suitability to serve in the Council, and his or her appointment to the Council is then endorsed at a General Meeting of the Church.

***Trustee induction and training***
New Trustees take part in an induction process, which provides them with a briefing and information on their legal obligations under charity and company law, the content of the Church constitution, committee structure of the Board and its decision making process. In addition, new Trustees are given the opportunity to meet with staff, members of the Church and other Trustees as part of the orientation.

***Organisation***
The Board of Trustees meets at least six times per year as a full Board. During the year they address the following areas: governance, strategy and resources.

The staff team meets weekly for prayer, planning and implementing the vision of the Church. Once a month, the staff dedicate half a day in prayer and intercession for the Church.

***Risk management***
The Finance and Administration Committee is constantly reviewing procedures for evaluating the risks associated with the Church operating plan activities, and also reviews annually all insurances, office, fire and general safety, as well as the terms and conditions of employment of staff.

Risk management in the ministries undertaken by the Church is delegated to the Senior Pastor and his staff team. They have established procedures for child protection. All workers amongst children and youth are DBS checked before they commence their ministry. Most staff members are also trained in first aid and fire safety procedures.

**Objectives and activities**

The purpose of the Church is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Church has a wholly-owned subsidiary, EEC Trading Limited, whose principal activity is the provision of conference facilities and related catering services. The annual profits of the subsidiary are paid to the Church where finances permit.

***Mission Statement***
Emmanuel Evangelical Church is a cell-based church, committed to maturing believers who obey the Great Commandment (Matt 22:37-38) and fulfil the Great Commission (Matt 28:18-20).

In line with our Mission Statement, and our identity as a "cell-based church", we aim to develop a strong leadership base.

**Achievements and performance**

*Overall*

The year started off with covid signage being removed and normality gradually returns though things will not be the same again as people are used to using online over meetings and many started to work from home. Apart from providing online services for the vulnerable, Sunday zoom services also proved to be instrumental in helping seekers to check us out before coming in person to our church.

The Covid-19 fund set up in 2020 continued to be used to help our members or friends of our members who are suffering financial hardship.

The Church began the year with a watchnight service over zoom. We continued over 2022 with our vision of 'Enjoying God, Loving People' accompanied by our four values – a Lifestyle of Worship, Making Disciples, Authentic Relationships and Impacting Community.

At the end of 2022, the membership of the Church stood at 360 and 6 people were baptised during the year. There were 42 professions of faith in total which happened mainly in the streets of London.

23 Life Groups, dispersed throughout the city, continued to function online with innovative ways of encouragement, applying the Bible and meeting our social and emotional needs. They were also involved in reaching out to their pre-Christian friends (evangelism) and in nurturing and building up believers (discipleship). The Life Groups remain crucial building blocks for a healthy church.

EEC is a church which 'invests' in young lives. The Church employs 2 part time staff members dedicated to looking after the children's ministry (4 - 12 years) in both churches. The vacant position of the Head of Youth for Westminster was taken over by the Senior Pastor's wife who worked in an honorary basis. 17 youths were able to spend 4 days in Teenstreet organised by OM.

EEC has a passionate concern for the local community in Westminster. One staff member is assigned to run community activities, including Coffee Morning (for toddlers and their parents) and Homework Club (for children 8 – 12 years). We also run on Friday afternoons a programme to bring community youth together in Westminster.

While in Edgware, a table tennis group and a knitting group continued to bring the community together with opportunities to share the gospel.

We also care for the inner spiritual lives of the members and a staff member is dedicated to run a team of volunteers to pray and minister inner healing to members of the Church who identify their need for prayer into areas in their lives. We also offer wellbeing support to the community through prayer. We give training to members as to how to be remain emotionally and spiritually healthy. During the pandemic, prayer and ministry happened over zoom.

The Holy Spirit evening continues as a weekly online event. The Family and Singles Ministry continue to run regularly.

The boiler system broke down over two months during December 2021 and January 2022 and by the grace of God we managed to source alternative heating supplies to support the church services and the hire of the Westminster building. It does highlight the need for a new heating system to be installed at some point to meet the Government's plan for carbon reduction and also to replace an obsolescent heating system and infrastructure.

We managed to complete successfully the scheduled 2 phases out of a total of 3 phases to repair the roof of the Westminster building. Phase 3 is scheduled to be executed in 2023.

The Church held a twice-yearly online 24-hour prayer weekend over zoom.

Over Easter weekend, Apostle Antoinette Atkinson ministered over zoom while David Elms from ICEJ demonstrated the significance of the Passover.

**Achievements and performance, continued**

We had 4 sessions on Apologetics for the Emmanuel School of Ministry.

A bishop from Iraq also shared about the church in the Middle East.

A team visits the homeless in Westminster every fortnight and additionally, we also have members involved in the Street Pastors that ministered twice a month in the Westminster area. Over Christmas, the Westminster Community Gospel Choir had an evening of carol singing and there was a large turnout from the community and Londoners.

During summer, we took part with the Outbreak group to host a week of summer activities opened for the children of the local community. The parents were very grateful for this. In the Westminster area, we were able to host a tea party in a nearby Old Folks' Home as well as hosting a Queen's Jubilee tea party with over 40 from the community attending. In both churches, Healing on the Streets and outreach continued to be run fortnightly.

A hospitality team continued to serve in our Sunday services in both churches giving a warm welcome to first timers with a cup of beverage and biscuits.

We are thankful to God that we slowly climb out of the pandemic. The Church by and large continues to tithe and give faithfully. As a church, we are able to continue to give 10% of its income to missions and crisis relief.

We partnered amongst many Christian organisations such as Harvest Ministries in India, Hope Ghana, CMCT (India), International China Concern, Operation Mobilisation and churches that share the same vision in the areas of evangelism, and prayer for the Government and nation.

Emmanuel Centre was able to ramp up the hire of the Centre for conferences and meetings.

**Looking ahead: Plans for 2023**

The Church will continue to fulfil our church vision which is 'Enjoying God, Loving People' with the emphasis on Making Disciples.

Mentoring and raising leaders will continue within the Life Groups as well as understanding how to raise up disciple makers.

We will be revamping the Spiritual Parenting Training.

Life Groups will continue to be the main focal point for evangelism and spiritual nurture.

We plan to commission Richard Hindley as a bi-vocational pastor.

Youths will be encouraged to participate in the OM Teen Street held in Herefordshire over summer.

The 'Walk Through the Bible' ministry will also be invited to minister in our Sunday service.

We plan to send a team to visit CMCT, a charity in India, in the winter of 2023. Pastors Peter and Saw Lan with Su Jen are also scheduled to take part in a one week mission journey with the ship Logos Hope to experience mission life on board of the ship and OM Ministries in the Middle East.

The Church will continue to support members and the community in the light of high inflation and very possibly financial hardship.

The centre in Westminster will be used as a resource centre supporting Christian work and serving as a conference centre.

The final phase of roof repair for the Westminster church building is scheduled for execution in the summer months.

**Financial overview**

The Church reports a surplus for the financial year of £746,984 compared to a deficit of £24,464 reported in the previous financial year. The surplus of £746,984 includes a gain on revaluation of our Edgware church building of £546,779.

The principal sources of income and related expenditure in the year are shown in the Statement of Financial Activities and the notes included in the following accounts.

**Reserves policy**

The policy of the Trustees is to maintain sufficient liquid reserves to enable the future development and expansion of the ministries of the Church and to provide for on-going maintenance of the Church's freehold and leasehold properties through its annual budgeting process.

**Fundraising**

The Church does not solicit funds other than by appealing to members and attendees to honour the principles of giving set out in the Bible, and by charging third parties for use of our premises and facilities at normal commercial rates. The Church is subject to The Charities (Protection and Social Investment) Act 2016 in this respect. The Church does not utilise the services of recognised fundraisers. There have been no complaints received by the Church during the year in connection with fundraising. The ministerial and pastoral staff ensure, through supervision of offerings and review of records of monies received, that vulnerable people are protected.

**Risk and internal control**

The Trustees systematically review and assess the risks the Church faces, and the potential impact they may have on the organisation. Throughout 2022, Church giving has been affected by the economic uncertainty in the country. The Trustees have consistently identified the level of giving as one of the organisation's secondary risks, and this issue has been closely monitored and addressed by the Church Finance & Administration Committee.

The Trustees and Finance & Administration Committee co-own the risk register, which operates as a working document.

**Going Concern**

After considering the following areas, the Trustees believe the church has adequate financial resources to continue its operations for the foreseeable future:
- the 2022 financial performance
- our reserves policy
- budget and cash flow projections through to December 2023.

**Statement on public benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Church's charitable purpose as enshrined in its objects is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Trustees ensure that this purpose is carried out for the public benefit through planning and monitoring activities by reference to the Church vision and strategy.

The structure of the Annual Report allows the Trustees to report on the progress of implementing the strategy, explaining activities and achievements during the year and the Church's plans for 2023.

**Responsibilities of the Trustees regarding the financial statements**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Church and of its incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to:

* select suitable accounting policies and then apply them consistently;
* observe the methods and principles of the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities';
* make judgements and estimates that are reasonable and prudent;
* state whether applicable 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 Church will continue in existence.

The Trustees are responsible for keeping proper accounting records which are sufficient to show and explain the Church's transactions and to disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that any statements of account comply with the requirements of the Church Constitution, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008. The Trustees are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**Disclosure of information to auditors**

So far as the Trustees are aware, there is no relevant audit information of which the auditors are unaware. The Trustees have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

**Auditors**

A resolution to reappoint Geary Partnership as auditors of Emmanuel Evangelical Church will be put to members at the forthcoming Annual General Meeting.

**Approved by the Board of Trustees and signed on their behalf by:**



**Pastor Peter Y K Loo**
**Chairman of the Council**

**Date:** 21/10/2023

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH

## Opinion

We have audited the financial statements of Emmanuel Evangelical Church ('the parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet, the Consolidated Statement of Cash Flows, and notes to the financial statements, including 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 group's and parent charity's affairs as at 31 December 2022, and of the group's 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 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 group and parent charity 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 group and parent charity'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, to 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.

## Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH, continued

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the Trustees are responsible for the preparation of 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 group and parent 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 group or the parent charity 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 as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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. Procedures capable of detecting such irregularities performed during our audit included:

- tests to ensure all bank transactions have been accounted for;
- examination of offerings records, invoices and donor correspondence to ensure that income is fully recorded;
- verification of legitimacy of expenditure by reference to invoices, statements, and correspondence;
- examination of title records to ensure assets have not been misappropriated;
- tests of analysis to satisfy ourselves that ledger balances are reasonable and in line with expectations.

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 for the audit of the financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity'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 charity's 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Geary Partnership

**Geary Partnership**
**Statutory Auditor**
**Chartered Accountants**
**159a Chase Side**
**Enfield EN2 0PW**

Date: 24 October 2023

Geary Partnership is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Unrestricted funds £ | Restricted funds £ | Revaluation reserve £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|---|
| **INCOME AND EXPENDITURE** | | | | | |
| **Income from:** | | | | | |
| Donations and legacies (Note 2a) | 662,543 | 15,818 | - | 678,361 | 663,064 |
| Other operating activities (Note 2b) | 846,846 | - | - | 846,846 | 319,444 |
| Investments (Note 2c) | 109 | - | - | 109 | 61 |
| Grants (Note 2d) | - | - | - | - | 119,523 |
| **Total Income** | 1,509,498 | 15,818 | - | 1,525,316 | 1,102,092 |
| **Expenditure on:** | | | | | |
| Raising funds (Note 3a) | 451,474 | - | - | 451,474 | 274,471 |
| Charitable activities (Note 3b) | 738,324 | 97,664 | - | 835,988 | 852,085 |
| **Total Expenditure** | 1,189,798 | 97,664 | - | 1,287,462 | 1,126,556 |
| **Net Income/(Expenditure) before Taxation and Transfers** | 319,700 | (81,846) | - | 237,854 | (24,464) |
| Taxation (note 4) | (37,649) | - | - | (37,649) | - |
| Transfers between funds (notes 11 and 12) | 19,473 | 70,000 | (89,473) | - | - |
| **Net Income/(Expenditure) for the year** | **£301,524** | **£(11,846)** | **£(89,473)** | **£200,205** | **£(24,464)** |
| **Other recognised gains/(losses)** | | | | | |
| Gain on revaluation of fixed assets | - | - | 546,779 | 546,779 | - |
| **Net Movement in Funds** | **£301,524** | **£(11,846)** | **£457,306** | **£746,984** | **£(24,464)** |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total Funds brought forward at 1 January 2022 | 5,010,669 | 102,976 | 8,768,355 | 13,882,000 | 13,906,464 |
| **Total Funds carried forward at 31 December 2022** | **£5,312,193** | **£91,130** | **£9,225,661** | **£14,628,984** | **£13,882,000** |

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2022

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | Group | Church | Group | Church |
| | £ | £ | £ | £ |
| **Fixed assets** | | | | |
| Tangible fixed assets (note 6) | 14,680,004 | 14,677,665 | 14,232,797 | 14,225,633 |
| Investments (note 7) | - | 2 | - | 2 |
| | 14,680,004 | 14,677,667 | 14,232,797 | 14,225,635 |
| **Current assets** | | | | |
| Debtors (note 8) | 121,903 | 162,209 | 91,527 | 203,412 |
| Cash at bank and in hand | 795,007 | 452,118 | 545,758 | 360,683 |
| | 916,910 | 614,327 | 637,285 | 564,095 |
| **Creditors: amounts falling due within one year** (note 9) | | | | |
| Creditors and accrued expenditure | (175,059) | (68,595) | (159,685) | (96,586) |
| **Net current assets** | 741,851 | 545,732 | 477,600 | 467,509 |
| **Total assets less current liabilities** | 15,421,855 | 15,223,399 | 14,710,397 | 14,693,144 |
| **Creditors: amounts falling due after more than one year** (note 10) | (792,427) | (764,623) | (828,397) | (790,897) |
| **Provisions for liabilities** | | | | |
| Deferred tax | (444) | - | - | - |
| **Net assets** | **£14,628,984** | **£14,458,776** | **£13,882,000** | **£13,902,247** |
| **Funds** | | | | |
| Unrestricted funds: | | | | |
| General fund | 5,312,193 | 5,141,985 | 5,010,669 | 5,030,916 |
| Revaluation reserve (note 11) | 9,225,661 | 9,225,661 | 8,768,355 | 8,768,355 |
| | 14,537,854 | 14,367,646 | 13,779,024 | 13,799,271 |
| Restricted funds (note 12) | 91,130 | 91,130 | 102,976 | 102,976 |
| | **£14,628,984** | **£14,458,776** | **£13,882,000** | **£13,902,247** |

Approved by the Board of Trustees on 21/10/2023 and signed on their behalf by:

**Pastor Peter Y K Loo**
**Trustee**

**Mr Andy Tham**
**Trustee**

## EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 £ | 2021 £ |
|---|---|---|---|
| **Net cash provided by operating activities** | 14 | 401,111 | 267,494 |
| **Cash flows from investing activities:** | | | |
| (Purchase) of fixtures, fittings and equipment | | (86,129) | (4,260) |
| Cash (used in) investing activities | | (86,129) | (4,260) |
| **Cash flows from financing activities** | | | |
| (Repayment) of bank borrowings and HP finance | | (65,733) | (51,421) |
| Cash (used in) financing activities | | (65,733) | (51,421) |
| **Increase in cash and cash equivalents in the year** | | **249,249** | **211,813** |
| Cash and cash equivalents at the beginning of the year | | 545,758 | 333,945 |
| **Total cash and cash equivalents at the end of the year** | | **£795,007** | **£545,758** |

# EMMANUEL EVANGELICAL CHURCH

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. Accounting Policies

#### a). Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and long leasehold property, and in accordance with the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" preparing their accounts in accordance with Financial Reporting Standard 102 and the Charities Act 2011.

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The group accounts consolidate those of Emmanuel Evangelical Church and its subsidiary undertaking EEC Trading Limited (see note 7). A separate Statement of Financial Activities for the Church has not been presented.

#### b). Income recognition

Tithes and offerings are accounted for when received by the Church. Other income is accounted for on an accruals basis as far as it is prudent to do so.

#### c). Grants

Grants are recognised as income in the financial statements in the period in which they become receivable when there is reasonable assurance that the grants will be received and the Church will comply with any conditions attaching to them.

#### d). Recognition of liabilities

Accrued expenditure has been taken up in the accounts at the financial year end.

#### e). Fixed assets, depreciation, and amortisation

Depreciation is provided at the following annual rates, calculated to reduce the book value of the assets concerned to estimated residual value over their useful working lives:

Freehold property and improvements – 1% on valuation
Long leasehold property – 1% on valuation
Fixtures, fittings and equipment:
- Fixtures, fittings and PA equipment - 15% on cost
- Kitchen and catering appliances – 25% on cost
- Office and computer equipment – between 15% and 33% on cost

#### f). Funds

Unrestricted funds are funds that have not been restricted as to their use by donors. The principal unrestricted fund is the general fund which holds those reserves of the Church which have not been designated for a particular use by the Trustees.

Designated funds are unrestricted funds that have been designated for a particular use by the Trustees.

The revaluation reserve is also part of unrestricted funds. It represents the uplift in value when the Church's freehold property was restated in the balance sheet following a professional valuation.

Restricted funds are funds that have been restricted as to their use by donors.

## 1. Accounting Policies, continued

### g). Pension contributions

The church makes regular contributions towards the personal pension plans of its employees in compliance with the workplace pension regulations. Contributions are charged to staff costs as incurred.

### h). Taxation

As a registered charity, the Church is generally exempt from income tax and capital gains tax, but not from value added tax. Irrecoverable value added tax is included in the cost of those items to which it relates.

## 2. Income

| | | Unrestricted funds | Restricted funds | Total funds 2022 | Total funds 2021 |
|---|---|---|---|---|---|
| **a.** | **Donations and legacies** | **£** | **£** | **£** | **£** |
| | Tithes and offerings | 576,363 | 14,213 | 590,576 | 572,914 |
| | Tax recoveries | 86,180 | 1,605 | 87,785 | 90,150 |
| | | **£662,543** | **£15,818** | **£678,361** | **£663,064** |
| **b.** | **Other operating activities** | | | | |
| | Rent and facility charges receivable | 837,719 | - | 837,719 | 317,831 |
| | Other income | 9,127 | - | 9,127 | 1,613 |
| | | **£846,846** | **-** | **£846,846** | **£319,444** |
| **c.** | **Investments** | | | | |
| | Interest receivable | **£109** | **-** | **£109** | **£61** |
| **d.** | **Grants** | | | | |
| | Job Retention Scheme grants | **-** | **-** | **-** | **£119,523** |

## 3. Expenditure

| | Unrestricted funds £ | Restricted funds £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|
| **a. Raising funds** | | | | |
| Staff costs | 285,510 | - | 285,510 | 86,404 |
| Rent and events costs | 152,095 | - | 152,095 | 174,413 |
| Depreciation/amortisation | 13,869 | - | 13,869 | 13,654 |
| | **£451,474** | **-** | **£451,474** | **£274,471** |
| **b. Charitable activities** | | | | |
| Pastoral staff costs | 372,360 | - | 372,360 | 388,125 |
| Other staff costs | 41,373 | - | 41,373 | 43,125 |
| Mission and relief | - | 92,014 | 92,014 | 92,463 |
| Office overheads | 18,727 | - | 18,727 | 5,643 |
| Upkeep of premises | 21,024 | - | 21,024 | 24,132 |
| Depreciation/amortisation | 171,832 | - | 171,832 | 211,545 |
| Gifts and honoraria | 11,380 | 5,650 | 17,030 | 9,340 |
| Interest payable on mortgage loan | 26,154 | - | 26,154 | 19,286 |
| Other expenditure | 71,474 | - | 71,474 | 54,426 |
| | 734,324 | 97,664 | 831,988 | 848,085 |
| **Governance costs** | | | | |
| Auditors' remuneration | 4,000 | - | 4,000 | 4,000 |
| | **£738,324** | **£97,664** | **£835,988** | **£852,085** |

**c. Support costs (included above)**

| | Raising funds £ | Charitable activities £ | Total 2022 £ | Total 2021 £ |
|---|---|---|---|---|
| Staff costs | - | 413,733 | 413,733 | 431,250 |
| Office overheads | - | 18,727 | 18,727 | 5,643 |
| Upkeep of premises | - | 21,024 | 21,024 | 24,132 |
| Depreciation/amortisation | 13,869 | 171,832 | 185,701 | 225,199 |
| Interest payable on mortgage loan | - | 26,154 | 26,154 | 19,286 |
| Governance costs | - | 4,000 | 4,000 | 4,000 |
| Other expenditure | - | 71,474 | 71,474 | 54,426 |
| | **£13,869** | **£726,944** | **£740,813** | **£763,936** |

## 3. Expenditure, continued

### d. Employees

| | 2022 | 2021 |
|---|---|---|
| The average number of employees during the year was: | | |
| Management and administration of the Charity | 29 | 28 |
| Number of staff for whom retirement benefits are accruing under money purchase pension schemes | 22 | 18 |
| **Staff Costs:** | **£** | **£** |
| Staff and helpers | 586,649 | 426,126 |
| Employer's NI contributions | 51,924 | 33,317 |
| Pension contributions | 60,670 | 58,212 |
| | **£699,243** | **£517,655** |

No employees earned £60,000 p.a. or more.

## 4. Taxation

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Corporation tax charge on the profit for the year of the Church's trading subsidiary @ 19% (see note 7) | **£37,649** | - |

The above charge to taxation will reverse following a charitable payment of profits of £195,817 from the trading subsidiary to the Church on 14 September 2023.

## 5. Church results

The Church has taken advantage of the exemption from including its own income and expenditure account in these financial statements. The results of Emmanuel Evangelical Church are summarised below:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Total income | 857,597 | 767,157 |
| Total expenditure | (847,847) | (879,469) |
| Net income/(expenditure) | 9,750 | (112,312) |
| Gain on revaluation of fixed assets | 546,779 | - |
| Net incoming/(outgoing) resources for the year | **£556,529** | **£(112,312)** |

## 6. Tangible Fixed Assets

| Group | Freehold property and improvements £ | Long leasehold property £ | Fixtures fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| Balance at 01.01.2022 | 12,784,715 | 1,600,000 | 1,429,527 | 15,814,242 |
| Additions | 64,726 | - | 21,403 | 86,129 |
| Uplift on revaluation (see below) | 490,284 | - | - | 490,284 |
| **Balance at 31.12.2022** | **£13,339,725** | **£1,600,000** | **£1,450,930** | **£16,390,655** |
| **Depreciation/amortisation** | | | | |
| Balance at 01.01.2022 | 255,694 | 32,000 | 1,293,751 | 1,581,445 |
| Charge for the year | 100,247 | 16,000 | 69,454 | 185,701 |
| Released on revaluation (see below) | (56,495) | - | - | (56,495) |
| **Balance at 31.12.2022** | **£299,446** | **£48,000** | **£1,363,205** | **£1,710,651** |
| **Net Book Value at 31.12.2022** | **£13,040,279** | **£1,552,000** | **£87,725** | **£14,680,004** |
| **Net Book Value at 31.12.2021** | **£12,529,021** | **£1,568,000** | **£135,776** | **£14,232,797** |

| Church | Freehold property and improvements £ | Long leasehold property £ | Fixtures fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| Balance at 01.01.2022 | 12,784,715 | 1,600,000 | 1,404,253 | 15,788,968 |
| Additions | 64,726 | - | 21,403 | 86,129 |
| Uplift on revaluation (see below) | 490,284 | - | - | 490,284 |
| **Balance at 31.12.2022** | **£13,339,725** | **£1,600,000** | **£1,425,656** | **£16,365,381** |
| **Depreciation/amortisation** | | | | |
| Balance at 01.01.2022 | 255,694 | 32,000 | 1,275,641 | 1,563,335 |
| Charge for the year | 100,247 | 16,000 | 64,629 | 180,876 |
| Released on revaluation (see below) | (56,495) | - | - | (56,495) |
| **Balance at 31.12.2022** | **£299,446** | **£48,000** | **£1,340,270** | **£1,687,716** |
| **Net Book Value at 31.12.2022** | **£13,040,279** | **£1,552,000** | **£85,386** | **£14,677,665** |
| **Net Book Value at 31.12.2021** | **£12,529,021** | **£1,568,000** | **£128,612** | **£14,225,633** |

All of the above fixed assets are for the use of the Church.

## 6. Tangible Fixed Assets, continued

The Church's freehold property at 4 Manor Park Crescent, Edgware, was valued at £3,315,000 by external valuer Sneller Commercial, Chartered Surveyors, as at 31 December 2022, on an existing use basis. The property has been restated at this value in the balance sheet with the resulting uplift of £546,779 being credited to the revaluation reserve.

The Church's freehold property at 9-23 Marsham Street, Westminster, and its long leasehold property at 25 Marsham Street, Westminster, were valued at £9,960,000 and £1,600,000 respectively by external valuer Matthews & Goodman LLP, Commercial Property Consultants, as at 24 July 2018, on an existing use basis. The properties were restated at these values in the accounts for the year ended 31 December 2018. The book value of the Marsham Street properties at 31 December 2022 is deemed by the Trustees to be a close approximation to their fair value at that date.

At the balance sheet date, the cost of the Church's properties determined according to the historical cost convention was £5,502,141 (2021 - £5,437,415) and the accumulated depreciation was £79,028 (2021 - £108,749).

The Church's freehold property and improvements have been pledged as security for the mortgage loan referred to in notes 9 and 10 below.

## 7. Fixed asset investments

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Unlisted investment, at cost: | | |
| At 01.01.2022 and 31.12.2022 | 2 | 2 |

The above investment represents the Church's acquisition of the whole of the issued share capital of its subsidiary company, EEC Trading Limited, company number 9868603, at par value. The subsidiary company was incorporated in England and Wales on 12 November 2015 and commenced trading operations on 1 January 2016. The results of EEC Trading Limited are summarised below:

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Total income | 837,719 | 359,935 |
| Total (expenditure) | (609,615) | (272,087) |
| Profit for the year before taxation | 228,104 | 87,848 |
| Tax (charge) on the profit for the year | (37,649) | - |
| Total assets at 31 December | 359,029 | 205,645 |
| Total (liabilities) at 31 December | (188,819) | (225,890) |
| Share capital and reserves at 31 December | 170,210 | (20,245) |

## 8. Debtors

| | 2022<br>Group<br>£ | 2022<br>Church<br>£ | 2021<br>Group<br>£ | 2021<br>Church<br>£ |
|---|---|---|---|---|
| Trade debtors | 12,911 | - | 12,234 | - |
| Other debtors, prepayments and accrued income | 108,992 | 108,102 | 79,293 | 78,121 |
| Amounts due from subsidiary undertaking (note 7) | - | 54,107 | - | 125,291 |
| | **£121,903** | **£162,209** | **£91,527** | **£203,412** |

**9. Creditors: amounts falling due within one year**

| | 2022 Group £ | 2022 Church £ | 2021 Group £ | 2021 Church £ |
|---|---|---|---|---|
| Trade creditors | 22,145 | 14,615 | 16,899 | 12,090 |
| Accruals and other creditors | 40,623 | 11,280 | 34,742 | 11,000 |
| Taxation and social security | 59,895 | - | 25,885 | 1,337 |
| Mortgage loan (secured) (current portion) (note 10) | 28,692 | 28,692 | 51,909 | 51,909 |
| Other loans | 21,696 | 12,000 | 23,000 | 13,000 |
| Obligations under hire purchase (current portion) | 2,008 | 2,008 | 7,250 | 7,250 |
| | **£175,059** | **£68,595** | **£159,685** | **£96,586** |

**10. Creditors: amounts falling due after more than one year**

| | 2022 Group £ | 2022 Church £ | 2021 Group £ | 2021 Church £ |
|---|---|---|---|---|
| Obligations under hire purchase (long-term portion) | - | - | 798 | 798 |
| Mortgage loan (secured): | | | | |
| Payable within 1-2 years | 28,692 | 28,692 | 52,080 | 52,080 |
| Payable within 2-5 years | 86,076 | 86,076 | 159,120 | 159,120 |
| Payable after more than 5 years | 649,855 | 649,855 | 578,899 | 578,899 |
| | 764,623 | 764,623 | 790,897 | 790,897 |
| Other loans | 27,804 | - | 37,500 | - |
| | **£792,427** | **£764,623** | **£828,397** | **£790,897** |

The above mortgage loan was granted on 24 February 2015 and is repayable over 20 years at variable interest rates.

**11. Revaluation reserve**

***Year ended 31 December 2022:***

| **Group and Church** | £ | £ |
|---|---|---|
| Balance brought forward | | 8,768,355 |
| Uplift on revaluation of 4 Manor Park Crescent, Edgware at 31 December 2022 | | 546,779 |
| Less: Depreciation of uplift on revaluation of freehold property and improvements | 81,483 | |
| Amortisation of uplift on revaluation of long leasehold property | 7,990 | |
| | | (89,473) |
| Balance carried forward | | **£9,225,661** |

## 11. Revaluation reserve, continued

*Year ended 31 December 2021:*

| Group and Church | £ | £ |
|---|---|---|
| Balance brought forward | | 8,857,828 |
| Less: Depreciation of uplift on revaluation of freehold property and improvements | 81,483 | |
| Amortisation of uplift on revaluation of long leasehold property | 7,990 | |
| | | (89,473) |
| Balance carried forward | | **£8,768,355** |

## 12. Restricted funds

*Year ended 31 December 2022:*

| Group and Church | Covid-19 Relief Fund £ | Love Westminster Fund £ | Ukraine Crisis Fund £ | Mission and Relief Fund £ | Capital Expenditure Fund £ | Total restricted funds £ |
|---|---|---|---|---|---|---|
| Balance brought forward | 59,760 | 1,465 | - | 41,751 | - | 102,976 |
| Incoming resources for the year | 6,300 | 859 | 5,630 | 1,404 | 1,625 | 15,818 |
| Outgoing resources for the year | (5,650) | - | (4,145) | (87,869) | - | (97,664) |
| Transfers (to)/from General Fund | - | - | - | 70,000 | - | 70,000 |
| **Balance carried forward** | **£60,410** | **£2,324** | **£1,485** | **£25,286** | **£1,625** | **£91,130** |

*Year ended 31 December 2021:*

| Group and Church | Covid-19 Relief Fund £ | Love Westminster Fund £ | Roof Fund £ | Mission and Relief Fund £ | Total restricted funds £ |
|---|---|---|---|---|---|
| Balance brought forward | 29,964 | - | - | 69,214 | 99,178 |
| Incoming resources for the year | 29,796 | - | 1,000 | - | 30,796 |
| Outgoing resources for the year | - | - | (6,646) | (92,463) | (99,109) |
| Transfers (to)/from General Fund | - | 1,465 | 5,646 | 65,000 | 72,111 |
| **Balance carried forward** | **£59,760** | **£1,465** | **-** | **£41,751** | **£102,976** |

The Mission and Relief Fund exists to provide funds for missionary activities and disaster and poverty relief.

The Covid-19 Relief Fund has been set up to provide relief for people in hardship as a result of the Covid-19 pandemic. The Fund is used primarily for Emmanuel Church members, Centre staff and regular attendees. The Fund is also used to help friends and neighbours that the congregants are in contact with.

The Ukraine Crisis Fund has been set up to support war relief work in Ukraine.

**12. Restricted funds, continued**

The Love Westminster Fund has been set up to provide funding for the Church's community projects.

The Capital Expenditure Fund has been set up to provide funding for future capital expenditure of the Church.

The Roof Fund was set up for the purpose of major roof repairs and maintenance works to be done at Emmanuel Centre Westminster over a period of three to five years.

**13. Analysis of net assets between funds**

| | General fund £ | Restricted funds £ | Revaluation reserve £ |
|---|---|---|---|
| Tangible fixed assets | 5,454,343 | - | 9,225,661 |
| Cash at bank and in hand | 703,877 | 91,130 | - |
| Other net current assets/(liabilities) | (53,156) | - | - |
| Creditors of more than one year | (792,871) | - | - |
| **Total** | **£5,312,193** | **£91,130** | **£9,225,661** |

**14. Reconciliation of net movement in funds to net cash from operating activities**

| | 2022 £ | 2021 £ |
|---|---|---|
| Net movement in funds | 746,984 | (24,464) |
| Add back: Depreciation and amortisation charge | 185,701 | 225,199 |
| Less: Gain on revaluation of fixed assets | (546,779) | - |
| Decrease in stock | - | 1,500 |
| (Increase)/decrease in debtors | (30,376) | 46,101 |
| Increase in creditors excluding bank borrowings and hire purchase | 45,581 | 19,158 |
| **Net cash provided by operating activities** | **£401,111** | **£267,494** |

**15. Transactions involving trustees and connected persons**

Mr Peter Y K Loo, a trustee, received remuneration including pension in the sum of £57,363 in the year to 31 December 2022 (2021 – £54,970) in his capacity as senior pastor.

Mrs Ryou Hyun-Jung, and Mr John W Hindley, wife and son respectively of trustee Mr Richard Hindley, received remuneration of £281 and £3,548 respectively in the year to 31 December 2022 (2021 - £nil and £nil respectively) as employees of the subsidiary company EEC Trading Limited.

**EMMANUEL EVANGELICAL CHURCH**

England & Wales - Charity number 1154866

# Accounts

# EMMANUEL EVANGELICAL CHURCH
## (Charitable Incorporated Organisation)

# CONSOLIDATED FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31 DECEMBER 2021

**Registered Charity No:**

**1154866**

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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# EMMANUEL EVANGELICAL CHURCH

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2021

| | |
|---|---|
| **Charity number:** | 1154866 |
| **Registered address and principal office:** | 9 – 23 Marsham Street<br>London<br>SW1P 3DW |
| **Chairman:** | Senior Pastor Peter Yee Kong Loo |
| **Treasurer:** | Mr Andy Tham |
| **Other council Members:** | Mr Robert Prosper<br>Ms Francesca Hammond<br>Mr Benjamin Cheong<br>Mr Patrick Pope<br>Mr Richard Hindley |
| **Auditors:** | Geary Partnership<br>Chartered Accountants<br>159a Chase Side<br>Enfield<br>Middlesex<br>EN2 0PW |
| **Bankers:** | Barclays Bank PLC<br>P.O.Box 15163H<br>50 Pall Mall<br>London<br>SW1Y 5AX |

# EMMANUEL EVANGELICAL CHURCH

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and the audited financial statements of the Church for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies on page 14 and comply with the Church's Constitution, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Reference and administrative information set out on page 1 forms part of this report.

**Board of Trustees**

Throughout this report the members of the Board of Trustees are collectively referred to as the Trustees. The Trustees are responsible as a body for governance, policy implementation, monitoring of general conduct, overall performance, and for reporting to the membership at general meetings. The Trustees delegate operational management of the Church to the Senior Pastor.

The Trustees who served during the year, who are also Church Council members, were as follows:

| | |
|---|---|
| Chairman: | Senior Pastor Peter Yee Kong Loo |
| Treasurer: | Mr Andy Tham (re-appointed 14 Nov 2021) |
| Other Council Members: | Mr Robert Prosper (re-appointed 14 Nov 2021)<br>Ms Francesca Hammond (re-appointed 14 Nov 2021)<br>Mr Benjamin Cheong<br>Mr Patrick Pope<br>Mr Richard Hindley |
| Retired Council Member: | Mrs Naomi Phoo Phar (retired 14 Nov 2021) |

**Structure, governance and management**

***Governing document***
The Church is a registered charity and is governed by its Constitution adopted on 24 May 1990 and revised on 23 March 1997, 21 August 2002, 4 July 2011 and 14 July 2013. Its former registered number was 803024. The Church now operates as a Charitable Incorporated Organisation. Its registered number is now 1154866.

***Structure***
The Church Council constitutes the governing body of the Church. Its voting members are the legal Trustees of the Church, who are appointed by the Council and endorsed by members of the congregation either at the Church Annual General Meeting or at an Extraordinary General Meeting. Their appointments and endorsements are prescribed in the Church Constitution.

***Governance***
The Council Members are responsible for overall policies and ensure the Charity operates within its objectives. They delegate to the Senior Pastor and his staff teams the vision of the Church and the daily operations. A Finance and Administration Committee (F & A) assist the Treasurer in managing the finances of the church. EEC Trading Limited was incorporated on 12 Nov 2015 with the purpose of running the business of Emmanuel Centres of Westminster and Edgware. EEC Trading Limited has directors who are Council Members of Emmanuel Evangelical Church (EEC). Further responsibilities for the operation of the Emmanuel Centres at Westminster and Edgware were transferred from EEC CIO to EEC Trading Ltd during 2017. An Honorary Chief Operating Officer (COO), who is a Church member, was appointed in July 2017 to oversee EEC Trading Limited. The COO is accountable to the directors of EEC Trading Limited.

The F & A Committee is responsible for managing the finances of the Church and is directly accountable to the Church Council. It sets and reviews staff salaries in consultation with the Treasurer and the Senior Pastor except that of the Senior Pastor whose salary is set by the Council. Through the Treasurer who also serves as its Chairman, it submits the annual accounts and budgets for the approval of the Church Council and presentation to the members at a general meeting.

**Structure, governance and management, continued**

***Appointment of Trustees***
A potential Trustee normally goes through a period of training as a non-voting observer in the Council. The Council then decides his or her suitability to serve in the Council, and his or her appointment to the Council is then endorsed at a General Meeting of the Church.

***Trustee induction and training***
New Trustees take part in an induction process, which provides them with a briefing and information on their legal obligations under charity and company law, the content of the Church constitution, committee structure of the Board and its decision making process. In addition, new Trustees are given the opportunity to meet with staff, members of the Church and other trustees as part of the orientation.

***Organisation***
The Board of Trustees meets at least six times per year as a full Board. During the year they address the following areas: governance, strategy and resources.

The staff team meets weekly for prayer, planning and implementing the vision of the Church. Once a month, the staff dedicates half a day in prayer and intercession for the Church.

***Risk management***
The Finance and Administration Committee is constantly reviewing procedures for evaluating the risks associated with the Church operating plan activities, and also reviews annually all insurances, office, fire and general safety, as well as the terms and conditions of employment of staff.

Risk management in the ministries undertaken by the Church is delegated to the Senior Pastor and his staff team. They have established procedures for child protection. All workers amongst children and youth are DBS checked before they commence their ministry. Most staff members are also trained in first aid and fire safety procedures.

**Objectives and activities**

The purpose of the Church is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Church has a wholly-owned subsidiary, EEC Trading Limited, whose principal activity is the provision of conference facilities and related catering services. The annual profits of the subsidiary are paid to the Church where finances permit.

***Mission Statement***
Emmanuel Evangelical Church is a cell-based church, committed to maturing believers who obey the Great Commandment (Matt 22:37-38) and fulfil the Great Commission (Matt 28:18-20).

In line with our Mission Statement, and our identity as an "apostolic cell-based church", we aim to develop a strong leadership base.

## Achievements and performance

*Overall*

The pandemic continued to come back with a vengeance in the first quarter of 2021 on the nation and we were once again affected by lockdown and restrictions on Sunday worship gatherings until mid May. We introduced track and trace as per Covid guidance and the benefit of a large auditorium lends itself to effective social distancing. Thankfully, the first dose of Covid vaccines began rolling out in earnest during the first quarter. We continued to have zoom services during this challenging period. Apart from providing online services for the vulnerable, the zoom services also proved to be instrumental in helping seekers to check us out before coming in person to our church. From mid March, we were able to have small fixed sized groups meeting in the Victoria Park Gardens and we were able to do a couple of prayer walks round Parliament. Life Groups and other ministries continued where possible using online. The members with different skillsets contributed to a viable church despite the disruptive constraints of lockdown. Special care was given to members who were suffering from social isolation, mainly through the Life Groups. We also reached out to the local community where possible to make help available. Once lockdown eased, we were able to run some much welcomed community work among children during the summer holidays.

The Covid 19 Relief Fund set up in 2020 continued to be used to help our members or friends of our members who were suffering financial hardship.

The Church began the year with the Senior Pastor setting out the Vision and Values of the Church. We continued on for 2021 our vision of 'Enjoying God, Loving People' accompanied by our four values – a Lifestyle of Worship, Making Disciples, Authentic Relationships and Impacting Community.

At the end of 2021, the membership of the Church stood at 359 and 10 people were baptised during the year. There were 39 professions of faith in total which happened mainly in the streets of London.

26 Life Groups, dispersed throughout the city, continued to function online with innovative ways of encouragement, applying the bible and meeting our social and emotional needs. They were also involved in reaching out to their pre-Christian friends (evangelism) and in nurturing and building up believers (discipleship). The Life Groups remain the building blocks for a healthy church.

EEC is a church which 'invests' in young lives. The Church employs a staff member who is dedicated to children's ministry (4 - 12 years). A staff member is also assigned to youth ministry (12 – 19 years) although he will be leaving by the end of the year. His position will be taken over by a volunteer until a suitable replacement is found. The Children and Youth Ministries continued to function over zoom.

EEC has a passionate concern for the local community in Westminster. One staff member is assigned to run community activities, including a morning Playgroup (for toddlers and their parents) and Homework Club (for children 8 – 12 years) which functioned up until the pandemic. However during part of the year, our community worker was furloughed as were some of our staff members.

We also care for the inner spiritual lives of the members and a staff member is dedicated to run a team of volunteers to pray and minister inner healing to members of the church who identify their need for prayer into areas in their lives. We also offer wellbeing support to the community through prayer. We give training to members as to how to be remain emotionally and spiritually healthy. During the pandemic, prayer and ministry happened over zoom.

The Worship Ministry helped tremendously during the lockdown to do pre-recorded worship including innovative ways to have virtual choir recording.

The Holy Spirit evening continues as a weekly online event. The Family and Singles Ministry continues to run regularly within Covid guidelines.

A workplace ministry group was in place to help Christians to integrate their faith and work. The course of "Authentic Lives" continued to be run in 2021.

**Achievements and performance, continued**

The Church held a twice-yearly online 24-hour prayer weekend, and the weekly Church at Prayer meeting was held online.

Over Easter weekend, Apostle Dowdy ministered from Singapore over Zoom.

We continued to keep in touch with the homeless ministry when strict lockdown restrictions were lifted. Some of our members participated with the Food Distribution in St James the Less. Over Christmas, the local community was invited to come for the Carol service where bags of goodies called 'Bags of hope' were given out. Also, the Westminster Community Gospel Choir had an evening of carol singing followed by a gospel message.

During summer, we took part with the Outbreak group to host a week of summer activities opened for the children of the local community. The parents were very grateful for this. In the Westminster area, there was a week of evangelism in August in the streets as well as ministering in a nearby Old Folks' Home. In Edgware, Healing on the Streets continued to be run once a fortnight.

A working committee for Edgware has also been formed in July 2021 to help in the operational aspect of the church. This strategy helps to garner greater ownership and leadership training.

As covid restrictions gradually lifted, more people were able to meet together after church. We cleaned up the church garden and planned that as a meeting place for BBQ and Life Group gatherings. A hospitality team was also formed to encourage people to come to our Sunday service early by providing beverages and light refreshments. Once Covid restrictions were lifted, we resumed Sunday lunches albeit monthly.

The Young Adults successfully conducted an Alpha course as there were new intakes. One member of our church joined the ship Logos with Operation Mobilisation for a 3 month mission trip which later turned out to become 6 months.

Despite the loss in income from the centre, the church by and large continues to tithe and give faithfully. As a church, we were able to continue to give 10% of its income to missions and crisis relief.

We partnered amongst many Christian organisations such as Harvest Ministries in India, Hope Ghana, CMCT (India), International China Concern, Operation Mobilisation and churches that share the same vision in the areas of evangelism, and prayer for the Government and nation.

Emmanuel Centre was unable to operate for the first half of the year. After restrictions were lifted, it slowly picked up as businesses were cautious about sudden lockdowns and uncertain uptake. We thank God for sustaining the centre while operating under a tight financial constraint.

**Looking ahead: Plans for 2022**

As Covid infections become less life threatening, the church should become more fully functional. More Life Groups will gradually come to an equilibrium of a mixture of in person and online meetings. The church will continue to adapt and support members and the community in the light of high inflation and very possibly financial hardship.

The church will continue to fulfil our church vision 'Enjoying God, Loving People'. Our emphasis will continue to be on character development and discipling, outreaching, challenging members to walk in step with the Holy Spirit.

Mentoring and raising leaders will continue within the Life Groups as well as understanding how to raise up disciple makers. We will build up the church through our Emmanuel School of Ministry and 'hands-on' discipling through Life Groups.

We are planning to send youths to participate in the week long OM Teen Street held in Herefordshire. A core team of youth leaders will be built up to help run the Youth Ministry until a suitable replacement for the Youth Ministry is found.

The 'Walk Through the Bible' ministry will also be invited to minister in our Sunday service.

**Looking ahead: Plans for 2022, continued**

We will also be celebrating the Queen's Platinum Jubilee with the local community.

EE as a church will identify its distinctiveness to impact the local community.

The centre in Westminster will be used as a resource centre supporting Christian work and as a conference centre as life gets back to 'normal'.

**Financial overview**

The Church reports a deficit for the financial year of £24,464 compared to a deficit of £286,401 reported in the previous financial year.

The principal sources of income and related expenditure in the year are shown in the Statement of Financial Activities and the notes included in the following accounts.

The policy of the Trustees is to maintain sufficient liquid reserves to enable the future development and expansion of the ministries of the Church and to provide for on-going maintenance of the Church's freehold and leasehold properties through its annual budgeting process.

**Risk and internal control**

The Trustees systematically review and assess the risks the Church faces, and the potential impact they may have on the organisation. Throughout 2021, church giving has been affected by the economic uncertainty in the country. The Trustees have consistently identified the level of giving as one of the organisation's secondary risks, and this issue has been closely monitored and addressed by the church Finance & Administration Committee.

The Trustees and Finance & Administration Committee co-own the risk register, which operates as a working document.

**Going Concern**

After considering the following areas, the Trustees believe the church has adequate financial resources to continue its operations for the foreseeable future:
- the improving financial performance
- our reserves policy
- budget and cash flow projections through to December 2022.

**Statement on public benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Church's charitable purpose as enshrined in its objects is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Trustees ensure that this purpose is carried out for the public benefit through planning and monitoring activities by reference to the Church vision and strategy.

The structure of the Annual Report allows the Trustees to report on the progress of implementing the strategy, explaining activities and achievements during the year and the Church's plans for 2022.

**Responsibilities of the Trustees regarding the financial statements**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Church and of its incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to:

* select suitable accounting policies and then apply them consistently;
* observe the methods and principles of the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities';
* make judgements and estimates that are reasonable and prudent;
* state whether applicable 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 Church will continue in existence.

The Trustees are responsible for keeping proper accounting records which are sufficient to show and explain the Church's transactions and to disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that any statements of account comply with the requirements of the Church Constitution, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008. The Trustees are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**Disclosure of information to auditors**

So far as the Trustees are aware, there is no relevant audit information of which the auditors are unaware. The Trustees have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

**Auditors**

A resolution to reappoint Geary Partnership as auditors of Emmanuel Evangelical Church will be put to members at the forthcoming Annual General Meeting.

**Approved by the Board of Trustees and signed on their behalf by:**



**Pastor Peter Y K Loo**
**Chairman of the Council**

**Date:** 12/10/2022

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH

## Opinion

We have audited the financial statements of Emmanuel Evangelical Church ('the parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet, the Consolidated Statement of Cash Flows, and notes to the financial statements, including 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 group's and parent charity's affairs as at 31 December 2021, and of the group's 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 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 group and parent charity 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 group and parent charity'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, to 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 there this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH, continued

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the Trustees are responsible for the preparation of 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 group and parent 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 group or the parent charity 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 as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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. 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 for the audit of the financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity'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 charity's 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Geary Partnership

**Geary Partnership**
**Statutory Auditor**

**Chartered Accountants**
**159a Chase Side**
**Enfield**
**EN2 0PW**

Date: 14 October 2022

Geary Partnership is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

| | Unrestricted funds £ | Restricted funds £ | Revaluation reserve £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|---|
| **INCOME AND EXPENDITURE** | | | | | |
| **Income from:** | | | | | |
| Donations and legacies (Note 2a) | 632,268 | 30,796 | - | 663,064 | 700,093 |
| Other operating activities (Note 2b) | 319,444 | - | - | 319,444 | 287,653 |
| Investments (Note 2c) | 61 | - | - | 61 | 487 |
| Grants (Note 2d) | 119,523 | - | - | 119,523 | 241,227 |
| **Total Income** | 1,071,296 | 30,796 | - | 1,102,092 | 1,229,460 |
| **Expenditure on:** | | | | | |
| Raising funds (Note 3a) | 274,471 | - | - | 274,471 | 660,075 |
| Charitable activities (Note 3b) | 752,976 | 99,109 | - | 852,085 | 876,556 |
| **Total Expenditure** | 1,027,447 | 99,109 | - | 1,126,556 | 1,536,631 |
| **Net Income/(Expenditure) before Taxation and Transfers** | 43,849 | (68,313) | - | (24,464) | (307,171) |
| Taxation (note 4) | - | - | - | - | 20,770 |
| Transfers between funds (note 12) | 17,362 | 72,111 | (89,473) | - | - |
| **Net Income/(Expenditure) for the year** | **61,211** | **3,798** | **(89,473)** | **(24,464)** | **(286,401)** |
| **Net Movement in Funds** | 61,211 | 3,798 | (89,473) | (24,464) | (286,401) |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total Funds brought forward at 1 January 2021 | 4,949,458 | 99,178 | 8,857,828 | 13,906,464 | 14,192,865 |
| **Total Funds carried forward at 31 December 2021** | **£5,010,669** | **£102,976** | **£8,768,355** | **£13,882,000** | **£13,906,464** |

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2021

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Group | Church | Group | Church |
| | £ | £ | £ | £ |
| **Fixed assets** | | | | |
| Tangible fixed assets (note 6) | 14,232,797 | 14,225,633 | 14,453,736 | 14,440,353 |
| Investments (note 7) | - | 2 | - | 2 |
| | 14,232,797 | 14,225,635 | 14,453,736 | 14,440,355 |
| **Current assets** | | | | |
| Stock | - | - | 1,500 | - |
| Debtors (note 8) | 91,527 | 203,412 | 137,628 | 245,400 |
| Cash at bank and in hand | 545,758 | 360,683 | 333,945 | 257,359 |
| | 637,285 | 564,095 | 473,073 | 502,759 |
| **Creditors: amounts falling due within one year** (note 9) | | | | |
| Creditors and accrued expenditure | (159,685) | (96,586) | (125,365) | (82,742) |
| **Net current assets** | 477,600 | 467,509 | 347,708 | 420,017 |
| **Total assets less current liabilities** | 14,710,397 | 14,693,144 | 14,801,444 | 14,860,372 |
| **Creditors: amounts falling due after more than one year** (note 10) | (828,397) | (790,897) | (894,980) | (845,813) |
| **Net assets** | **£13,882,000** | **£13,902,247** | **£13,906,464** | **£14,014,559** |
| **Funds** | | | | |
| Unrestricted funds: | | | | |
| General fund | 5,010,669 | 5,030,916 | 4,949,458 | 5,057,553 |
| Revaluation reserve (note 11) | 8,768,355 | 8,768,355 | 8,857,828 | 8,857,828 |
| | 13,779,024 | 13,799,271 | 13,807,286 | 13,915,381 |
| Restricted funds (note 12) | 102,976 | 102,976 | 99,178 | 99,178 |
| | **£13,882,000** | **£13,902,247** | **£13,906,464** | **£14,014,559** |

Approved by the Board of Trustees on 12/10/2022 and signed on their behalf by:

**Pastor Peter Y K Loo**
**Trustee**

**Mr Andy Tham**
**Trustee**

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| **Net cash provided by/(utilised in) operating activities** | 14 | 267,494 | (84,437) |
| **Cash flows from investing activities:** | | | |
| (Purchase) of fixtures, fittings and equipment | | (4,260) | (36,449) |
| Cash (used in) investing activities | | (4,260) | (36,449) |
| **Cash flows from financing activities** | | | |
| Receipt of new bank borrowings and HP finance | | - | 70,396 |
| (Repayment) of bank borrowings and HP finance | | (51,421) | (86,006) |
| Cash (used in) financing activities | | (51,421) | (15,610) |
| **Increase/(decrease) in cash and cash equivalents in the year** | | **211,813** | **(136,496)** |
| Cash and cash equivalents at the beginning of the year | | 333,945 | 470,441 |
| **Total cash and cash equivalents at the end of the year** | | **£545,758** | **£333,945** |

# EMMANUEL EVANGELICAL CHURCH

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. Accounting Policies

#### a). Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties and improvements, and in accordance with the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" preparing their accounts in accordance with Financial Reporting Standard 102 and the Charities Act 2011.

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The group accounts consolidate those of Emmanuel Evangelical Church and its subsidiary undertaking EEC Trading Limited (see note 7). A separate Statement of Financial Activities for the Church has not been presented.

#### b). Income recognition

Tithes and offerings are accounted for when received by the Church. Other income is accounted for on an accruals basis as far as it is prudent to do so.

#### c). Grants

Grants are recognised as income in the financial statements in the period in which they become receivable when there is reasonable assurance that the grants will be received and the Church will comply with any conditions attaching to them.

#### d). Recognition of liabilities

Accrued expenditure has been taken up in the accounts at the financial year end.

#### e). Fixed assets, depreciation, and amortisation

Depreciation is provided at the following annual rates, calculated to reduce the book value of the assets concerned to estimated residual value over their useful working lives:

Freehold property and improvements – 1% on valuation (see below)
Long leasehold property – 1% on valuation (see below)
Fixtures, fittings and equipment:
  Fixtures, fittings and PA equipment - 15% on cost
  Kitchen and catering appliances – 25% on cost
  Office and computer equipment – between 15% and 33% on cost

Accounting standards require depreciation to be charged on a systematic basis to write down tangible fixed assets from their cost or revalued amount to their residual value over their useful economic lives. The standards accept that some assets may have a high residual value which will remove the need for depreciation to be charged. The standards provide the example of land as a fixed asset where the residual value is likely to be at least equal to its cost or valuation and therefore no depreciation is charged. In prior years, no depreciation has been charged on the Church's freehold and long leasehold properties as, in the opinion of the Trustees, the residual values of those properties at the end of their useful lives, whenever that may be, are likely to be at least equal to the book values at which they are presently stated, largely because the prime London land on which they stand is by itself, under some measures, at least equal to the present book values of the properties. However, the COVID-19 pandemic which began in the early months of 2020 and still continues to some degree has affected the usage and therefore the values of buildings in central London in a manner which cannot yet be fully determined, but it is believed that the effect on values is likely to be detrimental as workers choose to work from home or businesses remove to locations which are not so dependent upon public transport. The Trustees have therefore taken a prudent view and decided to begin to depreciate the Church's freehold and long leasehold properties with effect from the beginning of 2020 at a rate of 1% per annum of their revalued amounts, in order to recognise the likely downturn in values resulting from the pandemic.

## 1. Accounting Policies, continued

### f). Funds

Unrestricted funds are funds that have not been restricted as to their use by donors. The principal unrestricted fund is the general fund which holds those reserves of the Church which have not been designated for a particular use by the Trustees.

Designated funds are unrestricted funds that have been designated for a particular use by the Trustees.

The revaluation reserve is also part of unrestricted funds. It represents the uplift in value when the Church's freehold property was restated in the balance sheet following a professional valuation.

Restricted funds are funds that have been restricted as to their use by donors.

### g). Pension contributions

The church makes regular contributions towards the personal pension plans of its employees in compliance with the workplace pension regulations. Contributions are charged to staff costs as incurred.

### h). Taxation

As a registered charity, the Church is generally exempt from income tax and capital gains tax, but not from value added tax. Irrecoverable value added tax is included in the cost of those items to which it relates.

## 2. Income

| | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|
| **a. Donations and legacies** | | | | |
| Tithes and offerings | 543,290 | 29,624 | 572,914 | 603,394 |
| Tax recoveries | 88,978 | 1,172 | 90,150 | 96,699 |
| | **£632,268** | **£30,796** | **£663,064** | **£700,093** |
| **b. Other operating activities** | | | | |
| Rent and facility charges receivable | 317,831 | - | 317,831 | 285,297 |
| Other income | 1,613 | - | 1,613 | 2,356 |
| | **£319,444** | **-** | **£319,444** | **£287,653** |
| **c. Investments** | | | | |
| Interest receivable | **£61** | **-** | **£61** | **£487** |
| **d. Grants** | | | | |
| Job Retention Scheme grants | 119,523 | - | 119,523 | 206,227 |
| Local authority rates grants | - | - | - | 35,000 |
| | **£119,523** | **-** | **£119,523** | **£241,227** |

## 3. Expenditure

| | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|
| **a. Raising funds** | | | | |
| Staff costs | 86,404 | - | 86,404 | 359,815 |
| Rent and events costs | 174,413 | - | 174,413 | 274,577 |
| Depreciation/amortisation | 13,654 | - | 13,654 | 25,683 |
| | **£274,471** | **-** | **£274,471** | **£660,075** |
| **b. Charitable activities** | | | | |
| Pastoral staff costs | 388,125 | - | 388,125 | 390,881 |
| Other staff costs | 43,125 | - | 43,125 | 43,431 |
| Mission and relief | - | 92,463 | 92,463 | 60,584 |
| Office overheads | 5,643 | - | 5,643 | 27,612 |
| Upkeep of premises | 17,486 | 6,646 | 24,132 | 31,425 |
| Depreciation/amortisation | 211,545 | - | 211,545 | 204,992 |
| Gifts and honoraria | 9,340 | - | 9,340 | 12,105 |
| Interest payable on mortgage loan | 19,286 | - | 19,286 | 22,570 |
| Other expenditure | 54,426 | - | 54,426 | 79,956 |
| | 748,976 | 99,109 | 848,085 | 873,556 |
| **Governance costs** | | | | |
| Auditors' remuneration | 4,000 | - | 4,000 | 3,000 |
| | **£752,976** | **£99,109** | **£852,085** | **£876,556** |

## c. Support costs (included above)

| | Raising funds £ | Charitable activities £ | Total 2021 £ | Total 2020 £ |
|---|---|---|---|---|
| Staff costs | - | 431,250 | 431,250 | 434,312 |
| Office overheads | - | 5,643 | 5,643 | 27,612 |
| Upkeep of premises | - | 24,132 | 24,132 | 31,425 |
| Depreciation/amortisation | 13,654 | 211,545 | 225,199 | 230,675 |
| Interest payable on mortgage loan | - | 19,286 | 19,286 | 22,570 |
| Governance costs | - | 4,000 | 4,000 | 3,000 |
| Other expenditure | - | 54,426 | 54,426 | 79,956 |
| | **£13,654** | **£750,282** | **£763,936** | **£829,550** |

## 3. Expenditure, continued

### d. Employees

| | 2021 | 2020 |
|---|---|---|
| The average number of employees during the year was: | | |
| Management and administration of the Charity | 28 | 37 |
| Number of staff for whom retirement benefits are accruing under money purchase pension schemes | 18 | 21 |
| **Staff Costs:** | **£** | **£** |
| Staff and helpers | 426,126 | 681,528 |
| Employer's NI contributions | 33,317 | 50,478 |
| Pension contributions | 58,212 | 62,121 |
| | **£517,655** | **£794,127** |

No employees earned £60,000 p.a. or more.

## 4. Taxation

| | 2021 £ | 2020 £ |
|---|---|---|
| Corporation tax (credit) on the loss for the year of the Church's trading subsidiary @ 19% (see note 7) | - | **£(20,770)** |

## 5. Church results

The Church has taken advantage of the exemption from including its own income and expenditure account in these financial statements. The results of Emmanuel Evangelical Church are summarised below:

| | 2021 £ | 2020 £ |
|---|---|---|
| Total income | 767,157 | 849,516 |
| Total expenditure | (879,469) | (926,898) |
| Net (expenditure) | **£(112,312)** | **£(77,382)** |

## 6. Tangible Fixed Assets

| Group | Freehold property and improvements £ | Long leasehold property £ | Fixtures fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| Balance at 01.01.2021 | 12,784,715 | 1,600,000 | 1,425,267 | 15,809,982 |
| Additions | - | - | 4,260 | 4,260 |
| **Balance at 31.12.2021** | **£12,784,715** | **£1,600,000** | **£1,429,527** | **£15,814,242** |
| **Depreciation/amortisation** | | | | |
| Balance at 01.01.2021 | 127,847 | 16,000 | 1,212,399 | 1,356,246 |
| Charge for the year | 127,847 | 16,000 | 81,352 | 225,199 |
| **Balance at 31.12.2021** | **£255,694** | **£32,000** | **£1,293,751** | **£1,581,445** |
| **Net Book Value at 31.12.2021** | **£12,529,021** | **£1,568,000** | **£135,776** | **£14,232,797** |
| **Net Book Value at 31.12.2020** | **£12,656,868** | **£1,584,000** | **£212,868** | **£14,453,736** |

| Church | Freehold property and improvements £ | Long leasehold property £ | Fixtures fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| Balance at 01.01.2021 | 12,784,715 | 1,600,000 | 1,399,993 | 15,784,708 |
| Additions | - | - | 4,260 | 4,260 |
| **Balance at 31.12.2021** | **£12,784,715** | **£1,600,000** | **£1,404,253** | **£15,788,968** |
| **Depreciation/amortisation** | | | | |
| Balance at 01.01.2021 | 127,847 | 16,000 | 1,200,508 | 1,344,355 |
| Charge for the year | 127,847 | 16,000 | 75,133 | 218,980 |
| **Balance at 31.12.2021** | **£255,694** | **£32,000** | **£1,275,641** | **£1,563,335** |
| **Net Book Value at 31.12.2021** | **£12,529,021** | **£1,568,000** | **£128,612** | **£14,225,633** |
| **Net Book Value at 31.12.2020** | **£12,656,868** | **£1,584,000** | **£199,485** | **£14,440,353** |

All of the above fixed assets are for the use of the Church. The Church's freehold property at 9-23 Marsham Street, Westminster, and its long leasehold property at 25 Marsham Street, Westminster, were valued at £9,960,000 and £1,600,000 respectively by external valuers, Matthews & Goodman LLP, Commercial Property Consultants, as at 24 July 2018, on an Existing Use Basis. The properties were restated at these values in the accounts for the year ended 31 December 2018. The Church's freehold property at 4 Manor Park Crescent, Edgware had been recently acquired and its cost was deemed by the Trustees to be a close approximation to its value at the date of valuation of the other properties. As at the balance sheet date, the cost of the Church's properties determined according to the historical cost convention was £5,437,415 (2020 - £5,437,415) and the accumulated depreciation was £ (2020 - £54,374). The Church's freehold property and improvements have been pledged as security for the mortgage loan referred to in notes 9 and 10 below.

## 7. Fixed asset investments

| | 2021 £ | 2020 £ |
|---|---|---|
| Unlisted investment, at cost: | | |
| At 01.01.2021 and 31.12.2021 | 2 | 2 |

The above investment represents the Church's acquisition of the whole of the issued share capital of its subsidiary company, EEC Trading Limited, company number 9868603, at par value. The subsidiary company was incorporated in England and Wales on 12 November 2015 and commenced trading operations on 1 January 2016. The results of EEC Trading Limited are summarised below:

| | 2021 £ | 2020 £ |
|---|---|---|
| Total income | 359,935 | 454,944 |
| Total (expenditure) | (272,087) | (684,733) |
| Profit/(loss) for the year before taxation | 87,848 | (229,789) |
| Tax credit/(charge) on the profit for the year | - | 20,770 |
| Total assets at 31 December | 205,645 | 136,184 |
| Total (liabilities) at 31 December | (225,890) | (244,277) |
| Share capital and reserves at 31 December | (20,245) | (108,093) |

In common with other businesses deriving their revenue from the provision of conference facilities and related catering services, the subsidiary company's trade in 2020 and 2021 was severely impacted by the coronavirus pandemic. To preserve company funds to meet ongoing expenditure, the directors of the company found it necessary to with-hold the usual payment of the annual profit for 2019 to its parent charity. In consequence, a corporation tax charge arose on the company's profit for that year, the liability for which was recognised in the 2019 accounts. However, trading losses arising in 2020 as a result of the pandemic were sufficient to reverse this corporation tax liability. The directors are hopeful that trade and profitability will return to normal levels when the pandemic is over, enabling payment of profits to the parent charity to resume.

## 8. Debtors

| | 2021 Group £ | 2021 Church £ | 2020 Group £ | 2020 Church £ |
|---|---|---|---|---|
| Trade debtors | 12,234 | - | 31,226 | - |
| Other debtors, prepayments and accrued income | 79,293 | 78,121 | 106,402 | 92,913 |
| Amounts due from subsidiary undertaking (note 7) | - | 125,291 | - | 152,487 |
| | **£91,527** | **£203,412** | **£137,628** | **£245,400** |

## 9. Creditors: amounts falling due within one year

| | 2021 Group £ | 2021 Church £ | 2020 Group £ | 2020 Church £ |
|---|---|---|---|---|
| Trade creditors | 16,899 | 12,090 | 14,970 | 13,578 |
| Accruals and other creditors | 34,742 | 11,000 | 43,035 | 3,000 |
| Taxation and social security | 25,885 | 1,337 | 363 | - |
| Mortgage loan (secured) (current portion) (note 10) | 51,909 | 51,909 | 39,094 | 39,094 |
| Other loans | 23,000 | 13,000 | 21,105 | 20,272 |
| Obligations under hire purchase (current portion) | 7,250 | 7,250 | 6,798 | 6,798 |
| | **£159,685** | **£96,586** | **£125,365** | **£82,742** |

## 10. Creditors: amounts falling due after more than one year

| | 2021 Group £ | 2021 Church £ | 2020 Group £ | 2020 Church £ |
|---|---|---|---|---|
| Obligations under hire purchase (long-term portion) | 798 | 798 | 8,498 | 8,498 |
| Mortgage loan (secured): | | | | |
| Payable within 1-2 years | 52,080 | 52,080 | 44,400 | 44,400 |
| Payable within 2-5 years | 159,120 | 159,120 | 131,400 | 131,400 |
| Payable after more than 5 years | 578,899 | 578,899 | 661,515 | 661,515 |
| | 790,897 | 790,897 | 845,813 | 845,813 |
| Other loans | 37,500 | - | 49,167 | - |
| | **£828,397** | **£790,897** | **£894,980** | **£845,813** |

The above mortgage loan was granted on 24 February 2015 and is repayable over 20 years at variable interest rates.

## 11. Revaluation reserve

***Year ended 31 December 2021:***

| **Group and Church** | £ | £ |
|---|---|---|
| Balance brought forward | | 8,857,828 |
| Less: Depreciation of uplift on revaluation of freehold property and improvements | 81,483 | |
| Amortisation of uplift on revaluation of long leasehold property | 7,990 | |
| | | (89,473) |
| Balance carried forward | | **£8,768,355** |

***Year ended 31 December 2020:***

| **Group and Church** | £ | £ |
|---|---|---|
| Balance brought forward | | 8,947,301 |
| Less: Depreciation of uplift on revaluation of freehold property and improvements | 81,483 | |
| Amortisation of uplift on revaluation of long leasehold property | 7,990 | |
| | | (89,473) |
| Balance carried forward | | **£8,857,828** |

## 12. Restricted funds

*Year ended 31 December 2021:*

| Group and Church | Covid-19 Relief Fund | Love Westminster Fund | Roof Fund | Mission and Relief Fund | Total restricted funds |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Balance brought forward | 29,964 | - | - | 69,214 | 99,178 |
| Incoming resources for the year | 29,796 | - | 1,000 | - | 30,796 |
| Outgoing resources for the year | - | - | (6,646) | (92,463) | (99,109) |
| Transfers (to)/from General Fund | - | 1,465 | 5,646 | 65,000 | 72,111 |
| **Balance carried forward** | **£59,760** | **£1,465** | **-** | **£41,751** | **£102,976** |

*Year ended 31 December 2020:*

| Group and Church | Covid-19 Relief Fund | Roof Fund | Mission and Relief Fund | Total restricted funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Balance brought forward | - | - | 63,498 | 63,498 |
| Incoming resources for the year | 34,064 | 45,414 | 300 | 79,778 |
| Outgoing resources for the year | (4,100) | (28,132) | (60,584) | (92,816) |
| Transfers (to)/from General Fund | - | (17,282) | 66,000 | 48,718 |
| **Balance carried forward** | **£29,964** | **-** | **£69,214** | **£99,178** |

The Roof Fund has been set up for the purpose of major roof repairs and maintenance works to be done at Emmanuel Centre Westminster over a period of three to five years.

The Mission and Relief Fund exists to provide funds for missionary activities and disaster and poverty relief.

The Covid-19 Relief Fund has been set up to provide relief for people in hardship as a result of the Covid-19 pandemic. The Fund is used primarily for Emmanuel Church members, Centre staff and regular attendees. The Fund is also used to help friends and neighbours that the congregants are in contact with.

The Love Westminster Fund has been set up to provide funding for the Church's community projects.

## 13. Analysis of net assets between funds

| | General fund | Restricted funds | Revaluation reserve |
|---|---|---|---|
| | £ | £ | £ |
| Tangible fixed assets | 5,464,442 | - | 8,768,355 |
| Cash at bank and in hand | 442,782 | 102,976 | - |
| Other net current assets/(liabilities) | (68,158) | - | - |
| Creditors of more than one year | (828,397) | - | - |
| **Total** | **£5,010,669** | **£102,976** | **£8,768,355** |

**14. Reconciliation of net movement in funds to net cash from operating activities**

| | 2021 £ | 2020 £ |
|---|---|---|
| Net movement in funds | (24,464) | (286,401) |
| Add back: Depreciation and amortisation charge | 225,199 | 230,674 |
| Decrease in stock | 1,500 | - |
| Decrease in debtors | 46,101 | 44,769 |
| Increase/(decrease) in creditors excluding bank borrowings and hire purchase | 19,158 | (73,479) |
| **Net cash provided by/(utilised in) operating activities** | **£267,494** | **£(84,437)** |

**15. Transactions involving trustees and connected persons**

Mr Peter Y K Loo, a trustee, received remuneration including pension in the sum of £54,970 in the year to 31 December 2021 (2020 – £55,022) in his capacity as senior pastor.

**EMMANUEL EVANGELICAL CHURCH**

England & Wales - Charity number 1154866

# Accounts

# EMMANUEL EVANGELICAL CHURCH
## (Charitable Incorporated Organisation)

# CONSOLIDATED FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31 DECEMBER 2020

**Registered Charity No:**

**1154866**

# EMMANUEL EVANGELICAL CHURCH

# CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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# EMMANUEL EVANGELICAL CHURCH

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

| | |
|---|---|
| **Charity number:** | 1154866 |
| **Registered address and principal office:** | 9 – 23 Marsham Street<br>London<br>SW1P 3DW |
| **Chairman:** | Senior Pastor Peter Yee Kong Loo |
| **Treasurer:** | Mr Andy Tham |
| **Other council Members:** | Mrs Naomi Phoo-Par<br>Mr Robert Prosper<br>Ms Francesca Hammond<br>Mr Benjamin Cheong<br>Mr Patrick Pope<br>Mr Richard Hindley |
| **Auditors:** | Geary Partnership<br>Chartered Accountants<br>159a Chase Side<br>Enfield<br>Middlesex<br>EN2 0PW |
| **Bankers:** | Barclays Bank PLC<br>P.O.Box 15163H<br>50 Pall Mall<br>London<br>SW1Y 5AX |

# EMMANUEL EVANGELICAL CHURCH

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the audited consolidated financial statements of the Church for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies on pages 14 and 15 and comply with the Church's Constitution, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Reference and administrative information set out on page 1 forms part of this report.

**Board of Trustees**

Throughout this report the members of the Board of Trustees are collectively referred to as the Trustees. The Trustees are responsible as a body for governance, policy implementation, monitoring of general conduct, overall performance, and for reporting to the membership at general meetings. The Trustees delegate operational management of the Church to the Senior Pastor.

The Trustees who served during the year, who are also Church Council members, were as follows:

| | |
|---|---|
| Chairman: | Senior Pastor Peter Yee Kong Loo |
| Treasurer: | Mr Andy Tham |
| Other Council Members: | Mrs Naomi Phoo Par<br>Mr Robert Prosper<br>Ms Francesca Hammond<br>Mr Benjamin Cheong<br>Mr Patrick Pope<br>Mr Richard Hindley |

**Structure, governance and management**

***Governing document***

The Church is a registered charity and is governed by its Constitution adopted on 24 May 1990 and revised on 23 March 1997, 21 August 2002, 4 July 2011 and 14 July 2013. Its former registered number was 803024. The Church now operates as a Charitable Incorporated Organisation. Its registered number is now 1154866.

***Structure***

The Church Council constitutes the governing body of the Church. Its voting members are the legal Trustees of the Church, who are appointed by the Council and endorsed by members of the congregation either at the Church Annual General Meeting or at an Extraordinary General Meeting. Their appointments and endorsements are prescribed in the Church Constitution.

***Governance***

The Council Members are responsible for overall policies and ensure the Charity operates within its objectives. They delegate to the Senior Pastor and his staff teams the vision of the Church and the daily operations. They also delegate the management of Emmanuel Centre to the Chief Operating Officer. The Finance and Administration Committee (F & A) provides support to the Church Council in managing the finances of the Church and it is accountable to the Trustees through the Treasurer who serves as its Chairman. EEC Trading Limited was incorporated on 12 Nov 2015 with the purpose of running the business of Emmanuel Centres of Westminster and Edgware. EEC Trading Limited has directors who are Council Members of Emmanuel Evangelical Church (EEC). Further responsibilities for the operation of the Emmanuel Centres at Westminster and Edgware were transferred from EEC CIO to EEC Trading Ltd during 2017. An Honorary Chief Operating Officer (COO), who is a Church member, was appointed in July 2017 to oversee EEC Trading Limited. The COO is accountable to the directors of EEC Trading Limited.

**Structure, governance and management, continued**

***Appointment of Trustees***

A potential Trustee normally goes through a period of training as a non-voting observer in the Council. The Council then decides his or her suitability to serve in the Council, and his or her appointment to the Council is then endorsed at a General Meeting of the Church.

***Trustee induction and training***

New Trustees take part in an induction process, which provides them with a briefing and information on their legal obligations under charity and company law, the content of the Church constitution, committee structure of the Board and its decision making process. In addition, new Trustees are given the opportunity to meet with staff, members of the Church and other trustees as part of the orientation.

***Organisation***

The Board of Trustees meets at least six times per year as a full Board. During the year they address the following areas: governance, strategy and resources.

The staff team meets weekly for prayer, planning and implementing the vision of the Church. Once a month, the staff dedicates half a day in prayer and intercession for the Church.

***Risk management***

The Chief Operating Officer and the Church Centre management team are constantly reviewing procedures for evaluating the risks associated with the Church operating plan activities, and also reviews annually all insurances, office, fire and general safety, as well as the terms and conditions of employment of staff.

Risk management in the ministries undertaken by the Church is delegated to the Senior Pastor and his staff team. They have established procedures for child protection. All workers amongst children and youth are DBS checked before they commence their ministry. Most staff members are also trained in first aid and fire safety procedures.

**Objectives and activities**

The purpose of the Church is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Church has a wholly-owned subsidiary, EEC Trading Limited, whose principal activity is the provision of conference facilities and related catering services. The annual profits of the subsidiary are paid to the Church where finances permit.

***Mission Statement***

Emmanuel Evangelical Church (EEC) is a cell-based church, committed to maturing believers who obey the Great Commandment (Matt 22:37-38) and fulfil the Great Commission (Matt 28:18-20).

In line with our Mission Statement, and our identity as a "cell-based church", we aim to develop a strong leadership base.

**Achievements and performance**

The pandemic struck us as on the world, very unexpectedly and from mid March onwards, the country was in complete lockdown. The Church had to adapt very rapidly to using online facilities in order to keep Sunday service, the Life Groups (formerly called cell groups) and other ministries going. The members with different skillsets contributed to a viable church despite the heavy constraints of lockdown. Special care was given to members who may suffer from social isolation through the Life Groups. We also reached out to the local community where possible to make help available. During the pandemic, we were able to give out cards to the local area in Westminster offering help to bring in medicine and shopping. We were able to run some community work among children when the strict lockdown was eased and we could do limited church activities following Covid guidance.

A Covid 19 fund was set up to help our members or friends of our members financially in the event of meeting hardship.

The Church began the year with the Senior Pastor setting out the Vision and Values of the Church. The new vision for 2020 was 'Enjoying God, Loving People'. We have four new values – a Lifestyle of Worship, Making Disciples, Authentic Relationships and Impacting Community.

We had our first Young Adults retreat in a Youth Hostel in Eastbourne for the first time end of February and it was well participated.

We managed to rebrand the church with a new logo and revamp our website in the early part of the pandemic. The new website thankfully was ready just in time to make easy access to online services.

At the end of 2020, the membership of the Church stood at 344 and 4 people were baptised pre-pandemic during the year. There were 27 professions of faith in total.

25 Life Groups, dispersed throughout the city, continued to function online with innovative ways of encouragement, applying the bible and meeting our social and emotional needs. They were also involved in reaching out to their pre-Christian friends (evangelism) and in nurturing and building up believers (discipleship). The Life Groups remain the building blocks for a healthy church.

EEC is a church which 'invests' in young lives. The Church employs a staff member who is dedicated to children's ministry (4 - 12 years). Mrs Laura Leonard who is a qualified teacher was appointed as a Children Staff Worker. A staff member is also assigned to youth ministry (12 – 19 years). The Children and Youth Ministries continued to function over zoom.

EEC has a passionate concern for the local community in Westminster. One staff member is assigned to run community activities, including Coffee Morning (for toddlers and their parents) and Homework Club (for children 8 – 12 years) and functioned up until the pandemic.

We also care for the inner spiritual lives of the members and a staff member is dedicated to run a team of volunteers to pray and minister inner healing to members of the Church who identify their need for prayer into areas in their lives. We also offer wellbeing support to the community through prayer. We give training to members as to how to be remain emotionally and spiritually healthy. During the pandemic, prayer and ministry happen over zoom.

The Worship Ministry helped tremendously during the lockdown to do pre-recorded worship including innovative ways to have virtual choir recording.

During the lockdown, people are so used to using online technologies that we were able to launch four new ministries, namely, Family Ministry, Men's and Women's ministries and the Singles Ministries.

The Holy Spirit evening continues as a weekly online event.

A workplace ministry group is in place to help Christians to integrate their faith and work. The course of "Authentic Lives" was successfully piloted using zoom technology to help identify one's giftings and life's purpose.

**Achievements and performance, continued**

The Church held a twice-yearly online 24-hour prayer weekend, and the weekly Church at Prayer meeting was held online.

We continued to keep in touch with the homeless ministry when strict lockdown restrictions were lifted.

A virtual beach mission in the form of 9 online episodes and a special Christmas episode for children were launched in the summer and Christmas respectively with potential reach for anyone in the world.

EEC gives 10% of its income to missions and crisis relief. We partnered amongst many, Christian organisations such as Harvest Ministries in India, Hope Ghana, CMCT (India), International China Concern, Operation Mobilisation, Tearfund and churches that share the same vision in the areas of evangelism, and prayer for the Government and nation.

Emmanuel Centre continued to be widely used by other churches, Christian agencies, educational institutions and business corporations up until the pandemic when all activities ceased. We regret that many of our centre staff but not the pastoral staff were made redundant at the end of the year having been furloughed for most part of the year.

**Looking ahead: Plans for 2021**

The projection is that the Church will fully function again sometime in 2021 with the arrival of vaccines barring any variants that can cause further upheavals. The church will have to adapt for supporting both in-person and online Sunday services, Life Group and ministry meetings in the foreseeable future.

The Church will continue to fulfil our Church vision which is 'Enjoying God, Loving People'. Our emphasis will continue to be on character development and discipling, outreaching, challenging members to walk in step with the Holy Spirit.

Mentoring and raising leaders will continue within the Life Groups as well as understanding how to raise up disciple makers.

EE as a church will identify its distinctiveness to impact the local community.

The centre in Westminster will be used as a resource centre supporting Christian work and as a conference centre as life gets back to 'normal'.

**Financial overview**

The Church reports a consolidated deficit for the financial year of £286,401 compared to a surplus of £64,247 in the previous financial year.

The principal sources of income and related expenditure in the year are shown in the Statement of Financial Activities and the notes included in the following accounts.

The policy of the Trustees is to maintain sufficient liquid reserves to enable the future development and expansion of the ministries of the Church and to provide for on-going maintenance of the Church's freehold and leasehold properties through its annual budgeting process.

**Risk and internal control**

The Trustees systematically review and assess the risks the Church faces, and the potential impact they may have on the organisation. Throughout 2020, church giving has been affected by the economic uncertainty in the country. The Trustees have consistently identified the level of giving as one of the organisation's secondary risks, and this issue has been closely monitored and addressed by the Senior Pastor and his staff team.

The Trustees, the Senior Pastor, the Chief Operating Officer and the Treasurer, who is the Chairman of the Finance & Administration Committee, co-own the risk register, which operates as a working document.

**Going Concern**

After considering the following areas, the Trustees believe the church has adequate financial resources to continue its operations for the foreseeable future:
- the 2020 financial performance
- our reserves policy
- budget and cash flow projections through to December 2021.

**Statement on public benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Church's charitable purpose as enshrined in its objects is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Trustees ensure that this purpose is carried out for the public benefit through planning and monitoring activities by reference to the Church vision and strategy.

The structure of the Annual Report allows the Trustees to report on the progress of implementing the strategy, explaining activities and achievements during the year and the Church's plans for 2020.

**Responsibilities of the Trustees regarding the financial statements**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Church and of its incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to:

* select suitable accounting policies and then apply them consistently;
* observe the methods and principles of the Charities Statement of Recommended Practice "Accounting and Reporting by Charities";
* make judgements and estimates that are reasonable and prudent;
* state whether applicable 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 Church will continue in existence.

The Trustees are responsible for keeping proper accounting records which are sufficient to show and explain the Church's transactions and to disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that any statements of account comply with the requirements of the Church Constitution, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008. The Trustees are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**Disclosure of information to auditors**

So far as the Trustees are aware, there is no relevant audit information of which the auditors are unaware. The Trustees have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

**Auditors**

A resolution to reappoint Geary Partnership as auditors of Emmanuel Evangelical Church will be put to members at the forthcoming Annual General Meeting.

**Approved by the Board of Trustees and signed on their behalf by:**



**Pastor Peter Y K Loo**
**Chairman of the Council**

**Date:** 26/9/2021

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH

## Opinion

We have audited the financial statements of Emmanuel Evangelical Church ('the parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows, 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 group's and parent charity's affairs as at 31 December 2019, and of the group's 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 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 group and parent charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The Trustees are responsible for the 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH, continued

**Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report;
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees are responsible for the preparation of financial statements which 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 group's and parent 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 group or the parent charity 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 as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

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

Geary Partnership

**Geary Partnership**
**Statutory Auditor**

**Chartered Accountants**
**159a Chase Side**
**Enfield**
**EN2 0PW**

Date: 28 September 2021

Geary Partnership is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

| | Unrestricted funds £ | Restricted funds £ | Revaluation reserve £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|---|
| **INCOME AND EXPENDITURE** | | | | | |
| **Income from:** | | | | | |
| Donations and legacies (Note 2a) | 620,315 | 79,778 | - | 700,093 | 735,260 |
| Other operating activities (Note 2b) | 287,653 | - | - | 287,653 | 1,023,331 |
| Investments (Note 2c) | 487 | - | - | 487 | 316 |
| Grants (Note 2d) | 241,227 | - | - | 241,227 | - |
| **Total Income** | 1,149,682 | 79,778 | - | 1,229,460 | 1,758,907 |
| **Expenditure on:** | | | | | |
| Raising funds (Note 3a) | 660,075 | - | - | 660,075 | 767,370 |
| Charitable activities (Note 3b) | 783,740 | 92,816 | - | 876,556 | 906,520 |
| **Total Expenditure** | 1,443,815 | 92,816 | - | 1,536,631 | 1,673,890 |
| **Net Income/(Expenditure) before Taxation and Transfers** | (294,133) | (13,038) | - | (307,171) | 85,017 |
| Taxation (note 4) | 20,770 | - | - | 20,770 | (20,770) |
| Transfers between funds (note 12) | 40,755 | 48,718 | (89,473) | - | - |
| **Net Income/(Expenditure) for the year** | **(232,608)** | **35,680** | **(89,473)** | **(286,401)** | **64,247** |
| **Net Movement in Funds** | (232,608) | 35,680 | (89,473) | (286,401) | 64,247 |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total Funds brought forward at 1 January 2020 | 5,182,066 | 63,498 | 8,947,301 | 14,192,865 | 14,128,618 |
| **Total Funds carried forward at 31 December 2020** | **£4,949,458** | **£99,178** | **£8,857,828** | **£13,906,464** | **£14,192,865** |

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2020

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | Group | Church | Group | Church |
| | £ | £ | £ | £ |
| **Fixed assets** | | | | |
| Tangible fixed assets (note 6) | 14,453,736 | 14,440,353 | 14,647,961 | 14,637,256 |
| Investments (note 7) | - | 2 | - | 2 |
| | 14,453,736 | 14,440,355 | 14,647,961 | 14,637,258 |
| **Current assets** | | | | |
| Stock | 1,500 | - | 1,500 | - |
| Debtors (note 8) | 137,628 | 245,400 | 182,397 | 235,860 |
| Cash at bank and in hand | 333,945 | 257,359 | 470,441 | 223,848 |
| | 473,073 | 502,759 | 654,338 | 459,708 |
| **Creditors: amounts falling due within one year** (note 9) | | | | |
| Creditors and accrued expenditure | (125,365) | (82,742) | (236,924) | (132,515) |
| **Net current assets** | 347,708 | 420,017 | 417,414 | 327,193 |
| **Total assets less current liabilities** | 14,801,444 | 14,860,372 | 15,065,375 | 14,964,451 |
| **Creditors: amounts falling due after more than one year** (note 10) | (894,980) | (845,813) | (872,510) | (872,510) |
| **Net assets** | **£13,906,464** | **£14,014,559** | **£14,192,865** | **£14,091,941** |
| **Funds** | | | | |
| Unrestricted funds: | | | | |
| General fund | 4,949,458 | 5,057,553 | 5,182,066 | 5,081,142 |
| Revaluation reserve (note 11) | 8,857,828 | 8,857,828 | 8,947,301 | 8,947,301 |
| | 13,807,286 | 13,915,381 | 14,129,367 | 14,028,443 |
| Restricted funds (note 12) | 99,178 | 99,178 | 63,498 | 63,498 |
| | **£13,906,464** | **£14,014,559** | **£14,192,865** | **£14,091,941** |

Approved by the Board of Trustees on 26/9/2021 and signed on their behalf by:

**Pastor Peter Y K Loo**
**Trustee**

**Mr Andy Tham**
**Trustee**

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 2020 £ | 2019 £ |
|---|---|---|---|
| **Net cash (utilised in)/provided by operating activities** | 14 | (84,437) | 387,588 |
| **Cash flows from investing activities:** | | | |
| (Purchase) of fixtures, fittings and equipment | | (36,449) | (8,734) |
| Cash (used in) investing activities | | (36,449) | (8,734) |
| **Cash flows from financing activities** | | | |
| Receipt of new bank borrowings and HP finance | | 70,396 | - |
| (Repayment) of bank borrowings and HP finance | | (86,006) | (86,987) |
| Cash (used in) financing activities | | (15,610) | (86,987) |
| **(Decrease)/increase in cash and cash equivalents in the year** | | **(136,496)** | **291,867** |
| Cash and cash equivalents at the beginning of the year | | 470,441 | 178,574 |
| **Total cash and cash equivalents at the end of the year** | | **£333,945** | **£470,441** |

# EMMANUEL EVANGELICAL CHURCH

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. Accounting Policies

#### a). Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties and improvements, and in accordance with the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" preparing their accounts in accordance with Financial Reporting Standard 102 and the Charities Act 2011.

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The group accounts consolidate those of Emmanuel Evangelical Church and its subsidiary undertaking EEC Trading Limited (see note 7). A separate Statement of Financial Activities for the Church has not been presented.

#### b). Income recognition

Tithes and offerings are accounted for when received by the Church. Other income is accounted for on an accruals basis as far as it is prudent to do so.

#### c). Grants

Grants are recognised as income in the financial statements in the period in which they become receivable when there is reasonable assurance that the grants will be received and the Church will comply with any conditions attaching to them.

#### d). Recognition of liabilities

Accrued expenditure has been taken up in the accounts at the financial year end.

#### e). Fixed assets, depreciation, and amortisation

Depreciation is provided at the following annual rates, calculated to reduce the book value of the assets concerned to estimated residual value over their useful working lives:

Freehold property and improvements – 1% on valuation (see below)
Long leasehold property – 1% on valuation (see below)
Fixtures, fittings and equipment:
  Fixtures, fittings and PA equipment - 15% on cost
  Kitchen and catering appliances – 25% on cost
  Office and computer equipment – between 15% and 33% on cost

Accounting standards require depreciation to be charged on a systematic basis to write down tangible fixed assets from their cost or revalued amount to their residual value over their useful economic lives. The standards accept that some assets may have a high residual value which will remove the need for depreciation to be charged. The standards provide the example of land as a fixed asset where the residual value is likely to be at least equal to its cost or valuation and therefore no depreciation is charged. In prior years, no depreciation has been charged on the Church's freehold and long leasehold properties as, in the opinion of the Trustees, the residual values of those properties at the end of their useful lives, whenever that may be, are likely to be at least equal to the book values at which they are presently stated, largely because the prime London land on which they stand is by itself, under some measures, at least equal to the present book values of the properties. However, the COVID-19 pandemic which began in the early months of 2020 and still continues to some degree has affected the usage and therefore the values of buildings in central London in a manner which cannot yet be fully determined, but it is believed that the effect on values is likely to be detrimental as workers choose to work from home or businesses remove to locations which are not so dependent upon public transport. The Trustees have therefore taken a prudent view and decided to begin to depreciate the Church's freehold and long leasehold properties with effect from the beginning of 2020 at a rate of 1% per annum of their revalued amounts, in order to recognise the likely downturn in values resulting from the pandemic.

## 1. Accounting Policies, continued

### f). Funds

Unrestricted funds are funds that have not been restricted as to their use by donors. The principal unrestricted fund is the general fund which holds those reserves of the Church which have not been designated for a particular use by the Trustees.

Designated funds are unrestricted funds that have been designated for a particular use by the Trustees.

The revaluation reserve is also part of unrestricted funds. It represents the uplift in value when the Church's freehold property was restated in the balance sheet following a professional valuation.

Restricted funds are funds that have been restricted as to their use by donors.

### g). Pension contributions

The church makes regular contributions towards the personal pension plans of its employees in compliance with the workplace pension regulations. Contributions are charged to staff costs as incurred.

### h). Taxation

As a registered charity, the Church is generally exempt from income tax and capital gains tax, but not from value added tax. Irrecoverable value added tax is included in the cost of those items to which it relates.

## 2. Income

| | | Unrestricted funds | Restricted funds | Total funds 2020 | Total funds 2019 |
|---|---|---|---|---|---|
| **a.** | **Donations and legacies** | **£** | **£** | **£** | **£** |
| | Tithes and offerings | 535,380 | 68,014 | 603,394 | 609,744 |
| | Tax recoveries | 84,935 | 11,764 | 96,699 | 125,516 |
| | | **£620,315** | **£79,778** | **£700,093** | **£735,260** |
| **b.** | **Other operating activities** | | | | |
| | Rent and facility charges receivable | 285,297 | - | 285,297 | 1,022,971 |
| | Other income | 2,356 | - | 2,356 | 360 |
| | | **£287,653** | **-** | **£287,653** | **£1,023,331** |
| **c.** | **Investments** | | | | |
| | Interest receivable | **£487** | **-** | **£487** | **£316** |
| **d.** | **Grants** | | | | |
| | Job Retention Scheme grants | 206,227 | - | 206,227 | - |
| | Local authority rates grants | 35,000 | - | 35,000 | - |
| | | **£241,227** | **-** | **£241,227** | **-** |

## 3. Expenditure

| | Unrestricted funds £ | Restricted funds £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|
| **a. Raising funds** | | | | |
| Staff costs | 359,815 | - | 359,815 | 484,789 |
| Rent and events costs | 274,577 | - | 274,577 | 228,053 |
| Depreciation/amortisation | 25,683 | - | 25,683 | 54,528 |
| | **£660,075** | **-** | **£660,075** | **£767,370** |
| **b. Charitable activities** | | | | |
| Pastoral staff costs | 390,881 | - | 390,881 | 382,601 |
| Other staff costs | 43,431 | - | 43,431 | 42,022 |
| Mission and relief | - | 60,584 | 60,584 | 88,672 |
| Office overheads | 27,612 | - | 27,612 | 29,970 |
| Upkeep of premises | 3,293 | 28,132 | 31,425 | 131,185 |
| Depreciation/amortisation | 204,992 | - | 204,992 | 27,689 |
| Gifts and honoraria | 8,005 | 4,100 | 12,105 | 30,749 |
| Interest payable on mortgage loan | 22,570 | - | 22,570 | 26,976 |
| Other expenditure | 79,956 | - | 79,956 | 144,256 |
| | 780,740 | 92,816 | 873,556 | 904,120 |
| **Governance costs** | | | | |
| Auditors' remuneration | 3,000 | - | 3,000 | 2,400 |
| | **£783,740** | **£92,816** | **£876,556** | **£906,520** |

## c. Support costs (included above)

| | Raising funds £ | Charitable activities £ | Total 2020 £ | Total 2019 £ |
|---|---|---|---|---|
| Staff costs | - | 434,312 | 434,312 | 424,623 |
| Office overheads | - | 27,612 | 27,612 | 29,970 |
| Upkeep of premises | - | 31,425 | 31,425 | 131,185 |
| Depreciation/amortisation | 25,683 | 204,992 | 230,675 | 82,217 |
| Interest payable on mortgage loan | - | 22,570 | 22,570 | 26,976 |
| Governance costs | - | 3,000 | 3,000 | 2,400 |
| Other expenditure | - | 79,956 | 79,956 | 144,256 |
| | **£25,683** | **£803,867** | **£829,550** | **£841,627** |

## 3. Expenditure, continued

### d. Employees

| | 2020 | 2019 |
|---|---|---|
| The average number of employees during the year was: | | |
| Management and administration of the Charity | 37 | 42 |
| Number of staff for whom retirement benefits are accruing under money purchase pension schemes | 21 | 26 |
| **Staff Costs:** | **£** | **£** |
| Staff and helpers | 681,528 | 773,084 |
| Employer's NI contributions | 50,478 | 60,751 |
| Pension contributions | 62,121 | 75,577 |
| | **£794,127** | **£909,412** |

No employees earned £60,000 p.a. or more.

## 4. Taxation

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Corporation tax (credit)/charge on the loss/profit for the year of the Church's trading subsidiary @ 19% (see note 7) | **£(20,770)** | **£20,770** |

## 5. Church results

The Church has taken advantage of the exemption from including its own income and expenditure account in these financial statements. The results of Emmanuel Evangelical Church are summarised below:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Total income | 849,516 | 959,972 |
| Total expenditure | (926,898) | (1,019,089) |
| Net income/(expenditure) | **£(77,382)** | **£(59,117)** |

## 6. Tangible Fixed Assets

| Group | Freehold property and improvements £ | Long leasehold property £ | Fixtures fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| Balance at 01.01.2020 | 12,784,715 | 1,600,000 | 1,388,818 | 15,773,533 |
| Additions | - | - | 36,449 | 36,449 |
| **Balance at 31.12.2020** | **£12,784,715** | **£1,600,000** | **£1,425,267** | **£15,809,982** |
| **Depreciation/amortisation** | | | | |
| Balance at 01.01.2020 | - | - | 1,125,572 | 1,125,572 |
| Charge for the year | 127,847 | 16,000 | 86,827 | 230,674 |
| **Balance at 31.12.2020** | **£127,847** | **£16,000** | **£1,212,399** | **£1,356,246** |
| **Net Book Value at 31.12.2020** | **£12,656,868** | **£1,584,000** | **£212,868** | **£14,453,736** |
| **Net Book Value at 31.12.2019** | **£12,784,715** | **£1,600,000** | **£263,246** | **£14,647,961** |

| Church | Freehold property and improvements £ | Long leasehold property £ | Fixtures fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| Balance at 01.01.2020 | 12,784,715 | 1,600,000 | 1,373,379 | 15,758,094 |
| Additions | - | - | 26,614 | 26,614 |
| **Balance at 31.12.2020** | **£12,784,715** | **£1,600,000** | **£1,399,993** | **£15,784,708** |
| **Depreciation/amortisation** | | | | |
| Balance at 01.01.2020 | - | - | 1,120,838 | 1,120,838 |
| Charge for the year | 127,847 | 16,000 | 79,670 | 223,517 |
| **Balance at 31.12.2020** | **£127,847** | **£16,000** | **£1,200,508** | **£1,344,355** |
| **Net Book Value at 31.12.2020** | **£12,656,868** | **£1,584,000** | **£199,485** | **£14,440,353** |
| **Net Book Value at 31.12.2019** | **£12,784,715** | **£1,600,000** | **£252,541** | **£14,637,256** |

All of the above fixed assets are for the use of the Church. The Church's freehold property at 9-23 Marsham Street, Westminster, and its long leasehold property at 25 Marsham Street, Westminster, were valued at £9,960,000 and £1,600,000 respectively by external valuers, Matthews & Goodman LLP, Commercial Property Consultants, as at 24 July 2018, on an Existing Use Basis. The properties were restated at these values in the accounts for the year ended 31 December 2018. The Church's freehold property at 4 Manor Park Crescent, Edgware had been recently acquired and its cost was deemed by the Trustees to be a close approximation to its value at the date of valuation of the other properties. As at the balance sheet date, the cost of the Church's properties determined according to the historical cost convention was £5,437,415 (2019 - £5,437,415) and the accumulated depreciation was £54,374 (2019 - £Nil). The Church's freehold property and improvements have been pledged as security for the mortgage loan referred to in notes 9 and 10 below.

## 7. Fixed asset investments

| | 2020 £ | 2019 £ |
|---|---|---|
| Unlisted investment, at cost: | | |
| At 01.01.2020 and 31.12.2020 | 2 | 2 |

The above investment represents the Church's acquisition of the whole of the issued share capital of its subsidiary company, EEC Trading Limited, company number 9868603, at par value. The subsidiary company was incorporated in England and Wales on 12 November 2015 and commenced trading operations on 1 January 2016. The results of EEC Trading Limited are summarised below:

| | 2020 £ | 2019 £ |
|---|---|---|
| Total income | 454,944 | 1,061,719 |
| Total (expenditure) | (684,733) | (917,585) |
| Profit/(loss) for the year before taxation | (229,789) | 144,134 |
| Tax credit/(charge) on the profit for the year | 20,770 | (20,770) |
| Total assets at 31 December | 136,184 | 355,815 |
| Total (liabilities) at 31 December | (244,277) | (254,889) |
| Share capital and reserves at 31 December | (108,093) | 100,926 |

In common with other businesses deriving their revenue from the provision of conference facilities and related catering services, the subsidiary company's trade in 2020 was severely impacted by the coronavirus pandemic. To preserve company funds to meet ongoing expenditure, the directors of the company found it necessary to withhold the usual payment of the annual profit for 2019 to its parent charity. In consequence, a corporation tax charge arose on the company's profit for that year, the liability for which was recognised in the 2019 accounts. However, trading losses arising in 2020 as a result of the pandemic were sufficient to reverse this corporation tax liability. The directors are hopeful that trade and profitability will return to normal levels as soon as the pandemic is over, enabling payment of profits to the parent charity to resume.

## 8. Debtors

| | 2020 Group £ | 2020 Church £ | 2019 Group £ | 2019 Church £ |
|---|---|---|---|---|
| Trade debtors | 31,226 | - | 90,123 | - |
| Other debtors, prepayments and accrued income | 106,402 | 92,913 | 92,274 | 85,380 |
| Amounts due from subsidiary undertaking (note 7) | - | 152,487 | - | 150,480 |
| | **£137,628** | **£245,400** | **£182,397** | **£235,860** |

## 9. Creditors: amounts falling due within one year

| | 2020 Group £ | 2020 Church £ | 2019 Group £ | 2019 Church £ |
|---|---|---|---|---|
| Trade creditors | 14,970 | 13,578 | 26,459 | 17,219 |
| Accruals and other creditors | 43,035 | 3,000 | 44,219 | 4,439 |
| Corporation tax | - | - | 20,770 | - |
| Other taxation and social security | 363 | - | 40,399 | 5,780 |
| Mortgage loan (secured) (current portion) (note 10) | 39,094 | 39,094 | 48,811 | 48,811 |
| Other loans | 21,105 | 20,272 | 56,266 | 56,266 |
| Obligations under hire purchase (current portion) | 6,798 | 6,798 | - | - |
| | **£125,365** | **£82,742** | **£236,924** | **£132,515** |

## 10. Creditors: amounts falling due after more than one year

| | 2020 Group £ | 2020 Church £ | 2019 Group £ | 2019 Church £ |
|---|---|---|---|---|
| Obligations under hire purchase (long-term portion) | 8,498 | 8,498 | - | - |
| Mortgage loan (secured): | | | | |
| Payable within 1-2 years | 44,400 | 44,400 | 51,379 | 51,379 |
| Payable within 2-5 years | 131,400 | 131,400 | 170,362 | 170,362 |
| Payable after more than 5 years | 661,515 | 661,515 | 647,497 | 647,497 |
| | 845,813 | 845,813 | 869,238 | 869,238 |
| Other loans | 49,167 | - | 3,272 | 3,272 |
| | **£894,980** | **£845,813** | **£872,510** | **£872,510** |

The above mortgage loan was granted on 24 February 2015 and is repayable over 20 years at variable interest rates.

## 11. Revaluation reserve

***Year ended 31 December 2020:***

| **Group and Church** | £ | £ |
|---|---|---|
| Balance brought forward | | 8,947,301 |
| Less: Depreciation of uplift on revaluation of freehold property and improvements | 81,483 | |
| Amortisation of uplift on revaluation of long leasehold property | 7,990 | |
| | | (89,473) |
| Balance carried forward | | **£8,857,828** |

***Year ended 31 December 2019:***

| **Group and Church** | £ | £ |
|---|---|---|
| Balance brought forward, as previously stated | | 8,821,227 |
| Restatement of uplift arising on revaluation of freehold and long leasehold properties on 24 July 2018: | | |
| as previously stated | 6,982,976 | |
| Reclassification of roof maintenance expenditure | 126,074 | 126,074 |
| as restated | 7,109,050 | |
| Balance brought forward, as restated, and balance carried forward | | **£8,947,301** |

## 12. Restricted funds

*Year ended 31 December 2020:*

| Group and Church | Covid-19 Relief Fund | Roof Fund | Mission and Relief Fund | Total restricted funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Balance brought forward | - | - | 63,498 | 63,498 |
| Incoming resources for the year | 34,064 | 45,414 | 300 | 79,778 |
| Outgoing resources for the year | (4,100) | (28,132) | (60,584) | (92,816) |
| Transfers (to)/from General Fund | - | (17,282) | 66,000 | 48,718 |
| **Balance carried forward** | **£29,964** | **-** | **£69,214** | **£99,178** |

*Year ended 31 December 2019:*

| Group and Church | Roof Fund | Mission and Relief Fund | Total restricted funds |
|---|---|---|---|
| | £ | £ | £ |
| Balance brought forward, as previously stated | 101,055 | 63,401 | 164,456 |
| Reclassification of roof maintenance expenditure in 2018 | (126,074) | - | (126,074) |
| Transfer from General Fund | 25,019 | - | 25,019 |
| Balance brought forward, as restated | - | 63,401 | 63,401 |
| Incoming resources for the year | 63,919 | 269 | 64,188 |
| Outgoing resources for the year | (114,134) | (88,672) | (202,806) |
| Transfers from General Fund | 50,215 | 88,500 | 138,715 |
| **Balance carried forward** | **-** | **£63,498** | **£63,498** |

The Roof Fund has been set up for the purpose of major roof repairs and maintenance works to be done at Emmanuel Centre Westminster over a period of three to five years.

The Mission and Relief Fund exists to provide funds for missionary activities and disaster and poverty relief.

The Covid-19 Relief Fund has been set up to provide relief for people in hardship as a result of the Covid-19 pandemic. The Fund is used primarily for Emmanuel Church members, Centre staff and regular attendees. The Fund is also used to help friends and neighbours that the congregants are in contact with.

## 13. Analysis of net assets between funds

| | General fund | Restricted funds | Revaluation reserve |
|---|---|---|---|
| | £ | £ | £ |
| Tangible fixed assets | 5,595,908 | - | 8,857,828 |
| Cash at bank and in hand | 234,767 | 99,178 | - |
| Other net current assets/(liabilities) | 13,763 | - | - |
| Creditors of more than one year | (894,980) | - | - |
| **Total** | **£4,949,458** | **£99,178** | **£8,857,828** |

**14. Reconciliation of net movement in funds to net cash from operating activities**

| | 2020 £ | 2019 £ |
|---|---|---|
| Net movement in funds | (286,401) | 64,247 |
| Add back: Depreciation and amortisation charge | 230,674 | 82,217 |
| (Increase) in stock | - | (600) |
| Decrease in debtors | 44,769 | 182,370 |
| (Decrease) in creditors excluding bank borrowings and hire purchase | (73,479) | 59,354 |
| **Net cash (utilised in)/provided by operating activities** | **£(84,437)** | **£387,588** |

**15. Transactions involving trustees and connected persons**

Mr Peter Y K Loo, a trustee, received remuneration including pension in the sum of £55,022 in the year to 31 December 2020 (2019 – £54,561) in his capacity as senior pastor.