

**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**

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

**EMMANUEL EVANGELICAL CHURCH**  
**REPORT OF THE TRUSTEES, continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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.



# **EMMANUEL EVANGELICAL CHURCH**

## **REPORT OF THE TRUSTEES, continued FOR THE YEAR ENDED 31 DECEMBER 2020**

### **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.

**EMMANUEL EVANGELICAL CHURCH**  
**REPORT OF THE TRUSTEES, continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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.



## **EMMANUEL EVANGELICAL CHURCH**

### **REPORT OF THE TRUSTEES, continued FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **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.



**EMMANUEL EVANGELICAL CHURCH**

**REPORT OF THE TRUSTEES, continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**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 £
<b>INCOME AND EXPENDITURE</b>					
<b>Income from:</b>					
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	-
<b>Total Income</b>	<b>1,149,682</b>	<b>79,778</b>	<b>-</b>	<b>1,229,460</b>	<b>1,758,907</b>
<b>Expenditure on:</b>					
Raising funds (Note 3a)	660,075	-	-	660,075	767,370
Charitable activities (Note 3b)	783,740	92,816	-	876,556	906,520
<b>Total Expenditure</b>	<b>1,443,815</b>	<b>92,816</b>	<b>-</b>	<b>1,536,631</b>	<b>1,673,890</b>
<b>Net Income/(Expenditure) before Taxation and Transfers</b>	<b>(294,133)</b>	<b>(13,038)</b>	<b>-</b>	<b>(307,171)</b>	<b>85,017</b>
Taxation (note 4)	20,770	-	-	20,770	(20,770)
Transfers between funds (note 12)	40,755	48,718	(89,473)	-	-
<b>Net Income/(Expenditure) for the year</b>	<b>(232,608)</b>	<b>35,680</b>	<b>(89,473)</b>	<b>(286,401)</b>	<b>64,247</b>
<b>Net Movement in Funds</b>	<b>(232,608)</b>	<b>35,680</b>	<b>(89,473)</b>	<b>(286,401)</b>	<b>64,247</b>
<b>RECONCILIATION OF FUNDS</b>					
Total Funds brought forward at 1 January 2020	5,182,066	63,498	8,947,301	14,192,865	14,128,618
<b>Total Funds carried forward at 31 December 2020</b>	<b>£4,949,458</b>	<b>£99,178</b>	<b>£8,857,828</b>	<b>£13,906,464</b>	<b>£14,192,865</b>

# EMMANUEL EVANGELICAL CHURCH

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2020

	2020		2019	
	Group £	Church £	Group £	Church £
<b>Fixed assets</b>				
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
<b>Current assets</b>				
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
<b>Creditors: amounts falling due within one year (note 9)</b>				
Creditors and accrued expenditure	(125,365)	(82,742)	(236,924)	(132,515)
<b>Net current assets</b>	347,708	420,017	417,414	327,193
<b>Total assets less current liabilities</b>	14,801,444	14,860,372	15,065,375	14,964,451
<b>Creditors: amounts falling due after more than one year (note 10)</b>	(894,980)	(845,813)	(872,510)	(872,510)
<b>Net assets</b>	<b>£13,906,464</b>	<b>£14,014,559</b>	<b>£14,192,865</b>	<b>£14,091,941</b>
<b>Funds</b>				
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
	<b>£13,906,464</b>	<b>£14,014,559</b>	<b>£14,192,865</b>	<b>£14,091,941</b>

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
		-----	-----
<b>Cash flows from investing activities:</b>			
(Purchase) of fixtures, fittings and equipment		(36,449)	(8,734)
		-----	-----
Cash (used in) investing activities		(36,449)	(8,734)
		-----	-----
<b>Cash flows from financing activities</b>			
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)
		-----	-----
<b>(Decrease)/increase in cash and cash equivalents in the year</b>		<b>(136,496)</b>	<b>291,867</b>
Cash and cash equivalents at the beginning of the year		470,441	178,574
		-----	-----
<b>Total cash and cash equivalents at the end of the year</b>		<b>£333,945</b>	<b>£470,441</b>
		-----	-----



## 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.

# EMMANUEL EVANGELICAL CHURCH

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

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

# EMMANUEL EVANGELICAL CHURCH

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

### 3. Expenditure

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
<b>a. Raising funds</b>				
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
	<b>£660,075</b>	<b>-</b>	<b>£660,075</b>	<b>£767,370</b>
<b>b. Charitable activities</b>				
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
<b>Governance costs</b>				
Auditors' remuneration	3,000	-	3,000	2,400
	<b>£783,740</b>	<b>£92,816</b>	<b>£876,556</b>	<b>£906,520</b>
<b>c. Support costs (included above)</b>				
	<b>Raising funds £</b>	<b>Charitable activities £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
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
	<b>£25,683</b>	<b>£803,867</b>	<b>£829,550</b>	<b>£841,627</b>



# EMMANUEL EVANGELICAL CHURCH

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

### 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
	----	----
<b>Staff Costs:</b>	<b>£</b>	<b>£</b>
Staff and helpers	681,528	773,084
Employer's NI contributions	50,478	60,751
Pension contributions	62,121	75,577
	-----	-----
	<b>£794,127</b>	<b>£909,412</b>
	-----	-----

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)	<b>£(77,382)</b>	<b>£(59,117)</b>
	-----	-----

# EMMANUEL EVANGELICAL CHURCH

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

### 6. Tangible Fixed Assets

Group	Freehold property and improvements £	Long leasehold property £	Fixtures fittings and equipment £	Total £
<b>Cost or valuation</b>				
Balance at 01.01.2020	12,784,715	1,600,000	1,388,818	15,773,533
Additions	-	-	36,449	36,449
<b>Balance at 31.12.2020</b>	<b>£12,784,715</b>	<b>£1,600,000</b>	<b>£1,425,267</b>	<b>£15,809,982</b>
<b>Depreciation/amortisation</b>				
Balance at 01.01.2020	-	-	1,125,572	1,125,572
Charge for the year	127,847	16,000	86,827	230,674
<b>Balance at 31.12.2020</b>	<b>£127,847</b>	<b>£16,000</b>	<b>£1,212,399</b>	<b>£1,356,246</b>
<b>Net Book Value at 31.12.2020</b>	<b>£12,656,868</b>	<b>£1,584,000</b>	<b>£212,868</b>	<b>£14,453,736</b>
<b>Net Book Value at 31.12.2019</b>	<b>£12,784,715</b>	<b>£1,600,000</b>	<b>£263,246</b>	<b>£14,647,961</b>
<b>Church</b>				
	Freehold property and improvements £	Long leasehold property £	Fixtures fittings and equipment £	Total £
<b>Cost or valuation</b>				
Balance at 01.01.2020	12,784,715	1,600,000	1,373,379	15,758,094
Additions	-	-	26,614	26,614
<b>Balance at 31.12.2020</b>	<b>£12,784,715</b>	<b>£1,600,000</b>	<b>£1,399,993</b>	<b>£15,784,708</b>
<b>Depreciation/amortisation</b>				
Balance at 01.01.2020	-	-	1,120,838	1,120,838
Charge for the year	127,847	16,000	79,670	223,517
<b>Balance at 31.12.2020</b>	<b>£127,847</b>	<b>£16,000</b>	<b>£1,200,508</b>	<b>£1,344,355</b>
<b>Net Book Value at 31.12.2020</b>	<b>£12,656,868</b>	<b>£1,584,000</b>	<b>£199,485</b>	<b>£14,440,353</b>
<b>Net Book Value at 31.12.2019</b>	<b>£12,784,715</b>	<b>£1,600,000</b>	<b>£252,541</b>	<b>£14,637,256</b>

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.

# EMMANUEL EVANGELICAL CHURCH

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

### 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
	<b>£137,628</b>	<b>£245,400</b>	<b>£182,397</b>	<b>£235,860</b>

### 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	-	-
	<b>£125,365</b>	<b>£82,742</b>	<b>£236,924</b>	<b>£132,515</b>



# EMMANUEL EVANGELICAL CHURCH

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

### 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
	<b>£894,980</b>	<b>£845,813</b>	<b>£872,510</b>	<b>£872,510</b>

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		<b>£8,857,828</b>

#### 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		<b>£8,947,301</b>

# EMMANUEL EVANGELICAL CHURCH

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

### 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
<b>Balance carried forward</b>	<b>£29,964</b>	<b>-</b>	<b>£69,214</b>	<b>£99,178</b>

*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
<b>Balance carried forward</b>	<b>-</b>	<b>£63,498</b>	<b>£63,498</b>

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)	-	-
<b>Total</b>	<b>£4,949,458</b>	<b>£99,178</b>	<b>£8,857,828</b>

# EMMANUEL EVANGELICAL CHURCH

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

<b>14. Reconciliation of net movement in funds to net cash from operating activities</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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
<b>Net cash (utilised in)/provided by operating activities</b>	<b>£(84,437)</b>	<b>£387,588</b>
	-----	-----
<b>15. Transactions involving trustees and connected persons</b>		

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.