

Grace London

Report and Accounts
Year ended 31 March 2022

Stewardship 
Active generosity

1 Lamb's Passage, London EC1Y 8AB
www.stewardship.org.uk

GRACE LONDON
CHARITY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

Trustees	Andrew Haslam Daniel Hutton (resigned 15 June 2021) Luke Boardman Huw Newton-Hill (appointed 15 June 2021) Thomas Wheatley (appointed 15 June 2021)
Key Staff	Andrew Haslam Jeremy Moses
Governing Document	CIO Constitution dated 1 April 2015 (as amended 11 April 2021)
Charity Registration Number	1161147
Principal Address	Unit 124 Edinburgh House 170 Kennington Lane London SE11 5DP
Independent Examiner	Lisa Darby FCA Stewardship 1 Lamb's Passage London EC1Y 8AB
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ HSBC 28 Borough High Street Southwark London SE1 1YB

Contents	Page
Charity Information	1
Trustees' Annual Report	2-6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Cashflow Statement	10-11
Notes to the Accounts	12-19
Detailed Statement of Financial Activities with Comparatives	20

GRACE LONDON
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The trustees of Grace London (the "Church" or the "Charity"), being Andrew Haslam, Luke Boardman, Huw Newton-Hill and Thomas Wheatley (the "Trustees"), have pleasure in submitting this report (the "Report") and the accounts of the Church (the "Accounts") for the year ending 31 March 2022 (the "Relevant Period").

Objects of the charity

The Charity is a charitable incorporated organisation and is governed by its constitution which was established on 1 April 2015 (as amended on 11 April 2015) (the "Constitution").

The objects of the Charity, as set out in the Constitution are to advance the Christian faith for the benefit of the public in accordance with the Statement of Faith in London and in such other parts of the United Kingdom and the world as the Trustees may from time-to-time think fit.

The Church's Statement of Faith is appended to the Constitution and set out on the Church's website (grace.london/statement-of-faith).

Summary of the charity's main activities and achievements

To further the above objects and vision of the Church, the Church's main activities and achievements during the Relevant Period were as follows:

Core Activities: During the Relevant Period, the Church continued to undertake its regular core activities, comprising:

(1) two separate weekly Church services, held on Sunday mornings and evenings, consisting of expository preaching from the Bible, corporate sung worship and prayer, sharing of the Lord's Supper and children's ministry ("Services");

(2) weekly community 'Life Groups' where people gather to share food and fellowship and study the Bible and pray together; and

(3) monthly corporate prayer and worship meetings.

Prior to 19 July 2021, these activities were conducted in a restricted fashion in accordance with the UK Government's COVID-19 rules (the "COVID Rules"). However, following 19 July 2021, the COVID Rules were lifted, and the Church was able to continue its activities freely. Throughout the Relevant Period, the Church maintained a policy ensuring that all Church activities comply with the COVID Rules.

Prior to the lifting of the COVID Rules, Church attendance was less than the average attendance in March 2020 (i.e. prior to the implementation of the COVID Rules). However, following the lifting of the COVID Rules, Church attendance steadily grew so that, at the expiry of the Relevant Period, the average Sunday attendance across the two Services was comparable to March 2020. The Trustees also estimate that the Church membership grew as 11 new members were added, while 8 moved on.

Children's ministry: Children's ministry continued at the Services during the Relevant Period. All volunteers were required to complete background checks, have training with the children's ministry leader and confirm their understanding of and commitment to the Church's safeguarding policy.

GRACE LONDON
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Summary of the charity's main activities and achievements (continued)

Evangelism: During the Relevant Period, the Church continued in its efforts to share the good news of Jesus Christ with those who do not know him. This was principally done through:

- (1) 'Salt Live' events, where Londoners from all walks of life come together and engage face-to-face on matters of faith and philosophy ("Salt Live"); and
- (2) the 'Salt Course', a course designed for people wanting to explore life's big questions from a Christian perspective (the "Salt Course").

As a result of the COVID Rules, Salt Live was suspended until September 2021. Between September 2021 and March 2022, we held four Salt Live events, about the Christian faith, anxiety, psychology and human identity. Each event was well attended, with c.80-100 attendees at each event.

Prior to the lifting of the COVID Rules, the Salt Course was held online, with a Salt Part Two group which ran from Jan 2021 to July 2021. Salt Part Two groups are groups for non-Christians and new Christians to look further into the person of Christ.

Once the rules were lifted, the course was held in-person again (as it had been before the implementation of the COVID Rules). Courses were held in October '21 and Feb '22. The Trustees estimate that c.40-50 people attended a Salt Course during the Relevant Period.

The Relevant Period was a fruitful time, as God continued to move in the Church community. During the Relevant Period, 12 people were baptised. All glory to God!

Other Activities: The Church arranged a number of events and away-days during the year which are an opportunity for Church members to gather together, deepen relationships, enjoy times of corporate sung worship and prayer and hear expository preaching from the Bible and/or receive training from the Elders or other leaders.

During the Relevant Period, these events included (1) monthly men's ministry; (2) a men's weekend away; (3) women's events; (4) weekly mum's group; (5) the City Fellowship, a discipleship course focussed on understanding God's purpose for work; (6) a number of leaders' away days, and (7) a women's bible study. Following the lifting of the COVID Rules, the Elders are planning a Church weekend away in 2023, which will be the first since 2019.

There were also, as always, many informal, one-to-one discipleship meetings as well as other ad-hoc meetings happening throughout the Relevant Period.

In planning the activities the Trustees have applied the guidance on public benefit issued by the Charity Commission.

Staff team

There were three additions to the staff team during the Relevant Period as Church activities resumed following the lifting of the COVID Rules, requiring greater operational oversight. Zach Kellett joined as a full-time Operations Coordinator, Bekah Eggleston joined as a part-time Welcome Coordinator and Jono Thorne joined as a part-time Digital Media Coordinator.

GRACE LONDON
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Relationships with other churches and individuals

The Trustees believe that the objects of the Church are best accomplished in relationship with other churches and people through movements such as Advance. Advance is a global movement of churches partnering together to advance the good news of the Christian faith through planting and strengthening churches (www.advancemovement.com). The Church has continued to benefit from its relationship with Advance during the Relevant Period, though regular Advance gatherings were prevented by lockdown. The Church continues to enjoy informal but close relationships with other churches and individual Christians around the world.

Structure, Governance and Management

Annual General Meeting: The Annual General Meeting for the Relevant Period was held on 15 June 2021 (the "AGM"). During the AGM: (1) Andrew Haslam retired from office and was subsequently reappointed as a Trustee, in accordance with clauses 13 and 16 of the Constitution; (2) Daniel Hutton retired from office definitively as a result of moving away from London with his family. As noted in the Trustees' Annual Report for the year ended 31 March 2021, the Trustees are incredibly grateful for the hard work and commitment that Danny gave to the Church; and (3) Daniel Hutton was replaced as a Trustee by Thomas Wheatley and Huw Newton-Hill in accordance with the requirements of clauses 13 and 14 of the Constitution (as set out below).

The Constitution provides that new charity trustees will be appointed by the "Members" of the Church (as that word is defined in the Constitution, being the Elders of the Church) (clause 13), and new charity trustees will be provided with a copy of the Constitution (and any amendments to it) as well as the latest trustees' annual report and statement of accounts (clause 14).

The Trustees: At the commencement of the Relevant Period, the Trustees were Andrew Haslam, Luke Boardman and Daniel Hutton. Following the AGM and for the remainder of the Relevant Period, the Trustees were Andrew Haslam, Luke Boardman, Huw Newton-Hill and Thomas Wheatley.

Senior Pastor: During the Relevant Period, Andrew Haslam continued to be employed as Senior Pastor of the Church. The employment of Andrew Haslam, who is also a Trustee, is in accordance with clause 6 of the Constitution ('Benefits and payments to charity trustees and connected persons'). Andrew Haslam's employment and remuneration do not relate to his role as a Trustee of the Church.

Decision making: In accordance with the Church's Constitution, the policy and operating decisions of the Church rest with the Trustees and, ultimately, the "Members" of the Church. The Trustees communicate frequently and meet regularly (at least quarterly) to discuss and monitor the activities of the Church. However, many of the day-to-day responsibilities in the life of the Church are delegated to the Church's staff team and volunteers.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Finance: All financial payments from the Church's online banking facility with CAF Bank require validation/authorisation from a second member of the Trustee and/or finance teams for all payments. A new bank account has been set-up with HSBC for operational finances which requires validation/authorisation for all payments over £1,000.

GRACE LONDON
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

During the year income increased by £86,842, to £586,148, and expenditure increased by £122,918, to £359,915. As a result, the net income for the year decreased by £36,077, to a surplus of £190,233 and the charity's net assets increased by the same amount, to £506,911. Net current assets increased by £196,908, to £501,990.

Income in the Relevant Period was predominantly due to the generous donations of the Church community. Income increased in line with the growth of the church, with expenditure increased significantly due to the resumption of church activities after the COVID-19 pandemic. Current assets increased significantly due to the increased surplus.

Rent expenses increased by £26,868, to 13% of expenditures (FY20/21: 9%), largely as a result of recommencing normal Church activities, and thereby using the London Nautical School as a venue, following the gradual easing and then lifting of the COVID Rules.

Total grants and gifts by Grace London to missionary and charitable causes is 13% of expenditures (FY20/21: 13%). The bulk of these funds (£36,150) went towards supporting the work amongst the churches in the Advance network, with a further £6,000 going towards church relief in the UK and abroad. £8,871 was given to gifts to mission in the UK.

At the end of the Relevant Period, the Salt Ministry restricted fund was in deficit with no further donations anticipated. Therefore, the trustees agreed to close this fund and cleared the deficit from unrestricted funds.

The Charity continued to prepare its accounts using the accruals basis.

Reserves policy

The Trustees have previously determined that the Charity should aim to hold unrestricted cash of 1.5 months' of payroll and rent expenditure (which equates to about £35,000) in the designated fund for general reserves so that the Charity could continue to operate should income and / or expenditure vary adversely. At the year end, the Charity held unrestricted cash in the designated fund for general reserves of £34,986 and the Charity is complying with its current reserves policy.

Given the growth of the church in recent years and the increase in operational and staff costs, the trustees are undertaking a review of the reserves policy during the 2022-2023 financial year. However, with an unrestricted cash balance of £355,126 as at 31/03/22, in addition to the designated reserve, the trustees are confident that any higher requirement would be comfortably met.

Key risks and uncertainties

The charity is exposed to various risks - be they operational, financial or reputational. The trustees review the charity's activities regularly to identify significant risks and, where possible, they take appropriate measures to mitigate those risks. Of particular note, the Trustees are consistently monitoring COVID and safeguarding risks, and endeavour to keep policies relating to both risks up to date.

GRACE LONDON
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Plans for the future

Our hope looking forward is to start many new churches, and to continue the slow and deliberate work of helping each person who comes through our doors discover more about Jesus and his amazing life, and find themselves amidst a family in the heart of the city.

Responsibilities of trustees under charity law

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).

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements, the trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved by the trustees and signed on their behalf by:



LUKE BOARDMAN

Date: 29.1.23

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF

GRACE LONDON
(‘the Charity’)

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 March 2022 on pages 8 to 20 following, which have been prepared on the basis of the accounting policies set out on pages 12 to 13.

Responsibilities and basis of report

As the charity's trustees of the Charitable Incorporated Organisation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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



Lisa Darby FCA
The Institute of Chartered Accountants in England and Wales

Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 30th January 2023

GRACE LONDON
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	585,992	150	586,142	499,292
Bank interest		6	-	6	15
Total income and endowments		<u>585,998</u>	<u>150</u>	<u>586,148</u>	<u>499,306</u>
EXPENDITURE ON:					
Charitable activities	4	386,550	9,365	395,915	272,997
Total expenditure		<u>386,550</u>	<u>9,365</u>	<u>395,915</u>	<u>272,997</u>
Net gains/(losses) on investments		-	-	-	-
Net income/(expenditure)		<u>199,448</u>	<u>(9,215)</u>	<u>190,233</u>	<u>226,310</u>
Transfers between funds	11	(11,671)	11,671	-	-
Net movement in funds		<u>187,777</u>	<u>2,456</u>	<u>190,233</u>	<u>226,310</u>
Reconciliation of funds:					
Total funds brought forward		304,717	11,960	316,677	90,367
Total funds carried forward	11	<u>492,495</u>	<u>14,416</u>	<u>506,911</u>	<u>316,677</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

The notes on page 12-19 form part of these accounts.

GRACE LONDON
BALANCE SHEET
AS AT 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
FIXED ASSETS					
Tangible assets	6	4,920	-	4,920	11,595
		<u>4,920</u>	<u>-</u>	<u>4,920</u>	<u>11,595</u>
CURRENT ASSETS					
Debtors	7	29,601	-	29,601	29,695
Cash at bank and in hand	8	473,104	14,416	487,520	290,372
		502,705	14,416	517,121	320,067
CREDITORS: Amounts falling due within one year	9	(15,130)	-	(15,130)	(14,985)
Net current assets / (liabilities)		<u>487,575</u>	<u>14,416</u>	<u>501,990</u>	<u>305,082</u>
Total assets less current liabilities		<u>492,495</u>	<u>14,416</u>	<u>506,911</u>	<u>316,677</u>
TOTAL NET ASSETS		<u>492,495</u>	<u>14,416</u>	<u>506,911</u>	<u>316,677</u>
FUND BALANCES					
Unrestricted Funds	11				
General funds		374,517	-	374,517	215,807
Designated funds		117,978	-	117,978	88,910
		<u>492,495</u>	<u>-</u>	<u>492,495</u>	<u>304,718</u>
Restricted Funds		-	14,416	14,416	11,960
		<u>492,495</u>	<u>14,416</u>	<u>506,911</u>	<u>316,677</u>

The financial statements were approved by the Board of Trustees and were signed on its behalf by:



LUKE BOARDMAN

Date: 29.1.23

Charity number: 1161147

The notes on page 12-19 form part of these accounts.

GRACE LONDON
FOR THE YEAR ENDED 31 MARCH 2022
CASH FLOW STATEMENT

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	a	<u>199,070</u>	<u>208,268</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	-
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(1,922)	(8,366)
Proceeds from sale of investments		-	-
Purchase of investments		-	-
Net cash provided by/(used in) investing activities		<u>(1,922)</u>	<u>(8,366)</u>
Change in cash and equivalents in the reporting period		197,148	199,902
Cash and equivalents at the beginning of the year	b	290,372	90,470
Change in cash and equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the year	b	<u>487,520</u>	<u>290,372</u>

Analysis of changes in net debt:

	At start of year £	Cash-flows £	At end of year £
Cash	290,372	197,148	487,520
Total net funds / (debt)	<u>290,372</u>	<u>197,148</u>	<u>487,520</u>

GRACE LONDON
FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE CASH FLOW STATEMENT

Note a: Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	190,233	226,310
Adjustments for:		
Depreciation charges and provisions for impairment	8,597	8,136
(Increase)/decrease in debtors	94	4,166
Increase/(decrease) in creditors	146	(30,344)
<i>Net cash provided by (used in) operating activities</i>	<u>199,070</u>	<u>208,268</u>

Note b: Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank with immediate access	487,520	290,372
Total cash and cash equivalents	<u>487,520</u>	<u>290,372</u>

GRACE LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

1 Statutory Information

The charity is a charitable incorporated organisation registered with the Charity Commission in England & Wales. The charity's registered number and principal address can be found on the Charity Information page.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention.

These financial statements have been prepared in accordance with the "Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("the Charities SORP")", with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The principles adopted in the preparation of the financial statements are set out below.

a) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements. In making this assessment the trustees have considered how Covid-19 might affect projections.

b) Income

Income including investment income is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part, income is generally recognised when it is received. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes:

- i) Recoverable gift aid. This is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.
- ii) Legacies. Income from legacies is recognised when a distribution is received from the estate or, if earlier, when the charity has been notified that a distribution will be made and the amount receivable can be measured reliably.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from church retreats and other events and courses.

The charity has taken the view that it has only one charitable activity, namely the advancement of the Christian faith, and all income from donations, legacies and charitable activities is in respect of this one activity.

c) Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

The cost of raising funds is not significant and has not been separately disclosed.

The Charities SORP requires charities with income over £500,000 to allocate costs to the various activities undertaken by the charity. The nature of the work of the charity/church is considered to be so integrated that the core charitable activity costs are considered to be for the one activity.

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

GRACE LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting Policies (continued)

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects. Endowment funds are donations that are retained as capital in accordance with the donor's wishes. The nature of the restriction determines whether the endowments represent permanent endowments or expendable endowments.

e) Tangible fixed assets

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £500 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Leasehold improvements	Over the lease term or, if shorter, expected useful life
Equipment	Over 3 to 7 years

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

f) Pension scheme arrangements

The charity operates defined contribution pension schemes for its employees. Obligations for contributions to these schemes are recognised as an expense when the liability arises. The assets of these schemes are held separately from those of the charity in independently administered funds.

g) Taxation

The charity has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

h) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Except for loans, creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive). The charity recognises liabilities for the principal of those loans that remains outstanding at the year end (i.e. the liabilities exclude any interest chargeable on the loans in future years).

i) Critical accounting estimates and areas of judgement

The trustees do not consider that there are any material sources of estimation or uncertainty at the balance sheet date that could result in a material adjustment to the carrying values of assets and liabilities in the next reporting period.

3 Donations

	2022	2021
	£	£
Donations of cash and similar	485,510	409,048
Government grants - Job Retention Scheme	-	20,701
Income tax recoverable	100,632	69,543
	<u>586,142</u>	<u>499,292</u>

GRACE LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable expenditure

	2022 £	2021 £
a Costs incurred directly on specific activities		
Books & Training Material	630	196
Conference Fees	1,796	1,010
Conference Food & Accommodation Charges	10,554	(566)
General Expenses	3,257	1,402
Hospitality Food and Drink	25,807	1,691
Pastoral Meetings Expenses	748	79
Preaching Honorariums and Hospitality	1,958	1,046
Rent	52,963	24,095
Grants & Gifts (see note 4c)	49,766	34,330
	<u>147,479</u>	<u>63,283</u>
b Costs incurred on support & administration		
Governance costs		
Independent examiner's fee	3,600	2,100
Other	480	-
	<u>4,080</u>	<u>2,100</u>
Bank Fees	2,277	1,340
Depreciation Expense	8,597	8,136
Employers National Insurance	14,083	10,164
Insurance	1,214	1,222
IT Software and Consumables	4,917	15,564
Licensing and Subscriptions	5,346	2,757
Pensions Costs	13,829	11,915
Postage, Freight & Courier	43	3
Professional Printing, Advertising & Marketing	2,670	2,833
Equipment Sundries	3,505	1,788
Salaries	180,089	148,936
Tech, Audio and Visual support	541	484
Staff Meeting Expenses	1,826	205
Stationery and Office Supplies	1,100	817
Telephone & Internet	1,670	1,313
Travel - International	940	-
Travel - National	1,708	137
	<u>248,436</u>	<u>209,713</u>
Total expenditure	<u>395,915</u>	<u>272,997</u>

The fee payable to the independent examiner for preparing and examining the accounts was £3,600 (2021: £2,100); in addition the charity paid £630 (2021: £150) to Stewardship for additional accountancy and consultancy services.

GRACE LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable expenditure (continued)

c Grants payable

Included within the figure for Grants & Gifts in note 4a above are the following:

	Institutions £	Individuals £	2022 £
Grants for UK and overseas mission	42,451	6,000	48,451
	<u>42,451</u>	<u>6,000</u>	<u>48,451</u>

The comparatives for the previous year are as follows:

	Institutions £	Individuals £	2021 £
Grants for UK and overseas mission	24,920	9,410	34,330
	<u>24,920</u>	<u>9,410</u>	<u>34,330</u>

The charity's principal grants to institutions comprised:

	2022 £	2021 £
Advance Network UK	33,451	9,569
Advance Network Global	-	6,380
Hope Church Vauxhall	6,000	-
Emmanuel Church	-	2,971
Common Ground Church - Africa Covid Relief	-	6,000
Common Ground Church - Madagascar	3,000	-
	<u>42,451</u>	<u>24,920</u>

5 Analysis of staff costs, the cost of key management personnel and trustee remuneration

	2022 £	2021 £
Gross wages and salaries	180,089	148,936
Social security	14,083	10,164
Pension costs	13,829	11,915
	<u>208,001</u>	<u>171,015</u>

The average monthly number of employees during the year was 6.9 (2021: 5.4). Most of the charity's activities are carried out by volunteers.

The charity's key management comprise the trustees and the key staff named on the Charity Information page. Total employment benefits payable to key management for the year were as follows:

	Wages & salaries	Employer pension contributions	2022 £
Trustees:			
Andrew Haslam	66,000	5,280	71,280
Other members of key management	55,000	4,400	59,400
			<u>130,680</u>

The following amounts were payable in the previous year:

	Wages & salaries	Employer pension contributions	2021 £
Trustees:			
Andrew Haslam	55,000	4,400	59,400
Other members of key management	47,500	3,800	51,300
			<u>110,700</u>

Andrew Haslam served as a Senior Pastor and received the above payments for serving in that capacity, not for serving as a trustee; these payments are permitted by the charity's governing document.

GRACE LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

6 Tangible fixed assets

	Fixtures, fittings and equipment £	Total 2022 £
Cost		
At 1 April 2021	42,105	42,105
Additions	1,922	1,922
At 31 March 2022	<u>44,027</u>	<u>44,027</u>
Accumulated depreciation		
At 1 April 2021	30,510	30,510
Charge for the year	8,597	8,597
At 31 March 2022	<u>39,107</u>	<u>39,107</u>
Net book value		
At 31 March 2022	<u>4,920</u>	<u>4,920</u>
At 1 April 2021	<u>11,595</u>	<u>11,595</u>

7 Debtors

	2022 £	2021 £
Falling due within one year:		
Tax recoverable	11,155	21,778
Trade debtors	4,000	-
Other debtors	14,101	3,268
Prepayments and accrued income	344	4,648
Total debtors	<u>29,601</u>	<u>29,695</u>

8 Cash at Bank and in Hand

	2022 £	2021 £
Cash at bank with immediate access	<u>487,520</u>	<u>290,372</u>

9 Creditors: liabilities falling due within one year

	2022 £	2021 £
Trade creditors	5,322	4,108
Accruals	3,508	1,905
Grant obligations	6,301	8,971
	<u>15,130</u>	<u>14,985</u>

10 Pension commitments

During the year employer's pension contributions totalling £13,829 (2021: £11,950) were payable to defined contribution personal pension schemes. No pension contributions were owing at the balance sheet date (2021: £60).

GRACE LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

11 Funds

During the year the movements in the charity's funds were as follows:

	Opening balance 2022 £	Incoming resources 2022 £	Outgoing resources 2022 £	Transfers in the year 2022 £	Closing balance 2022 £
<i>Designated Funds</i>					
General reserves	35,001	6	-	(21)	34,986
Giving to Advance grant fund	(256)	-	(33,451)	33,707	-
Mercy Fund	10,475	-	-	(10,475)	-
War Chest	43,690	-	-	27,151	70,841
Other grant giving	-	-	(15,000)	27,151	12,151
	88,910	6	(48,451)	77,513	117,978
<i>General Unrestricted Funds</i>	215,807	585,992	(338,099)	(89,183)	374,517
Total Unrestricted Funds	304,717	585,998	(386,550)	(11,671)	492,495
<i>Restricted Funds</i>					
Salt ministry / fund	1,485	150	(9,175)	7,540	-
Mercy Fund	10,475	-	(190)	4,131	14,416
	11,960	150	(9,365)	11,671	14,416
Aggregate of funds	316,677	586,148	(395,915)	-	506,911

The transfers referred to above were made for the following reasons:

- Funds are transferred from Unrestricted Funds to Designated Funds for the purposes of giving to the Advance Movement, building a War Chest for future church growth and church planting and giving to other causes based on specific proportions of the charity's income.
- The Mercy Fund was erroneously described as both a designated fund and restricted fund in the previous accounts. Transfers to the restricted fund in the current year represent contributions from Unrestricted Funds.
- The Salt Ministry fund was closed during the year as no more restricted donations are anticipated and the deficit cleared from unrestricted funds.

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>			
	General funds £	Designated funds £	Restricted funds £	2022 £
Tangible fixed assets	4,920	-	-	4,920
Debtors	29,601	-	-	29,601
Cash at bank and in hand	355,126	117,978	14,416	487,520
Creditors falling due within one year	(15,130)	-	-	(15,130)
	374,517	117,978	14,416	506,911

GRACE LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

11 Funds (continued)

In the previous year the movements in the charity's funds were as follows:

	Opening balance 2021 £	Incoming resources 2021 £	Outgoing resources 2021 £	Transfers in the year 2021 £	Closing balance 2021 £
<i>Designated Funds</i>					
General reserves	23,557	15	-	11,429	35,001
Giving to Advance grant fund	(256)	-	(15,949)	15,949	(256)
Mercy Fund	-	10,865	(390)	-	10,475
War Chest	-	-	-	43,690	43,690
Other grant giving	-	-	(17,971)	17,971	-
	<u>23,301</u>	<u>10,880</u>	<u>(34,310)</u>	<u>89,039</u>	<u>88,910</u>
<i>General Unrestricted Funds</i>	<u>66,681</u>	<u>476,462</u>	<u>(238,297)</u>	<u>(89,039)</u>	<u>215,807</u>
<i>Total Unrestricted Funds</i>	<u>89,982</u>	<u>487,342</u>	<u>(272,607)</u>	<u>-</u>	<u>304,717</u>
<i>Restricted Funds</i>					
Salt ministry / fund	385	1,100	-	-	1,485
Mercy Fund	-	10,865	(390)	-	10,475
	<u>385</u>	<u>11,965</u>	<u>(390)</u>	<u>-</u>	<u>11,960</u>
<i>Aggregate of funds</i>	<u>90,367</u>	<u>499,306</u>	<u>(272,997)</u>	<u>-</u>	<u>316,677</u>

Analysis of net assets by fund

In the previous year, the assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>			2021
	General funds £	Designated funds £	Restricted funds £	£
Tangible fixed assets	11,595	-	-	11,595
Debtors	29,695	-	-	29,695
Cash at bank and in hand	189,502	88,910	11,960	290,372
Creditors falling due within one year	(14,985)	-	-	(14,985)
	<u>215,807</u>	<u>88,910</u>	<u>11,960</u>	<u>316,677</u>

GRACE LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

11 Funds (continued)

General Reserves Fund: Contingent funds designated for use in exceptional financial circumstances. The use of these funds are governed by the trustees' reserves policy, which targets a maintenance of an average of 1.5 months of payroll and rent payments, and the drawing down of such funds is complemented by a trustees' rationale and plan to recover the reserves target level.

Giving to Advance grant fund: Funds designated for fulfilling the Trustees' voluntary giving pledge to support financially, the Advance Network's operations in the UK and internationally. Net transfers of £33,707 were made in FY21/22 (FY20/21: £15,979) from general funds into this designated fund for fulfil giving pledges to the Advance Network in the UK and abroad.

Other Giving grant fund: Funds designated for fulfilling the Trustees' voluntary giving pledge to support organisations and individuals in their operations to further objectives aligned with those of Grace London's or are suitable beneficiaries of charitable support as discerned by the Trustees. Net transfers of £27,151 were made in FY21/22 (FY20/21 £17,971) from general funds to this designated fund to fulfil discretionary donations to the organisations and individual.

Salt Ministry fund: Funds began being collected in FY18/19 and are restricted for the purpose of the Salt project aiming to engage Londoners on issues of faith, philosophy and life through articles, events and courses. With the flourishing of this ministry and expenditure significantly exceeding income, a transfer was made from general funds to close the restricted fund at the end of the financial year.

Mercy Fund: setup in 2020 to help anyone in the church who finds themselves in need and without support.

12 Transactions with related parties

During the year the charity:

- a) received donations totalling £90,074 (2021: £65,900) from related parties (which includes trustees, any other members of key management and anyone closely connected to them).
- b) paid no expenses (2021: £0) to, or for, the trustees whilst carrying out duties associated with being trustees; reimbursements for expenses incurred when acting as agent for the charity or incurred when undertaking employment duties not connected with serving as a trustee are not included in this disclosure.

Except as disclosed in note 5 'Analysis of staff costs', there have been no other transactions with related parties during the year.

GRACE LONDON

DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds				Unrestricted funds			
		General 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £	General 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £
INCOME AND ENDOWMENTS FROM:									
Donations and legacies	3	585,992	-	150	586,142	476,462	10,865	11,965	499,292
Bank Interest		-	6	-	6	-	15	-	15
Total income and endowments		585,992	6	150	586,148	476,462	10,880	11,965	499,306
EXPENDITURE ON:									
Charitable activities:	4	338,099	48,451	9,365	395,915	238,297	34,310	390	272,997
Total Expenditure		338,099	48,451	9,365	395,915	238,297	34,310	390	272,997
Net income/(expenditure)		247,893	(48,445)	(9,215)	190,233	238,166	(23,431)	11,575	226,310
Transfers between funds	11	(89,183)	77,513	11,671	-	(89,039)	89,039	-	-
Net movement in funds		158,710	29,068	2,456	190,233	149,126	65,609	11,575	226,310
Reconciliation of funds:									
Total funds brought forward		215,807	88,910	11,960	316,677	66,681	23,301	385	90,367
Total funds carried forward	11	374,517	117,978	14,416	506,911	215,807	88,910	11,960	316,677