

Reality Church London

Report and Accounts

Year ended 31 August 2021

Stewardship 
Active generosity

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

REALITY CHURCH LONDON
FOR THE YEAR ENDED 31 AUGUST 2021
CHARITY INFORMATION

Trustees	T Chaddick J Hughes M Kottman (resigned 30 September 2021) T Morgan (Chair) (resigned 13 March 2022) S Yardley (10 September 2020) B Mirtolooi (10 September 2020) J MacMillan (1 August 2021)(Chair from 13 March 2022) J Watkins (1 April 2022)
Pastor	B Mirtolooi (From 01 January 2021)
Governing Document	CIO Constitution dated 7 June 2016
Charity Registration Number	1167535
Registered Office	Reality Church London 86 - 90 Paul Street London EC2A 4NE
Independent Examiner	Lisa Darby ACA Stewardship 1 Lamb's Passage London, EC1Y 8AB
Bankers	Metro Bank One Southampton Row London WC1B 5HA

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REALITY CHURCH LONDON
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees have pleasure in submitting the Report and Accounts for the year ended 31 August 2021.

Objects of the charity

The Object of the CIO is, for the public benefit, to persuade men and women to faith in Jesus Christ as Lord and Saviour by proclaiming and demonstrating the gospel; to increase Christian faithfulness “as good stewards of the manifold grace of God” (1 Pet. 4:10); to encourage individual Christians towards attaining “the measure of the stature of the fullness of Christ” (Eph. 4:23); to fulfil the great commission by sending missionaries, church planters, ministers and Christian influence throughout the world through giving gifts and praying for missionary ventures (Matt. 28:19).

The Church: Its Aims and Objectives

We are a church in central London. We seek to love God, love each other, and love our city. It is our desire to communicate the unchanging truth of the person and work of Jesus Christ in a way that everyone in our city and culture can comprehend. We gather on Sundays for public worship in Old Street and scatter throughout London in small communities committed to living the Christian life together as a family.

We are so thankful for all that God is doing through churches old and new in London and consider it a joy and a privilege to learn from and come alongside them in God's mission. We believe in a message of good news – that God entered our world in the person of Jesus Christ and did for us what we could never do for ourselves: rescue, redeem and renew us from evil, brokenness and death. We seek to build a community on and around the reality of this message.

- **We desire to be a theological church**, seeking to be biblically faithful
- **We desire to be a missional church**, actively seeking God's purposes for our whole lives
- **We desire to be a communal church**, seeking to be relationally committed
- **We desire to be a contextual church**, seeking to be culturally thoughtful
- **We desire to be a spiritual church**, seeking to be supernaturally empowered by God's Spirit

Government

The spiritual government and leadership of the church is primarily responsible for carrying out the purposes and goals of the church. The duty of the Charity Trustees is confined to the proper management and administration of the CIO in accordance with the provisions of the constitution. The trustees have full and proper regard to the Spiritual Leadership as long as they do not act outside their powers given in the constitution and by general law.

In selecting individuals for appointment as Charity Trustees, the Spiritual Leadership has regard to the skills, knowledge and experience needed for the effective administration of the CIO. All Charity Trustees subscribe and adhere to, in belief and lifestyle, the Statement of Faith. The primary method of recruiting new trustees is a personal recommendation or word of mouth. This recommendation can come from any existing trustee or the spiritual leadership of the church. Once a potential trustee has been recommended, they will first be vetted by the spiritual leadership of the church to determine if they agree with the beliefs and aims of the church. After this, they will be vetted by the trustees to make sure that they are indeed a suitable candidate and that by appointing them that we would be acting within the law, in accordance to our governing document. Once the potential trustee has been recommended and vetted, the trustees will appoint the candidate by a vote.

Reality Church London "RCL" has a strong working partnership with Reality Carpinteria and Reality Ventura, both based in California, USA. The administrative staff at the sending church have worked with the staff of RCL to support the ministry while it is getting off the ground. This assistance is continual but is shifting to move operations and admin activity to be held locally in London. RCL has many US based donors who add to the support committed from the general funds from the church planting budget of the sending church. The total funding received from the US amounted to £72,804 as detailed in note 3 to the accounts

Between September 2020 and August 2021 the church employed between three and six staff members who manage and oversee the day to day operations of the church. The mission of the church, by design, is carried out with the help of volunteers. We are continuing to build ministry teams made up of men and women who are keen to use their gifts to serve others. We believe serving together is one of the best ways to be connected to the church.

The Year: Its Objectives and Achievements

During the year ended 31 August 2021 the main ways the church sought to achieve its mission and charitable purposes for the public benefit **as guided by the Charity Commission** have been as follows:

- **Sunday Services:** From September 2020 to March 2021, our Sunday attendance grew to an average of 220. Despite the entire financial year taking place during the ongoing COVID-19 pandemic we navigated our services back to in person as per government guidelines. We are encouraged that despite this change in approach for Sunday Services mid pandemic, engagement remained high and we estimate the Sunday attendance stayed the same as previous years.
- **Staff:** In addition to our staff team which fluctuated over the 2020-2021 period between three and six, we also had two volunteers who serve the church significantly in a free capacity. At the start of this financial year the Lead Pastor transition took place. The planning and outworking of this transition has taken up a large amount of both time and finances - but we feel the transition has been a healthy one with the new Lead Pastor, Bijan Mirtolooi, having arrived at the start of 2021.
- **Overall Growth:** Over the course of the year, we have seen new people join the church and original members grow in applying the weekly teaching to their lives and commit to serving weekly in the church. These signs of growth are at the very heart of our purpose as a church.

Plans for the New Year

Our overall goal and strategy as a church remains the same. Although we do not have specific numbers in mind, we desire to see the church community grow in depth and breadth. We have planned to communicate this to the church by using the language of maturity and mission. We want our church to grow in their understanding of the Bible and put it into practice. In addition, we want people to mature in relationships, especially in community. Many of our events and training sessions will continue to focus on these themes going into the next financial year.

Considering the global pandemic, we enter into this next financial year cautiously optimistic about the mission of Reality Church London. We feel that we are still to see the true impact the pandemic has had both on our ministry but also specifically our finances. As we navigate forward into this next season we will be reviewing finances in detail more frequently and hold a number of conversations with members of our community to truly understand the impact the pandemic has had and continues to have.

We are currently planning for quarterly volunteer vision nights alongside an annual church wide Vision Sunday, to cast vision over the coming season of Reality Church London. We look to these events as significant moments in the life of the church to ensure clear communication of vision and values, and proper leadership of volunteers. This year we endeavour to create good structures which will enable the number of volunteers to increase while remaining healthy in relation to each other and the church as a whole.

Grant Making Policy

Gifts to external organisations and individuals are considered by the Trustees on the basis of need and fulfilment of the charitable objectives. There are no upper or lower limits of support.

Financial Review

Reality Church London received donations and other income of £503,616 (2020: £399,890). £72,804 (2020: £89,655) was donated via the sending church, Reality Carpinteria. Expenditure was £270,012 (2020: £322,284) resulting in a net gain of approximately £233,604 (2020: £77,606) over the financial year.

Reserves Policy

The reserves policy of Reality Church London is to hold three months of all operational expenditures on reserve. The trustees currently believe this amount to be £67,503, compared to £342,698 in free cash reserves held at the year-end so are exceeding the policy level set. In addition the planting church have informed the trustees that they are committed to continuing to make regular donations to Reality Church London and have already paid those outstanding at the year end.

Where there are specific capital expenditures foreseen, amounts are set aside into designated funds so the free cash reserves are available to meet the costs of normal operating expenditures and to ensure the Church can meet the commitments that have been entered into. At the year-end there were no material designated funds held on reserve. This reserve policy will be reviewed annually.

The Missional Fund is an unrestricted fund designated by the Trustees for expenditure on Mission and Church Planting. £103,028 of the unrestricted cash balance is held in this fund (2020:£62,470) These 'First Fruits' funds are reserved to sew into individuals and charities across London that align to the mission of Reality Church London, including the Reality Church London Serve the City Partners. As a church we want to model generosity throughout our city as we seek the renewal of London, supporting these causes via our First Fruits fund enables us to continually seek that renewal.

Covid Impact

In March 2020 Reality Church London took steps in line with government guidance to help contain the nationwide outbreak of COVID-19. All staff transitioned to remote working and Reality Church London actioned the temporary suspension of all physical gatherings and events, moving all activity online. Through purchasing needed equipment and software to navigate this change successfully, with the exception of two weeks in October 2020 activity remained online for 2020 as per government guidance. To date there has been no significant impact on net income; nonetheless the trustees are continuing to monitor income and expenditure closely and, if it becomes necessary, will take measures to mitigate any financial impact. Reality Church London has not had to make any redundancies or furlough any staff members due to the continued high workload of online activity and the already skeleton staff structure. The government guidance was continually strictly adhered to during this financial period, ensuring all Reality Church London activity remained COVID secure and in line with the most up to date government regulations. Reality Church London started meeting back in person in March 2021, whilst continuing to stream services and events online via ZOOM.

Risk Statement

All major insurable risks are subject to normal Churches and employers' insurance. Contractual risks are reviewed before being entered into to assess that they could not significantly impact the Churches ability to fulfil its objectives. An annual review of areas of risk is undertaken by the Trustees in conjunction with staff and volunteers responsible for the area of activity.

Trustees' Responsibilities

Charity law requires us as Trustees to prepare financial statements for each accounting year which give a true and fair view of the state of the charity and of its income and expenditure for the year.

We are required to:

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
4. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Charities Act 2011.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

The Trustees have complied with the duty under the Charities Acts to have due regard to the public benefit guidance published by the Charity Commission.

Approval

This report was approved by the Trustees on 12 May 2022 and signed on their behalf by:

Bijan Mirtolooi, Trustee

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
REALITY CHURCH LONDON**

I report to the trustees on my examination of the accounts of the Reality Church London (the charity) for the period ended 31 August 2021 on pages 8 to 17 following, which have been prepared on the basis of the accounting policies set out on pages 11 to 12.

Responsibilities and basis of report

As the charity trustees of the charity 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 Trust's accounts carried out under section 145 of the 2011 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 of England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Trust 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 ACA
Institute of Chartered Accountants of England and Wales

For and on behalf of:
Stewardship
1 Lamb's Passage
London,
EC1Y 8AB

17 May 2022

REALITY CHURCH LONDON
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021
SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2021 £	Total funds 2020 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	503,564	-	503,564	397,511
Charitable activities		-	-	-	2,379
Other income and endowments		52	-	52	-
Total income and endowments		503,616	-	503,616	399,890
EXPENDITURE ON					
Charitable activities	4	270,012	-	270,012	322,284
Total expenditure		270,012	-	270,012	322,284
Net movement in funds		233,604	-	233,604	77,606
Reconciliation of funds:					
Total funds brought forward		160,035	-	160,035	82,429
Total funds carried forward		393,639	-	393,639	160,035

Movements on reserves and all recognised gains and losses are shown above.

The notes on page 11 - 16 form part of these accounts.

REALITY CHURCH LONDON
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
		£		£	
CURRENT ASSETS					
Debtors	6	59,449	-	59,449	51,935
Cash at bank	7	342,698	-	342,698	136,340
		<u>402,147</u>	<u>-</u>	<u>402,147</u>	<u>188,275</u>
CURRENT LIABILITIES					
Liabilities falling due within one year	8	8,508	-	8,508	28,240
Net Current Assets		<u>393,639</u>	<u>-</u>	<u>393,639</u>	<u>160,035</u>
NET ASSETS		<u>393,639</u>	<u>-</u>	<u>393,639</u>	<u>160,035</u>
FUND BALANCES					
Unrestricted funds					
General Funds		290,611	-	290,611	97,565
Designated funds	9	103,028	-	103,028	62,470
		<u>393,639</u>	<u>-</u>	<u>393,639</u>	<u>160,035</u>

Approved by the Trustees and signed on their behalf on the 12 May 2022 by:

Bijan Mirtolooi, Trustee

The notes on page 11 - 16 form part of these accounts.

REALITY CHURCH LONDON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Total funds £	Prior year funds £	Note
Cash flows from operating activities:			
<i>Net cash provided by (used in) operating activities</i>	<u>206,358</u>	<u>95,217</u>	<i>a</i>
<i>Change in cash and cash equivalents in the reporting period</i>	206,358	95,217	
Cash and cash equivalents at the beginning of the reporting period	136,340	41,123	<i>b</i>
Change in cash and cash equivalents due to exchange rate movements			
<i>Cash and cash equivalents at the end of the reporting period</i>	<u>342,698</u>	<u>136,340</u>	<i>b</i>

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

	Current year £	Prior year £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	233,604	77,606
Adjustments for:		
(Increase)/decrease in debtors	(7,513)	(2,290)
Increase/(decrease) in creditors	<u>(19,732)</u>	<u>19,901</u>
<i>Net cash provided by (used in) operating activities</i>	<u>206,358</u>	<u>95,217</u>

Note b: Analysis of cash and cash equivalents

	Current year £	Prior year £
Cash in hand	342,698	136,340
Total cash and cash equivalents	<u>342,698</u>	<u>136,340</u>

REALITY CHURCH LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

1 Statutory Information

The charity is a charitable incorporated organisation registered 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 including the COVID pandemic. 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. Reality Church Carpinteria have confirmed that they plan to continue supporting the charity, sufficiently for it to continue for the foreseeable future unless they are told this support is no longer required by the Reality Church London trustees and/or a timeline of withdrawal from support is agreed upon with the Reality Church London Trustees.

The following are the accounting policies which have been applied in dealing with material items:-

b) Donated and grant income:

Donated income and grants receivable are taken into account when received by the charity. Income received in circumstances where a claim for repayment of tax has been or will be made to HM Revenue & Customs is grossed up for the tax recoverable. Any amount of tax reclaimed from HM Revenue & Customs but not yet received is shown within the charity's debtors.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

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.

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.

REALITY CHURCH LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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 £2,000 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:

Freehold land	Is not depreciated (because it is not consumed by use)
Freehold buildings	Over 50 years after taking account of the building's residual value
Leasehold improvements	Over the lease term or, if shorter, expected useful life
Equipment	Over 3 to 7 years

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).

REALITY CHURCH LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

3 Voluntary income	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
General donations	366,120	-	366,120	256,382
Donations from Reality Carpinteria	72,804	-	72,804	89,655
Other Income			-	538
Tax recoverable	64,641	-	64,641	50,935
	<u>503,564</u>	<u>-</u>	<u>503,564</u>	<u>397,511</u>

4 Charitable activity	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
a Direct Charitable Costs				
Staffing Costs	157,929	-	157,929	160,266
Ministry & Outreach	29,377	-	29,377	31,504
Venue Hire	18,135	-	18,135	49,058
Travel & Conferences	6,329	-	6,329	17,484
Equipment	6,173	-	6,173	12,447
Media	5,770	-	5,770	4,653
Other	534	-	534	601
Grants payable Note 3c	10,380	-	10,380	7,080
	<u>234,627</u>	<u>-</u>	<u>234,627</u>	<u>283,093</u>

b Support & Administration	£	£	£	£
General Administration	16,283		16,283	18,620
Legal and professional services	15,982	-	15,982	17,451
Accounts preparation and examination	3,120	-	3,120	3,120
	<u>35,385</u>	<u>-</u>	<u>35,385</u>	<u>39,191</u>
Combined charitable activity cost	<u>270,012</u>	<u>-</u>	<u>270,012</u>	<u>322,284</u>

c Grants	Institutions £	Individuals £	2021 £	2020 £
Mission	10,080		10,080	6,080
Relief of poverty	-	300	300	1,000
Educational grants	-	-	-	-
	<u>10,080</u>	<u>300</u>	<u>10,380</u>	<u>7,080</u>

The main features of the grants to institutions over £1,000 were:

Centre for Enterprise	£6,200	-
Kingham Hill Trust Oak Hill College	£2,400	-
Greater Europe Mission	£280	£1,680
Calvary Chapel Leatherhead	£600	£2,200
Trinity Church Nottingham	£600	£2,200

REALITY CHURCH LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

5 Staff & Trustees	2021	2020
	£	£
Gross wages, salaries & benefits in kind	144,211	158,998
Employer's National Insurance costs	11,411	9,357
Pension costs	2,306	4,118
Total staff costs	157,929	172,473

The average monthly number of employees during the year was 3 (2020: 4). Most of the charity's activities are carried out by volunteers.

There was no remuneration payable to key management other than to the trustee as detailed below. Key management is considered to cover the church leader directly employed by the charity.

	Wages & salaries	Directly from Carpinteria, USA	Employer pension contributions	2021 £
Trustees:				
Bijan Mirtolooi	63,333	9,325	-	72,659

The following amounts were payable in the previous year:

	Wages & salaries	Directly from Carpinteria, USA	Employer pension contributions	2020 £
Trustees:				
Tim Chaddick	64,096	9,185	1,650	74,931

Bijan Mirtolooi (and previously Tim Chaddick until July 2020) served as the church leader 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.

During the year expenditure was incurred bringing Bijan Mirtolooi and his family to the UK to serve as church leader which included the legal costs of arranging visas, shipping costs and travel costs. These costs totalled £18,463 and were permitted by the charity's governing document and were necessary for the proper performance of his duties.

No remuneration was paid to any other trustee during the year nor to any person connected to them.

No other staff received salaries at a rate of more than £60,000 per annum.

The trustees were reimbursed travel costs of £1,803 (2020: £3,388) which were incurred monitoring and supporting charitable activities and programmes. Otherwise no trustee received reimbursed expenses other than those incurred when purchasing supplies, equipment and consumables on behalf of the charity.

REALITY CHURCH LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

The total amount of donations funded by trustees and connected parties, and other related parties, was £1,920 (2020: £6,703).

No other transactions have taken place with related parties during the year.

Fees payable to Stewardship (exclusive of VAT), other than for the annual accounts and independent examination of £2,600 +VAT (2020: £2,600 +VAT), for payroll bureau services and consultancy services totalled £835 (2020: £872).

6 Debtors and Prepayments	2021	2020
	£	£
Tax recoverable	40,000	50,935
Other Debtors	18,449	-
Prepayment	1,000	1,000
	<u>59,449</u>	<u>51,935</u>

7 Cash at Bank and in Hand		
Bank operating accounts	<u>342,698</u>	<u>136,340</u>
	<u>342,698</u>	<u>136,340</u>

8 Creditors: liabilities falling due within one year		
Other creditor	5,388	25,120
Accruals	<u>3,120</u>	<u>3,120</u>
	<u>8,508</u>	<u>28,240</u>

9 Funds

Designated Funds

The Missional Fund is an unrestricted fund designated by the Trustees for expenditure on Mission and Church Planting. These 'First Fruits' funds are reserved to sew into individuals and charities across London that align to the mission of Reality Church London, including the Reality Church London Mercy Partners. As a local church, we seek the renewal of London, supporting these causes via our First Fruits fund enables us to continually seek that renewal.

2021	Opening balance £	Incoming resources £	Outgoing resources £	Transfers in the year £	Closing balance £
Missional Fund	62,470	50,638	10,080		103,028
	<u>62,470</u>	<u>50,638</u>	<u>10,080</u>	<u>-</u>	<u>103,028</u>

The assets and liabilities represented by the various funds are as follows:

	Bank & cash balances £	Other net assets £	2021 Total £
General Funds	239,670	50,940	290,611
Designated Funds	<u>103,028</u>	<u>-</u>	<u>103,028</u>
	<u>342,698</u>	<u>50,940</u>	<u>393,639</u>

REALITY CHURCH LONDON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

2020	Opening balance £	Incoming resources £	Outgoing resources £	Transfers in the year £	Closing balance £
Missional Fund	29,736	39,120	6,386	-	62,470
	<u>29,736</u>	<u>39,120</u>	<u>6,386</u>	<u>-</u>	<u>62,470</u>

The assets and liabilities represented by the various funds are as follows:

	Bank & cash balances £	Other net assets £	2020 Total £
General Funds	73,870	23,695	97,565
Designated Funds	62,470	-	62,470
	<u>136,340</u>	<u>23,695</u>	<u>160,035</u>

10 Acting as agent

During the previous year, the charity received money from Reality Ventura which was a direct reimbursement of moving expenses for Tim Chaddick. Income of £5,283 was received during the year to 31st August 2020 to reimburse the payments of £5,283 made to Tim Chaddick. This agency income, and the related payments, are excluded from the Statement of Financial Activities. There were no outstanding monies as at 31st August 2020 and no such transactions have occurred in the year ending 31st August 2021.

11 Guarantees and security provided

No guarantees have been made, which result in an outstanding potential liability as at the year-end date.

There are no outstanding debts at the balance sheet date which are owed and which are secured by an express charge on any of the assets of the CIO.

REALITY CHURCH LONDON
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds - General 2021 £	Unrestricted Funds - General 2020 £	Unrestricted Funds - Designated 2021 £	Unrestricted Funds - Designated 2020 £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS FROM							
Donations and legacies	3	452,926	358,391	50,638	39,120	503,564	397,511
Charitable activities			2,379	-	-	-	2,379
Other income		52	-	-	-	52	-
Total income and endowments		452,978	360,770	50,638	39,120	503,616	399,890
EXPENDITURE ON							
Charitable activities	4	259,932	315,899	10,080	6,386	270,012	322,284
Total expenditure		259,932	315,899	10,080	6,386	270,012	322,284
Net gains/(losses) on investments		-	-	-	-	-	-
Net income/(expenditure)		193,046	44,872	40,558	32,734	233,604	77,606
Transfers between funds						-	-
Net movement in funds		193,046	44,872	40,558	32,734	233,604	77,606
Reconciliation of funds:							
Total funds brought forward		97,565	52,693	62,470	29,736	160,035	82,429
Total funds carried forward		290,611	97,565	103,028	62,470	393,639	160,035

Movements on reserves and all recognised gains and losses are shown above.