



**LIVING GRACE
CHURCH**

ENCOUNTER. DEMONSTRATE.

***Making encountering and
demonstrating the love of God
the adventure of a lifetime***

Charity Number: 1171041

Trustees' Report and Financial Statements

For the period ending 31st December
2021

Contents

1. Trustees Report
 - 1.1 Reference and Administration Details
 - 1.2 Structure, Governance & Management
 - 1.3 Charitable Objectives of Living Grace Church Northampton
 - 1.4 Our Mission & Vision
 - 1.5 Achievements & Performance
2. Statement of Financial Activities for the Period Ended 31st December 2021
3. Balance Sheet as at 31st December 2021
4. Notes to the Financial Statements for the year ended 31st December 2021
5. Independent Examiners Report on the Trustees of Living Grace Church

1. Trustees Report

The Trustees present their annual report and financial statements for the period ending 31st December 2021

1.1 REFERENCE AND ADMINISTRATION DETAILS

Trustees: Pastor David Weston
Mr Mark Kinning
Mr Richard Peters
Mr Johnson Chayanickal

Registered Charity Number: 1171041

Registered Office: Living Grace Church
27 School Road
Irchester
NN29 7AW

Bankers: Barclays Bank
267 Wellingborough Road
Northampton
NN1 4EN

Independent Examiner: TBC

Website: www.livinggrace.org.uk

1.2 STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Living Grace Church is a Company limited by guarantee with charitable status. Charity Number 1171041.

Organisational Structure

The day to day running of the church is delegated to the pastoral and administrative staff led by Pastor Dave Weston, who is a trustee. He is assisted in this by Carla Merrey who serves as Operations Manager and secretary to the trustees.

Appointment of Trustees

A new trustee may be appointed by a resolution of the Trustees passed at a meeting of Trustees at which there is a majority of the Trustees present and such resolution shall be recorded in the minutes and signed by the new Trustee and by the chairman of the meeting and such records shall be conclusive evidence of his / her appointment.

Leadership Structure

Living Grace Church has four areas of leadership which overlap under the overall direction of the Lead Pastor. Each area has responsibility to ensure the church pursues its objectives and vision, and to care for the church members. The leadership structure and responsibilities are as follows:

Overall Leadership

This is the Lead Pastor's role, and he directs focus and activities so the church pursues its vision and support is given to the key areas of ministry.

Trustees

The full responsibilities of the trustees are set out, in respect to accounting and financial information, in the Living Grace Church Trust Deed. They also advise the Leadership Team on staffing, salaries and employment issue, and manage the legal responsibilities of the charity and ensure full compliance with legislation.

Planning and Implementation Team

This team helps the Leadership Team in planning events and activities and assists in the implementation of events, programs and policies.

Ministry Leaders

These church members lead and manage specific areas of the churches activities:

- Children's Ministry
- Youth Ministry
- Worship
- Mission
- Welcome

1.3 The Charitable Objectives of Living Grace Church Northampton

- A.** To advance the Christian faith in Northamptonshire and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit.
- B.** To promote the Christian faith mainly, but not exclusively, by means of teaching, preaching, broadcasting, producing and distributing Christian messages and literature of an evangelistic nature in Northamptonshire and in other parts of the United Kingdom or the world for the benefit of the public through the holding of prayer meetings, lectures and public celebrations of religious festivals.
- C.** The relief of hardship or need such as poverty (which shall encompass financial, material, social and spiritual poverty), sickness, disability or impairment and bereavement by means of advice, assistance, pastoral support, care and where appropriate the provision of resources.

The objective of the charity, as stated in the trusts governing document, is the advancement of the Christian faith, the relief of poverty and sickness and of the aged, and the advancement of education on the basis of Christian principles without prejudice. In so doing, we aim to be a positive resource for the local area of the church, being a centre of activity and support to the local community, bringing people together.

These objectives are driven by the leadership of the church and practised by the congregation. It is not only put into practise through Sunday worship and preaching, but in its day-to-day support to the local community and

countries overseas. This includes providing education, poverty relief and emergency aid for all ages, races & creeds. The charity aims to provide support and advice to individuals and groups in need, covering such areas as family relationships, parenting, children and youth education, support for the sick and much more. We seek to meet its need wherever we can do so appropriately.

The trustees believe that Living Grace Church complies with the Charities Commission's guidance on public benefit and in particular, the specific guidance on charities for the advancement of religion.

1.4 Our Vision

“Making Encountering and Demonstrating the Love of God the Adventure of a Lifetime”

We aim to teach and equip every member of Living Grace Church, so they live the life demonstrated to us by Jesus Christ to everyone, everywhere they go, joining Him in His goal to see everything renewed back to His perfect model. We equip church members in their discipleship journey, to be with Jesus, become like Jesus and do what Jesus did. This takes the work of the church from inside the church walls and into the everyday world, spreading the transforming love of God into society and changing our town.

Culture

A vision needs a culture to thrive in, so the things we grow the things we want to grow, and they are healthy. We aim to create a culture which resembles heaven as closely as possible and replicates the culture Jesus created everywhere he went. He carried hope, renewal, and transformation into every situation. We aim to build this same culture. We call it ‘Renewal’ and ‘Revival’.

Core Values

We seek to keep focused on our vision through core values which direct everything we do. We are called to be followers of Jesus and prioritise being with Him, becoming like Him and doing what He did. In doing this we look to excel in ***Love, Purity and Power***. These values permeate our mindsets, activities and ministries.

All our activities are channelled through this vision, lived out in this culture, and guided by these core values. And our activities support these two areas of focus:

1. Encountering the Love of God

Our goal as followers of Jesus is to become His disciples. This means being with Jesus and becoming like Jesus. These lead to encounters which shape us, and we aim to bring to everyone in Living Grace Church and beyond into such an encounter with the love of God. We do this through worship, prayer, preaching, teaching and training. We also connect with other churches,

missions and organisations across the town, country and world who are experiencing and providing fresh encounters with the love of God. Our Small groups bring people together to share life and experiences and so foster encounters with the love of God, and we look to train and develop leaders through one-on-one and group mentoring.

2. Demonstrating the Love of God

The natural outcome of encountering God (being with and becoming like Jesus) is that we begin to do what Jesus did – demonstrating the powerful love of God everywhere we go. We want people who have encountered the love of God to then demonstrate it to others. This is through acts of love, service and sacrifice to all, regardless of background, circumstances or faith. We do this through organised activities in the community such as Parent & Toddler Groups, Social Action, Youth Groups, etc. But we also encourage individual members to be active through demonstrations of love, big and small, to the people in their world. We also support mission and advocate groups who seek to bring transformation, justice and support for the disadvantaged across the world. We do this through prayer, participation and finances.

1.5 ACHIEVEMENTS AND PERFORMANCE IN 2021

In planning the charity's activities the Trustees have given consideration to the guidance provided by the Charity Commission on 'public benefit' issued in December 1998.

Coronavirus

The impact of the pandemic still lingers and will have long term impact. After beginning the year online as before, our in-person gatherings were held back to September due to us hiring a school and this not being immediately available. Our online attendance stabilised at around one third of our total congregation. When we returned in-person, numbers continued to be low. Some who did not get on with online returned, but there was still a lot of fear and concern around and many did not attend, waiting for things to further calm down. A number of our congregation also moved away during the pandemic, also impacting our numbers.

Being able to gather together though, and begin some of our activities in-person, was a huge blessing and relief after the year we endured together.

Sunday Services

For the first half of 2021 our services were online, using Zoom as well as streaming to our YouTube channel. We made use of recorded worship songs (YouTube), and had preaching and teaching from various people inside and outside the church family. This provided a vital link for the church family, enabling us to meet and share. But it was far from ideal, with real connection difficult.

From September we were able to return in-person to Weston Favell Primary School, with the required guidelines in place, Return was slow as people began to re-engage with crowds again. We had lost various members of our teams for various reasons, which impacted our ability to provide some services. We continued to make use of recorded worship, and our ability to provide activities to children and youth was restricted, but we managed to provide a service thanks to the hard work and dedication of our volunteers.

We began a video series called Freedom in Christ, teaching and equipping people to live the lives God wants us to live. We used the real experiences of members of our LGC family to demonstrate this. The same course was also run for our children and youth. The course will run into the beginning of 2022.

Small Groups

Our small groups were impacted by the pandemic. We were running gender based groups before lockdown, and these continued online, but were difficult

to maintain and create connection, like all our other online provision. When we returned to in-person gatherings, we shelved our small groups as people got used to going out again in public.

We then began to create a new model of small groups, based on our vision of helping people in their discipleship journey with Christ. These new groups will be smaller and set up by members of the congregation themselves. They are to be called DISC groups, and can be hosted at a time which works for each group. Being smaller (3/4 people) they can be more focused on the issues affecting each other, and help them with the call of being and becoming like Jesus, and doing what Jesus did, through love, encouragement, accountability and prayer. We devised and advertised these groups in 2021, with a view to launch them in early 2022.

We began praying each week online in 2020 and continued this through 2021. We plan to keep this online as it enables easy access for all.

Community

Our community work was halted in 2020 because of the pandemic, and this continued through much of 2021 as we do not have our own building and were dependent on others. Also as some of those whom our community work is aimed at were considered as vulnerable. these remained closed throughout the year. We did however plan for and reopen our Babies and Parents group in September in Vernon Terrace Community Centre, with a new team leading the group. Take up for this was slow and its future was being considered as we approached the end of the year.

Supporting the vulnerable

We began to support those vulnerable in our church family in 2020, creating a paid, part time role for this. Becky Haines continued this valuable work through 2021, calling and then when allowed, visiting those who were elderly and alone. This was an invaluable service through the pandemic.

Schools work

Leah Peters continued her excellent online provision to schools by creating online monthly resources. As schools became open for visits again in the second half of the year, she began to visit to perform assemblies, as well as continue the online services. Plans were being made to r map up the in-school services, including R.E. lessons, Transitions Support and Drama Workshops.

Mission

Our support for mission was continued through 2021 as we gave 10% of our income to various charities doing mission work in the UK and overseas. Each month during our Sunday service, a member of our church reported on where our money was going that month, and what difference it was making.

This encouraged the congregation by showing that their giving was making a difference in the lives of people in need.

Employment

During this year, Living Grace Church employed three members of staff. This includes Pastor David Weston (also a Trustee) on a full time (37.5 hours per week) basis, fulfilling his role as Lead Pastor. Mrs Carla Merrey is employed on a part-time basis (15 hours per week) working as Operations Manager, and Mrs Becky Haines is employed on a part-time basis (10 hours per week) working as Pastoral Care Worker.

SUMMARY

The Trustees consider that they have complied with section 4 of the Charities Act 2006 and that the church and its membership are meeting the charitable objectives that were determined when the church was formed. As it grows, and lockdowns ease, it is expected that the church's community will have further opportunities to increase its activity and influence.

FINANCIAL REVIEW

Financial Performance

Our funds primarily come from gifts and offerings by members of the church as part of their act of worship.

Income for the year was £122,592 (2017 £69,582)

Expenditure for the year was £135,372 (2017 £85,061)

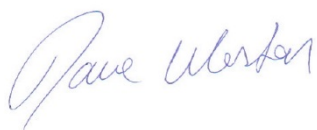
The Trustees have considered the level of reserves they wish to retain, appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The Trustees aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in Income or unexpected expenditure. The Trustees will endeavour not to set aside funds unnecessarily.

Independent Examiner

Independent Examiner Shanoj Injipparambili Unnikrishnan has agreed to offer himself as Independent Examiner of Living Grace Church.

Approval of Accounts

The accounts were approved on behalf of the Trustees on:



David Weston

Date

Pastor and Trustee

Living Grace Church

Statement of Financial Activities for the period ended 31st December 2018

Income from:	Note 3	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£	£
Donations and Legacies		106,394	5,230	10,969	122,592	69,582
Total Income		<u>106,394</u>	<u>5,230</u>	<u>10,969</u>	<u>122,592</u>	<u>69,582</u>

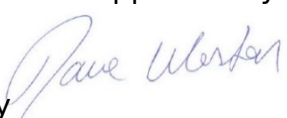
Expenditure On:	Note 4	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£	£
Charitable Activities		103,718	1,300	30,353	135,372	85,061

Total Income	<u>103,718</u>	<u>1,300</u>	<u>30,353</u>	<u>135,372</u>	<u>85,061</u>
Net Income/ (Expenditure)	2,675	3,930	(19,384)	(12,780)	(15,479)
Total funds Brought Forward	48,618	466,193	72,950	587,761	603,240
Balance Carried Forward at 31st December 2018	<u>51,294</u>	<u>470,123</u>	<u>53,565</u>	<u>574,982</u>	<u>587,761</u>

**Living Grace
Church**
**Balance sheet as at 31st
December 2018**

	Unrestric ted Funds £	Designa ted Funds £	Restric ted Funds £	2018 £	2017 £
Fixed Assets					
Tangible Assets	0	0	0	0	0
Current Assets					
Debtors	684	3,108	477	4,268	1,956
Investments	25,859	467,175	48,104	541,138	0
Cash at Bank	28,900	690	4,985	34,575	588,832
Total Current Assets	55,443	470,973	53,566	579,981	590,788
Creditors: amounts falling due within one year	4,149	850	0	4,999	3,027
Net current assets/ (liabilities)	51,294	470,123	53,566	574,982	587,761
Total assets less current liabilities	51,294	470,123	53,566	574,982	587,761
Creditors: amounts falling due after one year	0	0	0	0	0
Total net assets or liabilities	51,294	470,123	53,566	574,982	587,761
Funds of the Charity					
Restricted Funds			53,565	53,565	72,950
Designated Funds		470,123		470,123	466,193
Unrestricted Funds	51,294			51,294	48,618
Total Funds	51,294	470,123	53,565	574,982	587,761

The financial statements were approved by the Trustees on

Signed on their behalf by , Trustee

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31ST DECEMBER 2018**

1 Basis of Preparation

1.1 Basis of Accounting

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102) and with the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

1.2 Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Accounting policies

2.1 Recognition of Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of the conditions is within the control of the charity and it is probable that they will be fulfilled. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

2.2 Recognition of Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following heading:

* Expenditure on charitable activities includes all costs incurred in fulfilling the church's objectives, together with any costs in support of these. This category includes costs in support of these. This category includes costs normally considered support costs but because the building and staff are integral to fulfilling our objectives, they are included here.

2.3 Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised

in expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018 (CONT.)

2.4 Provisions for Liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018 (CONT.)

3. Analysis of Income

Analysis	Unrestriced Funds £	Designated Funds £	Restricted Funds £	Total Funds £	2017
Donations & Legacies:					
Donations and gifts	87,518	5,230	10,310	103,058	57,886
Gift Aid	18,812		659	19,471	11,670
Membership subscriptions which are in substance donations	63			63	26
Total	106,394	5,230	10,969	122,592	69,582

4. Analysis of Expenditure

Analysis	Unrestriced Funds £	Designated Funds £	Restricted Funds £	Total Funds £	2017
Expenditure on charitable activities					
Staff costs	67,637			67,637	53,244
Pastoral Costs	3,151			3,151	1,711
Operational Costs	8,366	0	25,000	33,366	5,763
Management & Administration	12,681	210	33	12,924	4,601
Ministry Costs	808	1,090	925	2,823	1,400
Outreach & Giving Costs	11,075	0	1,325	12,400	14,447
Indian School Project			3,070	3,070	3,896
Total	103,718	1,300	30,353	135,371	85,061

5. Staff Costs

	2018 £	2017 £
Gross salary	52,982	44,064
Payroll costs	12,047	8,528
Pension costs	2,608	652

TOTAL

67,637

53,244

No employees had employee benefits in excess of £60,000.

None of the trustees received any fees for their services as Trustees. D Weston is a Trustee and also engaged in Ministry for the church, for which he received remuneration, £41,949.84 during the period. D Weston was also reimbursed expenses incurred whilst performing his duties for the church totalling £595 during this period.

J Harrison is a Trustee and also engaged in Ministry for the church, for which she received remuneration, £9,700 during this period. She did not incur any expenses whilst performing her duties for the church.

An analysis of the average numbers of full time equivalent permanent employees is as follows:

	2018	2017
Pastoral	1.25	1.25
Administrative	0.75	0.75
Total	2	2

6. Net income/ (expenditure) for the year

2018
£

2017
£

This is stated after charging:

Independent examiner's fees

TOTAL

350

350

350

350

7. Debtors

2018
£

2017
£

Prepayments and accrued income

TOTAL

4,268

1,956

4,268

1,956

8. Creditors

	Amounts falling due within one year £	2017
Accruals and deferred income	4,999	3,027
TOTAL	4,999	3,027

9. Cash at Bank and in hand

	2018 £	2017 £
Cash at bank and in hand	34,575	588,832
TOTAL	34,575	588,832

10. Analysis of Charitable Funds

Analysis of Movement in Unrestricted & Designated Funds

	1st January 2018 £	Income £	Expenditure £	31st December 2018 £
General	48,618	106,394	103,718	51,294
Building	466,000	4,240	210	470,030
Community Projects	193	990	1,090	93
Totals	514,811	111,623	105,018	521,417

Name of Fund

Description, Nature and Purpose of Fund

General
Designated Funds

The "Free Reserve" after allowing for all

Building

For the allocation towards a new church building

Community Projects
work

Income received and costs incurred due to community

Analysis of Movement in Restricted Funds

	1st January 2018 £	Income £	Expenditure £	31st December 2018 £
Building Project	72,688	6,068	25,033	53,723

Mission Giving	50	1,325	1,325	50
Indian School Project	212	2,650	3,070	(208)
Ministry Projects	0	925	925	0
Totals	72,949	10,969	30,353	53,565

Name of Fund

Description, Nature and Purpose of Fund

General
Funds

The “Free Reserve” after allowing for all Designated

Building

For the allocation towards a new church building

Community Projects
work

Income received and costs incurred due to community

5. Independent Examiner's Report on the Trustees of Living Grace Church

I report on the accounts of Living Grace Church of the period ended 31st December 2018 which are set out on the previous pages

Respective responsibilities of Trustee and Examiner

The charity's Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the Charities Act,
- To follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- To state whether particular matters have come to my attention

Basis of Independent Examiner's Statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual terms or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedure undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention:

1. Which give me cause to believe that in, any material respect, the requirements:
 - To keep accounting records in accordance with section 130 of the Charities Act; and
 - To prepare accounts which accord the accounting records and comply with the account requirements of the Charities Act

Have not been met; or

2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Shanoj Injipparambil Unnikrishnan
39 Dulverton Road
Northampton NN3 3AZ

Date:

Living Grace Church

Report and Accounts

Year ended 31st December 2021

Living Grace Church

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	David Weston Mark Kinning	Richard Peters Johnson Chayanickal
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Company Secretary	Carla Merrey
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Key Staff	David Weston Carla Merrey
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Custodian Trustees

Governing Document	Memorandum and Articles of Association dated 30th November 2016
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Company Registration Number	9889362
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Charity Registration Number	1171041
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Registered Office	27 School Road Irchester, Wellingborough Northamptonshire NN29 7AW
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Independent Examiner	Sarah Crispin ACA Stewardship 1 Lamb's Passage London EC1Y 8AB
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Bankers	Barclays Bank 267 Wellingborough Road Northampton NN1 4EN
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Contents	Page
Company Information	1
Trustees' Annual Report	2-6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Accounts	10-17
Detailed Statement of Financial Activities with Comparatives	18

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are the charity's directors for the purposes of company law, have pleasure in submitting the Report and Accounts for the year.

Objects of the charity

The charity is a charitable company and is governed by its memorandum and articles of association. The objects of the charity, as set out in the governing document are:

- a) To advance the Christian faith in Northamptonshire and in such other parts of the UK or the world as the Trustees may from time to time think fit.
- b) To promote the Christian faith mainly, but not exclusively, by means of teaching, preaching, broadcasting, producing and distributing Christian messages and literature of an evangelistic nature in Northamptonshire and in other parts of the UK or the world for the benefit of the public through the holding of prayer meetings, lectures and public celebrations of religious festivals.
- c) The relief of hardship or need such as poverty (which shall encompass financial, material, social and spiritual poverty), sickness, disability or impairment and bereavement by means of advice, assistance, pastoral support, care and where appropriate the provision of resources.

The objective of the charity, as stated in the trusts governing document, is the advancement of the Christian faith, the relief of poverty and sickness and of the aged, and the advancement of education on the basis of Christian principles without prejudice. In doing so, we aim to be a positive resource for the local area of the church in Northampton, being a centre of activity and support for the local community, bringing people together.

These objectives are driven by the leadership of the church and practised by the congregation. It is not only put into practise through Sunday worship and preaching, but in its day-to-day support to the local community and countries overseas. This includes providing education, poverty relief and emergency aid for all ages, races and creeds. The charity aims to provide support and advice to individuals and groups in need, covering areas as family relationships, parenting, children and youth education, support for the sick and much more. We seek to meet its need wherever we can do so appropriately.

Our vision

Our vision remains to pursue God and to reach and impact our local community and beyond, as we are able, with Christian love and truth. We aim to teach and equip every member of Living Grace Church, so they live the life demonstrated to us by Jesus Christ to everyone, everywhere they go, joining Him in His goal to see everything renewed back to His perfect model. We equip church members in their discipleship journey, to be with Jesus, become like Jesus and do what Jesus did. This takes the work of the church from inside the church walls and into the everyday world, spreading the transforming love of God into society and changing our town.

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

Summary of the charity's main activities and achievements

To further the above objects and vision, the charity's main activities and achievements were as follows:

Response to the Covid-19 Pandemic

The impact of the pandemic still lingers and will have long term impact. As the year progressed, steps were taken to prepare to return to meet in person, ensuring staff and volunteers were trained for a safe return and information was communicated to members. Due to us hiring a school, which was not immediately available, meetings resumed in September. Our online attendance stabilised at around one third of our total congregation. When we returned in-person, numbers continued to be low. Some who did not get on with online services, returned but there was still a lot of fear and concern around and many did not attend, waiting for things to further calm down. A number of our congregation also moved away during the pandemic, also impacting our numbers.

The finances were constantly monitored during the pandemic by the Trustees and appropriate action was taken when necessary. The Trustees considered the level of reserves which they wish to retain, which was appropriate for the season.

Sunday Services

For the first half of 2021 our services were online, using Zoom as well as streaming on our YouTube channel. We made use of recorded worship songs and had preaching and teaching from various people inside and outside church family. This provided a vital link for the church family, enabling us to meet and share. But it was far from ideal, with real connection difficult.

From September, we returned in-person services, with the required guidelines in place. Return was slow as people began to re-engage with crowds again. We had lost various members of our teams for various reasons, which impacted our ability to provide some services. We continued to make use of recorded worship, and our ability to provide activities with children and youth was restricted, but we managed to provide a service thanks to the hard work and dedication of our volunteers.

We began a video series called Freedom in Christ, teaching and equipping people to live the lives God wants us to live. We used the real experiences of members of our LGC family to demonstrate this. The same course was also run for children and youth. The course will run into the beginning of 2022.

Small Groups

Our small groups were impacted by the pandemic. We were running gender based groups before lockdown and these continued online, but were difficult to maintain and create connection, like all our other online provision. When we returned meeting in person, we shelved our small groups as people adjusted to going out in public again.

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

We then began to create a new model of small groups, based on our vision of helping people in their discipleship journey with Christ. These new groups will be smaller and set up by members of the congregation themselves. They will be called DISC groups and can be hosted at a time which works for each group. We devised and advertised these groups in 2021 with a view to launching in early 2022.

Our weekly prayer group continued online during 2021 and we plan for this to remain online, enabling easy access for all.

Community Work

Our community work was halted in 2020 due to the pandemic and also most of 2021 as we do not have our own building, so are dependant on others. Another factor we had to consider was that, some of those whom our community work is aimed at were considered vulnerable, that group remained closed during the year. With appropriate measures in place, we planned to re-open our Babies & Toddler group in September, with a new team leading the group. Take up for this was slow and its future was under review as we approached the end of the year.

As Northampton is a Designate Town of Sanctuary, two bridging hotels were set up in August 2021 to welcome those refugees from Afghanistan, wishing to settle in UK. LGC teamed up with other churches in Northampton and took a leading role in welcoming and meeting the immediate needs of those refugees by providing basic needs provisions and supporting them with navigating life in the UK. The church members provided support in the form of clothing and also monetary gifts, allowing the team to buy essential items. This work is continuing and developing into 2022.

Supporting the vulnerable

We continued to support those in our church family who were vulnerable, creating a paid part time role for this. Becky Haines continued this valuable work though 2021, calling and then when allowed, visiting those who were elderly and alone. This was an invaluable service through the pandemic.

Mission

Our support for mission was continued through 2021 and we gave 10% of our income to various charities doing mission work in the UK and overseas. Each month during our Sunday service, a member of our church reported on where our money was going that month and what difference it was making. This encouraged the congregation by showing that their giving was making a difference in the lives of people in need.

Most the charity's activities are undertaken by volunteers and the charity could not operate effectively without their efforts.

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

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, Governance and Management

Responsibility for setting policy and for making operating decisions rests with the trustees who meet regularly to monitor the activities of the charity. Responsibility for the day to day operation of the charity has been delegated to the pastoral and administrative staff led by Pastor Dave Weston, who is a trustee. He is assisted by Carla Merrey, who serves as Operational Manager and is secretary to the trustees. New trustees are recruited and appointed by the existing trustees, by a majority vote.

Dave Weston who is the Pastor of Living Grace Church and paid by the church along with the Operations Manager, Carla Merrey take no part in the final decisions regarding salaries.

Dave Weston is a trustee for Lighthouse Trust (Northampton) and is the Secretary. Richard Peters (Trustee) is related to the Director of Lighthouse Trust (Northampton). Living Grace Church gives monthly to the charity and the work helps us fulfill our own charitable aims. Dave receives no financial benefit from the charity and the decision to give to the charity is decided by the trustees as a group.

Financial review

During the year income received was £111,920 (2020 £113,772), and expenditure was £107,142 (2020 £93,926). As a result surplus for the year was £4,778 (2020 £19,846). Net current assets increased by £4,778, to £613,573.

Reserves policy

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £42,000 (which equates to about 6 months' of unrestricted expenditure) so that the charity could continue to operate should income and / or expenditure vary adversely. At the year end, the charity held unrestricted cash and current asset investments of £549,783 and the charity is complying with its reserves policy.

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.

Responsibilities of trustees under company 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).

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

Company 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 charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report, which has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies, was approved by the trustees and signed on their behalf by:

David Weston

David Weston

Date: 21st September 2022

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF

Living Grace Church ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021 on pages 8 to 18 following, which have been prepared on the basis of the accounting policies set out on pages 10 to 11.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Sarah Crispin ACA

Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 22nd September 2022

Living Grace Church
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	90,850	9,554	100,403	110,688
Charitable activities	4	265	10	275	231
Investments	5	10,181	1,060	11,241	2,854
Total income and endowments		<u>101,296</u>	<u>10,624</u>	<u>111,920</u>	<u>113,772</u>
EXPENDITURE ON:					
Charitable activities	6	103,889	3,253	107,142	93,926
Total expenditure		<u>103,889</u>	<u>3,253</u>	<u>107,142</u>	<u>93,926</u>
Net income/(expenditure)		(2,593)	7,371	4,778	19,846
Transfers between funds	14	-	-	-	-
Net movement in funds		(2,593)	<u>7,371</u>	<u>4,778</u>	<u>19,846</u>
Reconciliation of funds:					
Total funds brought forward		551,062	57,732	608,794	588,948
Total funds carried forward	14	<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>

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

All income and expenditure derive from continuing operations.

The statement of financial activities also complies with the requirements for an income and expenditure account required by the Companies Act 2006.

The notes on page 10-17 form part of these accounts.

Living Grace Church
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
CURRENT ASSETS					
Debtors	9	3,518	-	3,518	2,881
Investments	10	542,130	65,103	607,233	597,183
Cash at bank and in hand	11	<u>7,651</u>	<u>-</u>	<u>7,651</u>	<u>10,056</u>
		553,299	65,103	618,402	610,119
CREDITORS: Amounts falling due within one year					
	12	(4,830)	-	(4,830)	(1,324)
Net current assets / (liabilities)		<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>
Total assets less current liabilities		<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>
TOTAL NET ASSETS		<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>
FUND BALANCES					
Unrestricted Funds	14				
General funds		66,833	-	66,833	77,374
Designated funds		<u>481,637</u>	<u>-</u>	<u>481,637</u>	<u>473,688</u>
		548,469	-	548,469	551,062
Restricted Funds		<u>-</u>	<u>65,103</u>	<u>65,103</u>	<u>57,732</u>
		<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006 however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an independent examiner and their report has been included in these financial statements.

The directors (who are the charitable company's trustees for the purposes of charity law) acknowledge their responsibilities

- ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its net income or expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Rounding differences of £1 may appear in these accounts

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

David Weston

David Weston

Date: 21st September 2022

Company number: 9889362

Charity number: 1171041

The notes on page 10-17 form part of these accounts.

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Statutory Information

The charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The company's registered number and registered office address can be found on the Company Information page.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain assets, which are measured at fair value through the Statement of Financial Activities.

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"), with the Companies Act 2006 and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

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

a) Going concern

The trustees (who are the charitable company's directors for the purposes of company law) 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.

The charity relies on volunteers to carry out many of its activities, particularly for Community Projects and Ministry work during church services. 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.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects.

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.

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 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 £1,000 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:

Equipment	Over 3 to 7 years
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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) Investments

Fixed asset investments are held to generate income and / or for their investment potential. Current asset investments are investments that are held specifically for sale or are investments that the charity expects to sell by the next balance sheet date. Investments, other than social investments (see below), are valued as follows:

- i) Investment property and listed investments are valued at their market value (fair value) at the balance sheet date.
- ii) Unlisted investments are measured at cost less impairment where it becomes apparent that the amount that could be realised is less than cost.

g) 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.

h) Taxation

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

i) 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).

j) Exemption from preparing a cashflow statement

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

k) 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 and legacies

	2021	2020
	£	£
Donations of cash and similar	83,775	91,935
Income tax recoverable	<u>16,628</u>	<u>18,753</u>
	<u>100,403</u>	<u>110,688</u>

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4 Income from charitable activities

	2021	2020
	£	£
Community outreach programs	175	231
Book sales	100	-
	<u>275</u>	<u>231</u>

5 Investment income

	2021	2020
	£	£
Investment Income	11,239	2,831
Bank interest	3	22
	<u>11,241</u>	<u>2,854</u>

6 Charitable expenditure

	2021	2020
	£	£
a Costs incurred directly on specific activities		
Salaries, travel and expenses	71,172	65,631
Telephone and utilities	354	461
Outreach & Giving Costs	2,345	785
Catering	241	78
Venue hire	2,575	2,536
Rent	1,152	1,146
Conferences and training	1,309	6
Miscellaneous expenses	13	655
Ministry Expenses	<u>5,389</u>	<u>3,061</u>
	84,549	74,359
Grants payable (note 6c)	14,027	12,678
	<u>98,577</u>	<u>87,037</u>
b Costs incurred on support & administration		
Governance costs		
Independent examiner's fee	1,200	350
Other	<u>388</u>	-
	1,588	350
Printing, postage and stationery	864	444
Subscriptions and professional fees	2,403	1,903
Bank charges and investment fees	749	755
Office Equipment	1,521	1,970
Insurance	<u>1,440</u>	<u>1,467</u>
	<u>8,565</u>	<u>6,885</u>
Total expenditure	<u>107,142</u>	<u>93,926</u>

The fee payable to the independent examiner for examining the accounts was £1,200 (2020: £350); in addition the charity paid £180 (2020: £180) to Stewardship for consultancy services.

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

c Grants payable

	Institutions £	Individuals £	
Grants for UK and overseas mission	7,815	-	2020
Grants for the relief of poverty	1,536	1,533	£
Grants for education, including ministry training	<u>3,143</u>	<u>-</u>	6,100
	<u>12,494</u>	<u>1,533</u>	1,550
			<u>5,028</u>
			<u>12,678</u>

The comparatives for the previous year are as follows:

	Institutions £	Individuals £	
Grants for UK and overseas mission	6,100	2021	2020
Grants for the relief of poverty	900	650	£
Grants for education, including ministry training	<u>5,028</u>	<u>3,143</u>	5,028
	<u>12,028</u>	<u>3,943</u>	4,600
	2021	1,343	-
	£	1,343	-
	7,815	1,187	-
	3,069	1,536	2,400
	<u>3,143</u>	<u>12,494</u>	1,028
	<u>14,027</u>		

The charity's principal grants to institutions comprised:

Prathyaasa Education School India	<u>3,143</u>	<u>12,494</u>	1,028
Lighthouse Trust	<u>14,027</u>		
Asia Link			
Open Doors			
Utange Orphange Kenya			
Grants to institutions for less than £1,000 each			

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

The average monthly number of employees during the year was 2.5 (2020: 2). Most of the charity's activities are carried out by volunteers.

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

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

	Wages & salaries	Other employment benefits	Employer pension contributions	2021 £
Trustees:				
David Weston	44,648		2,654	47,302
Other members of key management				
Carla Merrey	10,993		143	11,136
				<u>58,438</u>

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The following amounts were payable in the previous year:

	Wages & salaries	Other employment benefits	Employer pension contributions	2020 £
Trustees:				
David Weston	43,863		2,608	46,471
Other members of key management				
Carla Merrey	10,800	208	129	11,137
				-
				<u>57,607</u>

David Weston served as church leader and received the above payments for serving in that capacity, not for serving as a trustee; The charity's governing document does not allow for the employment of trustees in general, however the Charity Commission has authorised the employment of David Weston.

9 Debtors

	2021 £	2020 £
Falling due within one year:		
Community Projects	155	
Tax recoverable	<u>3,363</u>	<u>2,881</u>
	<u>3,518</u>	<u>2,881</u>

10 Current asset investments

	2021 £	2020 £
Insignis Cash Solutions	607,233	597,183
	<u>607,233</u>	<u>597,183</u>

11 Cash at Bank and in Hand

	2021 £	2020 £
Cash at bank with immediate access	<u>7,651</u>	<u>10,056</u>
	<u>7,651</u>	<u>10,056</u>

12 Creditors: liabilities falling due within one year

	2021 £	2020 £
Trade creditors	2,730	445
Taxation and social security	900	879
Accruals	<u>1,200</u>	<u>-</u>
	<u>4,830</u>	<u>1,324</u>

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13 Pension commitments

During the year employer's pension contributions totalling £2796.84 (2020: £2736.34) were payable to defined contribution personal pension schemes. No pension contributions were owing at the balance sheet date (2020: £nil).

14 Funds

During the 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>					
Building Fund	473,421	8,910	(518)	-	481,813
Community Fund	267	165	(608)	-	(176)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	473,688	9,075	(1,126)	-	481,637
<i>General Unrestricted Funds</i>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	77,374	92,221	(102,763)	-	66,833
<i>Total Unrestricted Funds</i>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	551,062	101,296	(103,889)	-	548,469
<i>Restricted Funds</i>					
Building Project	57,740	7,472	(62)	-	65,151
Mission Giving	50	1,200	(1,250)	-	-
Ministry Projects	150	22	(22)	-	150
Afghan Refugee Project	-	920	(920)	-	-
Indian School Project	(208)	-	-	-	(208)
Men's Social Fund	-	10	-	-	10
Gifts	-	1,000	(1,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	57,732	10,624	(3,254)	-	65,103
<i>Aggregate of funds</i>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	608,794	111,920	(107,142)	-	613,572

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Analysis of net assets by fund

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

	<u>Unrestricted Funds</u>		Restricted funds	2021
	General funds	Designated funds	funds	
	£	£	£	£
Debtors	3,518			3,518
Investments held as current assets	60,493	481,637	65,103	607,233
Cash at bank and in hand	7,651			7,651
Creditors falling due within one year	(4,830)			(4,830)
	<u>66,833</u>	<u>481,637</u>	<u>65,103</u>	<u>613,572</u>

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

	Opening balance	Incoming resources	Outgoing resources	Transfers in the year	Closing balance
	2020	2020	2020	2020	2020
	£	£	£	£	£
<i>Designated Funds</i>					
Building Fund	471,533	2,443	(555)		473,421
Community Fund	456	231	(420)		267
	<u>471,988</u>	<u>2,674</u>	<u>(975)</u>	<u>-</u>	<u>473,688</u>
<i>General Unrestricted Funds</i>	60,857	107,358	(90,840)	-	77,374
	<u>60,857</u>	<u>107,358</u>	<u>(90,840)</u>	<u>-</u>	<u>77,374</u>
Total Unrestricted Funds	<u>532,845</u>	<u>110,032</u>	<u>(91,815)</u>	<u>-</u>	<u>551,062</u>
<i>Restricted Funds</i>					
Building Project	56,112	1,695	(66)		57,740
Mission Giving	50	-	-		50
Ministry Projects	150	168	(168)		150
Indian School Project	(208)	1,530	(1,530)		(208)
	<u>56,104</u>	<u>3,393</u>	<u>(1,764)</u>	<u>-</u>	<u>57,732</u>
Aggregate of funds	<u>588,949</u>	<u>113,425</u>	<u>(93,579)</u>	<u>-</u>	<u>608,794</u>

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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>		Restricted	
	General	Designated	funds	2020
	funds	funds	funds	
	£	£	£	£
Debtors	2,846		35	2,881
Investments held as current assets	67,425	473,420	56,337	597,183
Cash at bank and in hand	8,429	268	1,360	10,056
Creditors falling due within one year	(1,324)			(1,324)
	<u>77,374</u>	<u>473,688</u>	<u>57,732</u>	<u>608,794</u>

Designated Funds:

Building Fund - For the allocation towards a new church building
Community Projects - income received and cost incurred due to community work

Restricted Funds:

Building Project - For the allocation towards a new church building
Mission Giving - funds towards mission work
Ministry Projects - for the allocation of ministry within the church
Afghan Refugee Project - Income received and costs incurred to support the resettlement of refugees from Afghanistan
Men's Social Fund - Funds to be used towards Men's social gatherings

18 Transactions with related parties

During the year the charity:

- a) received donations totalling £29,195 (2020: £28,052) from related parties (which includes trustees, any other members of key management and anyone closely connected to them).
- b) gave grants of £3,943 to the Lighthouse Trust. Dave Weston is also a trustee of the Lighthouse Trust and Richard Peters is the spouse of the Director of the Lighthouse Trust.

No expenses (2020: £0) were paid to, or for, the trustees.

Except as disclosed in note 8 'Analysis of staff costs', there have been no other transactions with related parties during the year. There have been no transactions with related parties during the year.

20 Members

Each member of the company commits to contribute if the charity is wound up an amount of £10.

Living Grace Church
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds				Unrestricted funds			
		General 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £	General 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £
INCOME AND ENDOWMENTS FROM:									
Donations and legacies	3	90,850		9,554	100,403	107,238	1	3,449	110,688
Charitable activities	4	100	165	10	275	-	231		231
Investments	5	1,272	8,910	1,060	11,241	120	2,443	291	2,854
Total income and endowments		92,221	9,075	10,624	111,920	107,358	2,675	3,740	113,772
EXPENDITURE ON:									
Charitable activities:	6	102,763	1,126	3,253	107,142	90,840	975	2,111	93,926
Total Expenditure		102,763	1,126	3,253	107,142	90,840	975	2,111	93,926
Net income/(expenditure)		(10,541)	7,948	7,371	4,778	16,517	1,700	1,628	19,846
Transfers between funds	14	-	-	-	-	-	-	-	-
Net movement in funds		(10,541)	7,948	7,371	4,778	16,517	1,700	1,628	19,846
Reconciliation of funds:									
Total funds brought forward		77,374	473,688	57,732	608,794	60,857	471,988	56,104	588,948
Total funds carried forward	14	66,833	481,636	65,103	613,572	77,374	473,688	57,732	608,794

Living Grace Church

Report and Accounts

Year ended 31st December 2021

Living Grace Church

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	David Weston Mark Kinning	Richard Peters Johnson Chayanickal
Company Secretary	Carla Merrey	
Key Staff		David Weston Carla Merrey
Custodian Trustees		
Governing Document		Memorandum and Articles of Association dated 30th November 2016
Company Registration Number		9889362
Charity Registration Number		1171041
Registered Office		27 School Road Irchester, Wellingborough Northamptonshire NN29 7AW
Independent Examiner		Sarah Crispin ACA Stewardship 1 Lamb's Passage London EC1Y 8AB
Bankers		Barclays Bank 267 Wellingborough Road Northampton NN1 4EN

Contents	Page
Company Information	1
Trustees' Annual Report	2-6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Accounts	10-17
Detailed Statement of Financial Activities with Comparatives	18

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are the charity's directors for the purposes of company law, have pleasure in submitting the Report and Accounts for the year.

Objects of the charity

The charity is a charitable company and is governed by its memorandum and articles of association. The objects of the charity, as set out in the governing document are:

- a) To advance the Christian faith in Northamptonshire and in such other parts of the UK or the world as the Trustees may from time to time think fit.
- b) To promote the Christian faith mainly, but not exclusively, by means of teaching, preaching, broadcasting, producing and distributing Christian messages and literature of an evangelistic nature in Northamptonshire and in other parts of the UK or the world for the benefit of the public through the holding of prayer meetings, lectures and public celebrations of religious festivals.
- c) The relief of hardship or need such as poverty (which shall encompass financial, material, social and spiritual poverty), sickness, disability or impairment and bereavement by means of advice, assistance, pastoral support, care and where appropriate the provision of resources.

The objective of the charity, as stated in the trusts governing document, is the advancement of the Christian faith, the relief of poverty and sickness and of the aged, and the advancement of education on the basis of Christian principles without prejudice. In doing so, we aim to be a positive resource for the local area of the church in Northampton, being a centre of activity and support for the local community, bringing people together.

These objectives are driven by the leadership of the church and practised by the congregation. It is not only put into practise through Sunday worship and preaching, but in its day-to-day support to the local community and countries overseas. This includes providing education, poverty relief and emergency aid for all ages, races and creeds. The charity aims to provide support and advice to individuals and groups in need, covering areas as family relationships, parenting, children and youth education, support for the sick and much more. We seek to meet its need wherever we can do so appropriately.

Our vision

Our vision remains to pursue God and to reach and impact our local community and beyond, as we are able, with Christian love and truth. We aim to teach and equip every member of Living Grace Church, so they live the life demonstrated to us by Jesus Christ to everyone, everywhere they go, joining Him in His goal to see everything renewed back to His perfect model. We equip church members in their discipleship journey, to be with Jesus, become like Jesus and do what Jesus did. This takes the work of the church from inside the church walls and into the everyday world, spreading the transforming love of God into society and changing our town.

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

Summary of the charity's main activities and achievements

To further the above objects and vision, the charity's main activities and achievements were as follows:

Response to the Covid-19 Pandemic

The impact of the pandemic still lingers and will have long term impact. As the year progressed, steps were taken to prepare to return to meet in person, ensuring staff and volunteers were trained for a safe return and information was communicated to members. Due to us hiring a school, which was not immediately available, meetings resumed in September. Our online attendance stabilised at around one third of our total congregation. When we returned in-person, numbers continued to be low. Some who did not get on with online services, returned but there was still a lot of fear and concern around and many did not attend, waiting for things to further calm down. A number of our congregation also moved away during the pandemic, also impacting our numbers.

The finances were constantly monitored during the pandemic by the Trustees and appropriate action was taken when necessary. The Trustees considered the level of reserves which they wish to retain, which was appropriate for the season.

Sunday Services

For the first half of 2021 our services were online, using Zoom as well as streaming on our YouTube channel. We made use of recorded worship songs and had preaching and teaching from various people inside and outside church family. This provided a vital link for the church family, enabling us to meet and share. But it was far from ideal, with real connection difficult.

From September, we returned in-person services, with the required guidelines in place. Return was slow as people began to re-engage with crowds again. We had lost various members of our teams for various reasons, which impacted our ability to provide some services. We continued to make use of recorded worship, and our ability to provide activities with children and youth was restricted, but we managed to provide a service thanks to the hard work and dedication of our volunteers.

We began a video series called Freedom in Christ, teaching and equipping people to live the lives God wants us to live. We used the real experiences of members of our LGC family to demonstrate this. The same course was also run for children and youth. The course will run into the beginning of 2022.

Small Groups

Our small groups were impacted by the pandemic. We were running gender based groups before lockdown and these continued online, but were difficult to maintain and create connection, like all our other online provision. When we returned meeting in person, we shelved our small groups as people adjusted to going out in public again.

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

We then began to create a new model of small groups, based on our vision of helping people in their discipleship journey with Christ. These new groups will be smaller and set up by members of the congregation themselves. They will be called DISC groups and can be hosted at a time which works for each group. We devised and advertised these groups in 2021 with a view to launching in early 2022.

Our weekly prayer group continued online during 2021 and we plan for this to remain online, enabling easy access for all.

Community Work

Our community work was halted in 2020 due to the pandemic and also most of 2021 as we do not have our own building, so are dependant on others. Another factor we had to consider was that, some of those whom our community work is aimed at were considered vulnerable, that group remained closed during the year. With appropriate measures in place, we planned to re-open our Babies & Toddler group in September, with a new team leading the group. Take up for this was slow and its future was under review as we approached the end of the year.

As Northampton is a Designate Town of Sanctuary, two bridging hotels were set up in August 2021 to welcome those refugees from Afghanistan, wishing to settle in UK. LGC teamed up with other churches in Northampton and took a leading role in welcoming and meeting the immediate needs of those refugees by providing basic needs provisions and supporting them with navigating life in the UK. The church members provided support in the form of clothing and also monetary gifts, allowing the team to buy essential items. This work is continuing and developing into 2022.

Supporting the vulnerable

We continued to support those in our church family who were vulnerable, creating a paid part time role for this. Becky Haines continued this valuable work though 2021, calling and then when allowed, visiting those who were elderly and alone. This was an invaluable service through the pandemic.

Mission

Our support for mission was continued through 2021 and we gave 10% of our income to various charities doing mission work in the UK and overseas. Each month during our Sunday service, a member of our church reported on where our money was going that month and what difference it was making. This encouraged the congregation by showing that their giving was making a difference in the lives of people in need.

Most the charity's activities are undertaken by volunteers and the charity could not operate effectively without their efforts.

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

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, Governance and Management

Responsibility for setting policy and for making operating decisions rests with the trustees who meet regularly to monitor the activities of the charity. Responsibility for the day to day operation of the charity has been delegated to the pastoral and administrative staff led by Pastor Dave Weston, who is a trustee. He is assisted by Carla Merrey, who serves as Operational Manager and is secretary to the trustees. New trustees are recruited and appointed by the existing trustees, by a majority vote.

Dave Weston who is the Pastor of Living Grace Church and paid by the church along with the Operations Manager, Carla Merrey take no part in the final decisions regarding salaries.

Dave Weston is a trustee for Lighthouse Trust (Northampton) and is the Secretary. Richard Peters (Trustee) is related to the Director of Lighthouse Trust (Northampton). Living Grace Church gives monthly to the charity and the work helps us fulfill our own charitable aims. Dave receives no financial benefit from the charity and the decision to give to the charity is decided by the trustees as a group.

Financial review

During the year income received was £111,920 (2020 £113,772), and expenditure was £107,142 (2020 £93,926). As a result surplus for the year was £4,778 (2020 £19,846). Net current assets increased by £4,778, to £613,573.

Reserves policy

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £42,000 (which equates to about 6 months' of unrestricted expenditure) so that the charity could continue to operate should income and / or expenditure vary adversely. At the year end, the charity held unrestricted cash and current asset investments of £549,783 and the charity is complying with its reserves policy.

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.

Responsibilities of trustees under company 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).

Living Grace Church
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

Company 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 charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report, which has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies, was approved by the trustees and signed on their behalf by:

David Weston

David Weston

Date: 21st September 2022

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF

Living Grace Church ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021 on pages 8 to 18 following, which have been prepared on the basis of the accounting policies set out on pages 10 to 11.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Sarah Crispin ACA

Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 22nd September 2022

Living Grace Church
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	90,850	9,554	100,403	110,688
Charitable activities	4	265	10	275	231
Investments	5	10,181	1,060	11,241	2,854
Total income and endowments		<u>101,296</u>	<u>10,624</u>	<u>111,920</u>	<u>113,772</u>
EXPENDITURE ON:					
Charitable activities	6	103,889	3,253	107,142	93,926
Total expenditure		<u>103,889</u>	<u>3,253</u>	<u>107,142</u>	<u>93,926</u>
Net income/(expenditure)		(2,593)	7,371	4,778	19,846
Transfers between funds	14	-	-	-	-
Net movement in funds		(2,593)	<u>7,371</u>	<u>4,778</u>	<u>19,846</u>
Reconciliation of funds:					
Total funds brought forward		551,062	57,732	608,794	588,948
Total funds carried forward	14	<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>

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

All income and expenditure derive from continuing operations.

The statement of financial activities also complies with the requirements for an income and expenditure account required by the Companies Act 2006.

The notes on page 10-17 form part of these accounts.

Living Grace Church
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
CURRENT ASSETS					
Debtors	9	3,518	-	3,518	2,881
Investments	10	542,130	65,103	607,233	597,183
Cash at bank and in hand	11	<u>7,651</u>	<u>-</u>	<u>7,651</u>	<u>10,056</u>
		553,299	65,103	618,402	610,119
CREDITORS: Amounts falling due within one year					
	12	(4,830)	-	(4,830)	(1,324)
Net current assets / (liabilities)		<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>
Total assets less current liabilities		<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>
TOTAL NET ASSETS		<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>
FUND BALANCES					
	14				
Unrestricted Funds					
General funds		66,833	-	66,833	77,374
Designated funds		<u>481,637</u>	<u>-</u>	<u>481,637</u>	<u>473,688</u>
		548,469	-	548,469	551,062
Restricted Funds		<u>-</u>	<u>65,103</u>	<u>65,103</u>	<u>57,732</u>
		<u>548,469</u>	<u>65,103</u>	<u>613,572</u>	<u>608,794</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006 however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an independent examiner and their report has been included in these financial statements.

The directors (who are the charitable company's trustees for the purposes of charity law) acknowledge their responsibilities

- (a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its net income or expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Rounding differences of £1 may appear in these accounts

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

David Weston

David Weston

Date: 21st September 2022

Company number: 9889362

Charity number: 1171041

The notes on page 10-17 form part of these accounts.

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Statutory Information

The charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The company's registered number and registered office address can be found on the Company Information page.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain assets, which are measured at fair value through the Statement of Financial Activities.

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"), with the Companies Act 2006 and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

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

a) Going concern

The trustees (who are the charitable company's directors for the purposes of company law) 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.

The charity relies on volunteers to carry out many of its activities, particularly for Community Projects and Ministry work during church services. 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.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects.

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.

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 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 £1,000 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:

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) Investments

Fixed asset investments are held to generate income and / or for their investment potential. Current asset investments are investments that are held specifically for sale or are investments that the charity expects to sell by the next balance sheet date. Investments, other than social investments (see below), are valued as follows:

- i) Investment property and listed investments are valued at their market value (fair value) at the balance sheet date.
- ii) Unlisted investments are measured at cost less impairment where it becomes apparent that the amount that could be realised is less than cost.

g) 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.

h) Taxation

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

i) 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).

j) Exemption from preparing a cashflow statement

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

k) 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 and legacies

	2021	2020
	£	£
Donations of cash and similar	83,775	91,935
Income tax recoverable	<u>16,628</u>	<u>18,753</u>
	<u>100,403</u>	<u>110,688</u>

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4 Income from charitable activities

	2021	2020
	£	£
Community outreach programs	175	231
Book sales	100	-
	<u>275</u>	<u>231</u>

5 Investment income

	2021	2020
	£	£
Investment Income	11,239	2,831
Bank interest	3	22
	<u>11,241</u>	<u>2,854</u>

6 Charitable expenditure

	2021	2020
	£	£
a Costs incurred directly on specific activities		
Salaries, travel and expenses	71,172	65,631
Telephone and utilities	354	461
Outreach & Giving Costs	2,345	785
Catering	241	78
Venue hire	2,575	2,536
Rent	1,152	1,146
Conferences and training	1,309	6
Miscellaneous expenses	13	655
Ministry Expenses	<u>5,389</u>	<u>3,061</u>
	84,549	74,359
Grants payable (note 6c)	14,027	12,678
	<u>98,577</u>	<u>87,037</u>
b Costs incurred on support & administration		
Governance costs		
Independent examiner's fee	1,200	350
Other	<u>388</u>	—
	1,588	350
Printing, postage and stationery	864	444
Subscriptions and professional fees	2,403	1,903
Bank charges and investment fees	749	755
Office Equipment	1,521	1,970
Insurance	<u>1,440</u>	<u>1,467</u>
	<u>8,565</u>	<u>6,885</u>
Total expenditure	<u>107,142</u>	<u>93,926</u>

The fee payable to the independent examiner for examining the accounts was £1,200 (2020: £350); in addition the charity paid £180 (2020: £180) to Stewardship for consultancy services.

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

c Grants payable

	Institutions £	Individuals £	
Grants for UK and overseas mission	7,815	-	2020
Grants for the relief of poverty	1,536	1,533	£
Grants for education, including ministry training	<u>3,143</u>	<u>-</u>	6,100
	<u>12,494</u>	<u>1,533</u>	1,550
			<u>5,028</u>
			<u>12,678</u>

The comparatives for the previous year are as follows:

	Institutions £	Individuals £	
Grants for UK and overseas mission	6,100	2021	2020
Grants for the relief of poverty	900	650	£
Grants for education, including ministry training	<u>5,028</u>	<u>3,143</u>	5,028
	<u>12,028</u>	<u>3,943</u>	4,600
	2021	1,343	-
	£	1,343	-
	7,815	1,187	-
	3,069	1,536	2,400
	<u>3,143</u>	<u>12,494</u>	1,028
	<u>14,027</u>		

The charity's principal grants to institutions comprised:

Prathyaasa Education School India	3,143	12,494	1,028
Lighthouse Trust	<u>14,027</u>		
Asia Link			
Open Doors			
Utange Orphange Kenya			
Grants to institutions for less than £1,000 each			

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

The average monthly number of employees during the year was 2.5 (2020: 2). Most of the charity's activities are carried out by volunteers.

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

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

	Wages & salaries	Other employment benefits	Employer pension contributions	2021 £
Trustees:				
David Weston	44,648		2,654	47,302
Other members of key management				
Carla Merrey	10,993		143	11,136
				<u>58,438</u>

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The following amounts were payable in the previous year:

	Wages & salaries	Other employment benefits	Employer pension contributions	2020 £
Trustees:				
David Weston	43,863		2,608	46,471
Other members of key management				
Carla Merrey	10,800	208	129	11,137
				-
				<u>57,607</u>

David Weston served as church leader and received the above payments for serving in that capacity, not for serving as a trustee; The charity's governing document does not allow for the employment of trustees in general, however the Charity Commission has authorised the employment of David Weston.

9 Debtors

	2021 £	2020 £
Falling due within one year:		
Community Projects	155	
Tax recoverable	<u>3,363</u>	<u>2,881</u>
	<u>3,518</u>	<u>2,881</u>

10 Current asset investments

	2021 £	2020 £
Insignis Cash Solutions	607,233	597,183
	<u>607,233</u>	<u>597,183</u>

11 Cash at Bank and in Hand

	2021 £	2020 £
Cash at bank with immediate access	<u>7,651</u>	<u>10,056</u>
	<u>7,651</u>	<u>10,056</u>

12 Creditors: liabilities falling due within one year

	2021 £	2020 £
Trade creditors	2,730	445
Taxation and social security	900	879
Accruals	<u>1,200</u>	<u>-</u>
	<u>4,830</u>	<u>1,324</u>

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13 Pension commitments

During the year employer's pension contributions totalling £2796.84 (2020: £2736.34) were payable to defined contribution personal pension schemes. No pension contributions were owing at the balance sheet date (2020: £nil).

14 Funds

During the 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>					
Building Fund	473,421	8,910	(518)	-	481,813
Community Fund	267	165	(608)	-	(176)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	473,688	9,075	(1,126)	-	481,637
<i>General Unrestricted Funds</i>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	77,374	92,221	(102,763)	-	66,833
<i>Total Unrestricted Funds</i>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	551,062	101,296	(103,889)	-	548,469
<i>Restricted Funds</i>					
Building Project	57,740	7,472	(62)	-	65,151
Mission Giving	50	1,200	(1,250)	-	-
Ministry Projects	150	22	(22)	-	150
Afghan Refugee Project	-	920	(920)	-	-
Indian School Project	(208)	-	-	-	(208)
Men's Social Fund	-	10	-	-	10
Gifts	-	1,000	(1,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	57,732	10,624	(3,254)	-	65,103
<i>Aggregate of funds</i>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	608,794	111,920	(107,142)	-	613,572

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Analysis of net assets by fund

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

	<u>Unrestricted Funds</u>		Restricted funds	2021
	General funds	Designated funds	funds	
	£	£	£	£
Debtors	3,518			3,518
Investments held as current assets	60,493	481,637	65,103	607,233
Cash at bank and in hand	7,651			7,651
Creditors falling due within one year	(4,830)			(4,830)
	<u>66,833</u>	<u>481,637</u>	<u>65,103</u>	<u>613,572</u>

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

	Opening balance	Incoming resources	Outgoing resources	Transfers in the year	Closing balance
	2020	2020	2020	2020	2020
	£	£	£	£	£
<i>Designated Funds</i>					
Building Fund	471,533	2,443	(555)		473,421
Community Fund	456	231	(420)		267
	<u>471,988</u>	<u>2,674</u>	<u>(975)</u>	<u>-</u>	<u>473,688</u>
<i>General Unrestricted Funds</i>	60,857	107,358	(90,840)	-	77,374
	<u>60,857</u>	<u>107,358</u>	<u>(90,840)</u>	<u>-</u>	<u>77,374</u>
Total Unrestricted Funds	<u>532,845</u>	<u>110,032</u>	<u>(91,815)</u>	<u>-</u>	<u>551,062</u>
<i>Restricted Funds</i>					
Building Project	56,112	1,695	(66)		57,740
Mission Giving	50	-	-		50
Ministry Projects	150	168	(168)		150
Indian School Project	(208)	1,530	(1,530)		(208)
	<u>56,104</u>	<u>3,393</u>	<u>(1,764)</u>	<u>-</u>	<u>57,732</u>
Aggregate of funds	<u>588,949</u>	<u>113,425</u>	<u>(93,579)</u>	<u>-</u>	<u>608,794</u>

Living Grace Church
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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>		Restricted	
	General	Designated	funds	2020
	funds	funds	funds	
	£	£	£	£
Debtors	2,846		35	2,881
Investments held as current assets	67,425	473,420	56,337	597,183
Cash at bank and in hand	8,429	268	1,360	10,056
Creditors falling due within one year	(1,324)			(1,324)
	<u>77,374</u>	<u>473,688</u>	<u>57,732</u>	<u>608,794</u>

Designated Funds:

Building Fund - For the allocation towards a new church building
Community Projects - income received and cost incurred due to community work

Restricted Funds:

Building Project - For the allocation towards a new church building
Mission Giving - funds towards mission work
Ministry Projects - for the allocation of ministry within the church
Afghan Refugee Project - Income received and costs incurred to support the resettlement of refugees from Afghanistan
Men's Social Fund - Funds to be used towards Men's social gatherings

18 Transactions with related parties

During the year the charity:

- a) received donations totalling £29,195 (2020: £28,052) from related parties (which includes trustees, any other members of key management and anyone closely connected to them).
- b) gave grants of £3,943 to the Lighthouse Trust. Dave Weston is also a trustee of the Lighthouse Trust and Richard Peters is the spouse of the Director of the Lighthouse Trust.

No expenses (2020: £0) were paid to, or for, the trustees.

Except as disclosed in note 8 'Analysis of staff costs', there have been no other transactions with related parties during the year. There have been no transactions with related parties during the year.

20 Members

Each member of the company commits to contribute if the charity is wound up an amount of £10.

Living Grace Church
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds				Unrestricted funds			
		General 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £	General 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £
INCOME AND ENDOWMENTS FROM:									
Donations and legacies	3	90,850		9,554	100,403	107,238	1	3,449	110,688
Charitable activities	4	100	165	10	275	-	231		231
Investments	5	1,272	8,910	1,060	11,241	120	2,443	291	2,854
Total income and endowments		92,221	9,075	10,624	111,920	107,358	2,675	3,740	113,772
EXPENDITURE ON:									
Charitable activities:	6	102,763	1,126	3,253	107,142	90,840	975	2,111	93,926
Total Expenditure		102,763	1,126	3,253	107,142	90,840	975	2,111	93,926
Net income/(expenditure)		(10,541)	7,948	7,371	4,778	16,517	1,700	1,628	19,846
Transfers between funds	14	-	-	-	-	-	-	-	-
Net movement in funds		(10,541)	7,948	7,371	4,778	16,517	1,700	1,628	19,846
Reconciliation of funds:									
Total funds brought forward		77,374	473,688	57,732	608,794	60,857	471,988	56,104	588,948
Total funds carried forward	14	66,833	481,636	65,103	613,572	77,374	473,688	57,732	608,794