

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020
FOR
THE POTTERS HOUSE WALTHAM FOREST

Cobbin Floyd Ltd
Chartered Accountants
15a Station Road
Epping
Essex
CM16 4HG

THE POTTERS HOUSE WALTHAM FOREST

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FOR THE YEAR ENDED 31ST DECEMBER 2020

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THE POTTERS HOUSE WALTHAM FOREST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2020**

The Trustees present the annual report in conjunction with the financial statements of the Charity for the year ending 31st December 2020. This report, together with the financial statement is prepared in compliance with the accounting policies set out in the Charity's Trust Deed and applicable law.

OBJECTIVES AND ACTIVITIES

Objectives and aims

As a Christian organisation, our aim has been and continues to be the promotion of the Gospel of Jesus Christ. This is done primarily in our local community of Waltham Forest and in adjoining boroughs. The charity endeavours to send and support missionary workers throughout the world. Our aim is to make a positive and lasting contribution to our local community, with greater emphasis on the family unit, our youth, disadvantaged and the elderly. We have been successful in this regard throughout the year by partnering with the Local Authority to tackle knife and gun crime, anti-social behaviour and juvenile delinquency through the use of the gospel as an avenue for rehabilitation. Our youth ministries continue to try and maximise their positive impact and influence upon the young people of our Borough (Waltham Forest) and beyond.

The Charity has a volunteer Youth Leader who retains a specific responsibility for spearheading the promotion of youth outreaches in the community, which include Gospel concerts, drama productions, football tournaments and street events. Each of these programmes is targeted to meet the needs of all age groups within our local and diverse community. The aforementioned events are held in conjunction with our regular church services. All organised activities and events are of a non-profit nature and are funded by the church.

In line with our objective to promote the Christian faith through worship and preaching we hold regular church services and these are promoted by non-discriminatory invitations given out to the general public.

The current pandemic which resulted in lockdowns last year affected our usual activities as a church, however, before the lockdown in March 2020 our regular church services were held at The Potters House, 366 Lea Bridge Road, London E10 7LD on Wednesday nights and Sunday mornings and evenings. Sunday school classes were held on Sunday mornings and children's church services on Sunday evenings aim to reach out to local families, catering for ages 4-11. We have a nursery available from birth to 3 years, which enables parents to take part in every service knowing that their small children are well cared for. A number of young adults and teenagers within the congregation have active roles in all these ministries. DBS checks have been carried out on those working with children and we maintain a safeguarding policy.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

As a local community church we have observed a growth in true conversions, visitors and general attendance due mainly to our outreach strategies.

As members of our local neighbourhood we have for years worked tirelessly for our local borough to try and reach out to our general community and help in any area where possible e.g. support of the charity Heaven Sent, as well as the elderly, disadvantaged, lonely and deprived. We have seen the rewards and positive results from these Christian endeavours.

Bible study groups (home bible groups) are flourishing and continue to be an immense support network for attendees in general and particularly for those facing difficulties. Home group leaders continue to take initiative to have their own local outreaches.

FINANCIAL REVIEW

Monetary review

During the COVID-19 lockdown period last year, we were not allowed to have regular services within the building and all our services were held via live stream. However, despite the fact that we were not able to function as normal, the Trustees consider that the stability of the church and the finances received have been satisfactory. The church continues to benefit from the generosity and support of its members through their donations. The Trustees are happy with the level of income and the commitment of its members through their regular donations during the pandemic.

Reserves policy

The Charity's restricted funds held in reserve for any unforeseen circumstances are adequate. The Trustees are satisfied that these reserves are maintained at an appropriate and satisfactory level.

THE POTTERS HOUSE WALTHAM FOREST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2020**

FUTURE PLANS

This year we were able to purchase a building adjoining the rear car park next to us which will be used for our Sunday school and children church services. In the coming year we intend to invest in refurbishment and repairs to this new building along with our existing building. We intend to invest in a full refurbishment of the balcony area by restoring the ceiling area and installation of new seating.

We will continue to invest funds in planting churches, regular revivals and outreaches. Plans for 2020/21 include further expression in both national and world evangelism. We envision continued church planting locally, regionally and internationally including continued missionary support in line with our objective.

Our continued plan for young people at risk of offending and to influence their life choices towards more positive engagements remains a priority and focus.

It is necessary to reiterate that funding is generated via non-compulsory contributions (weekly offerings/ donations) by members of this church.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The church registered as a Charitable Incorporated Organisation on 24th May 2019 and its objects are to promote the Christian faith. For the furtherance of this aim regular activities are carried out and invitations given out to the public.

This CIO was created to replace The Potters House Christian Fellowship Walthamstow, an unincorporated charitable trust with Charity Number 1065494, registered in 1997 (the "old charity"). It was originally planned to transfer all operations of Charity 1065494 to this CIO 1183581 but due to COVID-19 ramifications, these plans have had to be delayed. However, we hope and anticipate that all the operations will be transferred to the CIO by early 2021. In this year's Financial Statements the old charity and the CIO operated concurrently as assets and operations were gradually transitioned. These financial statements and annual report cover the first reporting period in which the CIO has been operational charity. In future, we aim to de-register charity 106594 with the Charity Commission.

Appointment of the Trustees is governed by the Constitution of the Charity. The current Board of Trustees constitutes five members. Details of the Trustees who have served during the period are given on page 3. The church's pastor (Pastor Nigel Brown) is ex officio the Chair of Trustees, also being responsible for the day to day operation of the charity and management of the staff of the charity on behalf of the Board. Finance is raised from the congregation's contributions and Gift Aid.

The Board of Trustees is authorised to appoint new trustees to fill vacancies through resignation or death of an existing trustee until the following AGM, whereupon congregational members will be invited to confirm the new trustee by vote. Other than the church's pastor, trustees are appointed for a two-year term and may serve for a maximum of six consecutive years. The Trustees retain the collective responsibility for major financial decisions and investments with Board meetings being held monthly.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1183581

Principal address

366 Lea Bridge Road
Leyton
E10 7LD

Trustees

R H D Humphrey
Ms P Sahota
Pastor N.J. Brown, Esq.
M Buzzella (appointed 4.9.20)

THE POTTERS HOUSE WALTHAM FOREST

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

REFERENCE AND ADMINISTRATIVE DETAILS

Auditor

Cobbin Floyd Ltd
Chartered Accountants
15a Station Road
Epping
Essex
CM16 4HG

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

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

Approved by order of the board of trustees on 29/10/2021 and signed on its behalf by:



.....
Pastor N.J. Brown, Esq. - Trustee

**REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF
THE POTTERS HOUSE WALTHAM FOREST**

Opinion

I have audited the financial statements of The Potters House Waltham Forest (the 'charity') for the year ended 31st December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the FRC's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and my Report of the Independent Auditor thereon.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires me to report to you if, in my opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF
THE POTTERS HOUSE WALTHAM FOREST

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

My responsibilities for the audit of the financial statements

I have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditor that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below:

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of my Report of the Independent Auditor.

Use of my report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My audit work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my audit work, for this report, or for the opinions I have formed.

Cobbin Floyd Ltd
Chartered Accountants
15a Station Road
Epping
Essex
CM16 4HG

Date:

THE POTTERS HOUSE WALTHAM FOREST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	3,063,795	251,360	3,315,155
Other income		6,096	-	6,096
Total		3,069,891	251,360	3,321,251
EXPENDITURE ON				
Charitable activities	3			
Church support		495,000	-	495,000
Missionary support		3,633	5,038	8,671
Other		112,172	-	112,172
Total		610,805	5,038	615,843
NET INCOME		2,459,086	246,322	2,705,408
TOTAL FUNDS CARRIED FORWARD		2,459,086	246,322	2,705,408

The notes form part of these financial statements

THE POTTERS HOUSE WALTHAM FOREST

BALANCE SHEET
31ST DECEMBER 2020

	Notes	Unrestricted fund £	Restricted fund £	Total funds £
FIXED ASSETS				
Tangible assets	7	4,127,956	-	4,127,956
CURRENT ASSETS				
Prepayments and accrued income		119,023	-	119,023
Cash at bank		110,143	246,322	356,465
		<u>229,166</u>	<u>246,322</u>	<u>475,488</u>
CREDITORS				
Amounts falling due within one year	8	(137,514)	-	(137,514)
NET CURRENT ASSETS		<u>91,652</u>	<u>246,322</u>	<u>337,974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,219,608	246,322	4,465,930
CREDITORS				
Amounts falling due after more than one year	9	(1,760,522)	-	(1,760,522)
NET ASSETS		<u>2,459,086</u>	<u>246,322</u>	<u>2,705,408</u>
FUNDS	11			
Unrestricted funds				2,459,086
Restricted funds				246,322
TOTAL FUNDS				<u>2,705,408</u>

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

29/10/2021



.....
N.J. Brown, Esq. - Trustee

THE POTTERS HOUSE WALTHAM FOREST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	2,697,605
Interest paid		(23,736)
		<hr/>
Net cash provided by operating activities		2,673,869
		<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets		(4,212,200)
		<hr/>
Net cash (used in)/provided by investing activities		(4,212,200)
		<hr/>
Cash flows from financing activities		
New loans in year		1,894,796
		<hr/>
Net cash provided by financing activities		1,894,796
		<hr/>
Change in cash and cash equivalents in the reporting period		356,465
Cash and cash equivalents at the beginning of the reporting period		-
		<hr/>
Cash and cash equivalents at the end of the reporting period		356,465
		<hr/> <hr/>

The notes form part of these financial statements

THE POTTERS HOUSE WALTHAM FOREST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	£
Net income for the reporting period (as per the Statement of Financial Activities)	2,705,408
Adjustments for:	
Depreciation charges	84,244
Interest paid	23,736
Increase in debtors	(119,023)
Increase in creditors	3,240
	<hr/>
Net cash provided by operations	2,697,605
	<hr/> <hr/>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	-	356,465	356,465
	<hr/>	<hr/>	<hr/>
	-	356,465	356,465
	<hr/>	<hr/>	<hr/>
Debt			
Debts falling due within 1 year	-	(134,274)	(134,274)
Debts falling due after 1 year	-	(1,760,522)	(1,760,522)
	<hr/>	<hr/>	<hr/>
	-	(1,894,796)	(1,894,796)
	<hr/>	<hr/>	<hr/>
Total	-	(1,538,331)	(1,538,331)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

THE POTTERS HOUSE WALTHAM FOREST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST DECEMBER 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	£
Donations	3,196,132
Gift aid	119,023
	<hr/>
	3,315,155
	<hr/>

THE POTTERS HOUSE WALTHAM FOREST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

3. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 4) £	Support costs (see note 5) £	Totals £
Church support	495,000	-	495,000
Missionary support	8,636	35	8,671
	<u>503,636</u>	<u>35</u>	<u>503,671</u>

4. GRANTS PAYABLE

	£
Church support	495,000
Missionary support	8,636
	<u>503,636</u>

5. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Other resources expended	84,394	802	3,240	88,436
Missionary support	-	35	-	35
	<u>84,394</u>	<u>837</u>	<u>3,240</u>	<u>88,471</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2020.

7. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
Additions	4,212,200
DEPRECIATION	
Charge for year	84,244
NET BOOK VALUE	
At 31st December 2020	<u>4,127,956</u>

THE POTTERS HOUSE WALTHAM FOREST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Bank loans and overdrafts (see note 10)	134,274
Other creditors	3,240
	<u>137,514</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£
Bank loans (see note 10)	1,760,522

10. LOANS

An analysis of the maturity of loans is given below:

	£
Amounts falling due within one year on demand:	
Bank loans	134,274
Amounts falling between one and two years:	
Bank loans - 1-2 years	134,274
Amounts falling due between two and five years:	
Bank loans - 2-5 years	1,626,248

11. MOVEMENT IN FUNDS

	Net movement in funds £	At 31.12.20 £
Unrestricted funds		
General fund	2,459,086	2,459,086
Restricted funds		
Restricted fund	246,322	246,322
TOTAL FUNDS	<u>2,705,408</u>	<u>2,705,408</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,069,891	(610,805)	2,459,086
Restricted funds			
Restricted fund	251,360	(5,038)	246,322
TOTAL FUNDS	<u>3,321,251</u>	<u>(615,843)</u>	<u>2,705,408</u>

THE POTTERS HOUSE WALTHAM FOREST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2020.

THE POTTERS HOUSE WALTHAM FOREST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020

£

INCOME AND ENDOWMENTS

Donations and legacies

Donations	3,196,132
Gift aid	119,023
	<hr/>
	3,315,155

Other income

Other income	6,096
	<hr/>

Total incoming resources	3,321,251
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EXPENDITURE

Charitable activities

Grants to institutions	495,000
Grants to individuals	8,636
	<hr/>
	503,636

Other

Interest payable	23,736
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Support costs

Management	
Repairs and maintenance	150
Freehold property	84,244
	<hr/>
	84,394

Finance

Bank charges	837
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Governance costs

Accountancy and legal fees	3,240
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Total resources expended	615,843
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Net income	2,705,408
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