

LIVING WORD CHURCH NETWORK
(CHARITY NUMBER : 1184540)

REPORT AND UNAUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES ON THE UNAUDITED ACCOUNTS OF LIVING WORD CHURCH NETWORK

I report to the trustees on my examination of the accounts of Living Word Church Network for the period ended 31 December 2020, which are set out on pages 2 to 8.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under the Charities Act 2011 and are eligible for an independent examination, I report in respect of my examination of the trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

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

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



C J Goodhead FCA
Knight Goodhead Limited
Chartered Accountants

7 Bournemouth Road
Chandler's Ford, Eastleigh
Hampshire, SO53 3DA

Dated: 20 December 2021

LIVING WORD CHURCH NETWORK

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2020

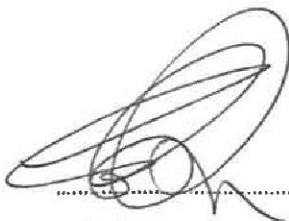
	Notes	Unrestricted funds	Restricted funds	Total funds 17 months to 31-Dec-2020
INCOME		£	£	£
Donations	3	200,559	26,813	227,372
Charitable activities	3	654	-	654
TOTAL INCOME		201,213	26,813	228,026
EXPENDITURE ON CHARITABLE ACTIVITIES				
Church costs and related activities	4	78,017	-	78,017
Outreach and publicity	5	6,148	-	6,148
Administration costs	6	49,130	-	49,130
Donations made	7	16,496	326	16,822
TOTAL EXPENDITURE		149,792	326	150,118
NET INCOME FOR PERIOD BEFORE TRANSFERS		51,422	26,487	77,909
TRANSFERS BETWEEN FUNDS		22,000	(22,000)	-
OTHER RECOGNISED GAINS				
Church building gifted		1,000,000	-	1,000,000
Gift of assets from predecessor charity		48,947	-	48,947
NET INCOME		1,122,369	4,487	1,126,856
TOTAL FUND BALANCES BROUGHT FORWARD		-	-	-
TOTAL FUND BALANCES CARRIED FORWARD		1,122,369	4,487	1,126,856

LIVING WORD CHURCH NETWORK

BALANCE SHEET AT 31 DECEMBER 2020

		31-Dec-2020	
	Notes	£	£
FIXED ASSETS			
Tangible assets	9		1,029,567
CURRENT ASSETS			
Debtors	10	31,683	
Cash at bank and in hand		<u>71,373</u>	
		103,056	
CREDITORS: amounts falling due within one year	11	<u>(5,766)</u>	
NET CURRENT ASSETS			97,290
NET ASSETS		<u>1,126,856</u>	
FUNDS			
Unrestricted funds	12	1,122,369	
Restricted funds	13	4,487	
TOTAL FUNDS		<u>1,126,856</u>	

Approved by the Trustees on 20 December 2021
and signed on their behalf by



....., Trustee

C. GALLANGER

LIVING WORD CHURCH NETWORK

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of the public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts are rounded to the nearest £.

The accounts have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

(c) Incoming resources

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies are received by way of grants, donations, legacies and gifts and are included in full in the Statement of Financial Activities when receivable. Grants, when entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Charitable activities income is included in the accounts when receivable.

Investment income is included when receivable.

Resources are deferred when, at the end of an accounting period, they have been received but the charity has yet to become unconditionally entitled to them.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. It includes any VAT paid.

Costs are apportioned in line with the income received from that source during the period.

Charitable activities expenditure comprises of those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

(e) Reporting period

These financial statements have been prepared for the long period from date of registration on 23 July 2019 to 31 December 2020.

LIVING WORD CHURCH NETWORK

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (continued)

(e) Fixed assets

Fixed assets are capitalised for ongoing use within the charity, where the individual cost of the asset exceeds £300.

Depreciation is provided on fixed assets to spread the cost over the estimated useful lives of the relevant assets at the following rates:

Computer equipment	25% Reducing Balance
Buildings	over the useful economic life
Land	nil

(e) Pension costs

Contributions in respect of the charity's defined contribution scheme are charged to the Statement of Financial Activities for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

(f) Financial instruments

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price. Financial assets classified as receivable within one year are not amortised. Basic financial liabilities, including creditors, are initially measured at transaction price unless the arrangement constitutes a financing transaction. Financial liabilities classified as payable within one year are not amortised.

2 LEGAL STATUS

The Charitable Incorporated Organisation was registered with the Charity Commission in England and Wales on 23 July 2019 and the activity and assets were transferred from its predecessor unincorporated charity (charity number 1170104) on 1 September 2019. The charity is a public benefit entity.

The registered office of the charity is Living Word Church Network, High Street, Titchfield, Fareham, PO14 4AF.

3 INCOME ANALYSIS

	Unrestricted funds	Restricted funds	Total 17 months to 31-Dec-2020
	£	£	£
Donations			
Donations received non gift aid	52,374	23,000	75,374
Donations received - gift aid	119,158	3,050	122,208
Gift Aid recoverable	29,027	763	29,790
	200,559	26,813	227,372
Charitable income			
Conference income	654	-	654
	201,213	26,813	228,026

LIVING WORD CHURCH NETWORK

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2020

**17 months to
31-Dec-2020**

£

4 CHURCH RUNNING COSTS AND RELATED ACTIVITIES

Pastors' stipend	40,252
Pastors' heat and light	856
Pensions	1,774
Speakers fees	1,839
Training	7,749
Travel and subsistence	1,700
Hall hire	10,572
Depreciation	2,371
Sunday School expenses	1,290
Building costs	8,728
Cleaning	887
	<u>78,017</u>

5 OUTREACH AND PUBLICITY COSTS

Publicity	1,201
Outreach events	1,114
Books and DVDs	1,060
Refreshments and meals	1,250
Entertaining	408
Flowers and gifts	1,115
	<u>6,148</u>

6 TELEPHONE, INTERNET, STATIONERY AND OTHER OFFICE COSTS

Telephone and internet	3,394
Postage and stationery	512
Subscriptions	3,009
Equipment expensed	3,380
Administration wages	23,475
Independent exam fee	1,680
Other legal and professional fees	7,458
Bank charges	36
Sundry	577
License fees	2,057
Insurance costs	3,552
	<u>49,130</u>

Included above are amounts due to the independent examiners in relation to independent examination of £1,680.

LIVING WORD CHURCH NETWORK

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2020

7	DONATIONS MADE	17 months to 31-Dec-2020 £
	Other organisations and charities	10,942
	Church members relief	5,880
		<u>16,822</u>

Donations greater than £1,000 were made to the following organisations: £

Christian Concern 1,450

8	STAFF COSTS	17 months to 31-Dec-2020 £
	Salaries and wages	56,944
	Pension costs	760
	Total staff costs	<u>57,704</u>

The average number of staff employed during the period was 5. No employee received emoluments of £60,000 or more during this period.

Key management personnel were paid remuneration during the period of £40,242.

9	TANGIBLE ASSETS	Buildings £	Equipment £	Total £
	COST			
	At beginning of period	-	-	-
	Additions	1,022,453	9,485	1,031,938
	At the end of period	<u>1,022,453</u>	<u>9,485</u>	<u>1,031,938</u>
	DEPRECIATION			
	At beginning of period	-	-	-
	Charge for period	-	2,371	2,371
	At end of period	<u>-</u>	<u>2,371</u>	<u>2,371</u>
	NET BOOK VALUE			
	At end of period	<u>1,022,453</u>	<u>7,114</u>	<u>1,029,567</u>
	At beginning of period	<u>-</u>	<u>-</u>	<u>-</u>

Trust Property held in connection with Titchfield Evangelical Church (charity number 239492-1) was transferred to Living Word Church Network on 14 July 2020. The valuation of £1,000,000 is the one used for land registry purposes on 4 September 2020.

LIVING WORD CHURCH NETWORK

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2020

10 DEBTORS	31-Dec-2020
	£
Gift aid	29,790
Prepayments	1,893
	<u>31,683</u>

11 CREDITORS: amounts falling due within one year	31-Dec-2020
	£
Tax and social security	603
Other creditors and accruals	5,163
	<u>5,766</u>

12 UNRESTRICTED FUNDS	Funds b/fwd	Income	Expenditure	Transfers	Funds c/fwd
	£	£	£	£	£
General funds	-	201,213	(149,792)	48,494	99,916
Church building	-	1,000,000	-	22,453	1,022,453
Gift of assets from predecessor charity	-	48,947	-	(48,947)	-
	-	<u>1,250,160</u>	<u>(149,792)</u>	<u>22,000</u>	<u>1,122,369</u>
13 RESTRICTED FUNDS	Funds b/fwd	Income	Expenditure	Transfers	Funds c/fwd
	£	£	£	£	£
Building fund	-	22,000	-	(22,000)	-
Storehouse fund	-	4,813	(326)	-	4,487
	-	<u>26,813</u>	<u>(326)</u>	<u>(22,000)</u>	<u>4,487</u>

Church Building Fund: This represents the value of the church building transferred on 14 July 2020.

Building Fund: This represents funds received from Titchfield Evangelical Church specifically to be used for building improvements.

Storehouse Fund: This consists of funds donated specifically for the provision of food for the poor and needy within the church community.

14 RELATED PARTY TRANSACTIONS

One trustee received remuneration and benefits as an employee of the charity totalling £17,005 during this period. Three trustees received gifts and fees totalling £416. The husband of a trustee, received remuneration and benefits as an employee of the charity totalling £18,338 during the period.

During the period one trustee was reimbursed £179 for expenses incurred on behalf of the charity.

Trustees' Annual Report for the period

From 1 August 2019 Period start date

To 31 December 2020 Period end date

Charity name: Living Word Church Network

Charity registration number: 1184540

Objectives and Activities

	SORP reference	
Summary of the purposes of the charity as set out in its governing document	Para 1.17	<p>To advance the Christian faith to all people both children and adults and to teach sound biblical doctrine by all means possible and under the guidance of the Holy Spirit at any time and anywhere in the world including through the administration of all existing and future churches forming part of the Living World Church Network.</p> <p>To provide support to those in need including the alleviation of poverty, suffering and persecution anywhere in the world.</p>
Summary of the main activities in relation to those purposes for the public benefit, in particular, the activities, projects or services identified in the accounts.	Para 1.17 and 1.19	<p>Teaching, preaching, discipleship, training, equipping, educational, worship, pastoral care, prayer ministry, evangelism and other outreach activities, community projects, church planting, and publishing (in hard copy and digitally).</p> <p>Leading and participating in mission teams, both in the UK and overseas.</p> <p>Networking and engaging with other churches, organisations and people sharing our vision, values, and doctrine.</p>
Statement confirming whether the trustees have had regard to the guidance issued by the Charity Commission on public benefit	Para 1.18	The Trustees have regard to the guidance issued by the Charity Commission on public benefit.

Achievements and Performance

	SORP reference	
Summary of the main achievements of the charity, identifying the difference the charity's work has made to the circumstances of its beneficiaries and any wider benefits to society as a whole.	Para 1.20	<p>In the period prior to the pandemic (Aug 2019-March 2020) the charity was continuing along normal lines providing teaching, training and discipleship via podcast and in person. We put on a Leader's Training Course which was attended by leaders from several outside churches. We wrote and hosted a '10 steps to freedom' course which again was well attended and well received. We celebrated feasts and festivals including Tabernacles, candlelight Christmas services and a harvest children's party which was open to the church and the community.</p> <p>We continued to support an intern and an external bible college candidate.</p> <p>We launched a testimony Magazine called 'Wonderful Life' which was used as an evangelism tool and distributed during outreach events and door to door.</p> <p>We continued to provide Sunday services, children's church, mid-week home groups, courses, and prayer groups.</p> <p>We had special visiting speakers from the US, Christian friends of Israel, Generation2Generation, and talks from Iranian Christians on the persecuted church. We supported all these groups financially and through prayer.</p> <p>Through our synergy alliance subscription, we enjoyed taking part in their annual 'Empower' long weekend conference.</p> <p>Having completed legal work on the transfer of the Titchfield building, in February 2019 we opened our 5th church plant congregation in Titchfield. During the rest of the year taking the opportunity afforded by the pandemic and closed buildings we completed upgrades to the building including heating, fire safety, CCTV installation and general repair to facilitate church and community involvement in the village upon re-opening.</p>

		<p>As the pandemic hit and churches were closed from the end of March 2020, we began to produce more online content including a Thought for the Day and regular online Sunday church services and several online services specifically for children. We increased podcast output to include a series on Teaching through the Bible, Meditation on Torah, The way of the Pilgrim, Through the book of Revelation and The Biblical Importance of Israel.</p> <p>Being aware of the effect that lockdown was having on mental health, we ramped up pastoral support forming small groups on-line and on WhatsApp. As restrictions allowed, we formed small groups for outside worship and small groups for mental health support.</p> <p>Community leaflets were produced and advertised on social media, at the building and door to door offering support to the local community. We had several responses to this, and we met these and other known practical needs (both within the church and within the community) predominantly via the use of Asda shopping vouchers over the course of the year. We set up a relief fund which was used to support those financially affected by the pandemic and made regular collections and donations to a local Acts of Kindness food bank. Once permitted, we used the building for a second-hand children's clothes sale to support those in need in the community.</p> <p>We offered baptisms in the sea as restrictions allowed.</p> <p>In response to government guidance in July 2020 we began the hire of a field for 'church in the field'. This has been a huge success and a lifeline to many over the course of the pandemic. Being a large, open outside space it has given us a safe way to worship for much of the year. As other church buildings were closed, these Sundays attracted many worshippers from far and wide. We ran a 'bring your own' communion service.</p> <p>As restrictions allowed, we made the Titchfield Building open to the public for private prayer.</p>
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		<p>Towards the end of 2020 we acquired the use of an acre of ploughed land with which we set up a church community allotment. This has proved a huge success improving mental health and providing the church with outside fellowship and community across all ages.</p> <p>In December 2020 we hosted an outside Carol Service in the town centre in line with government guidance.</p> <p>We take an active role in local church communities and are members of Churches together in Fareham, Churches together in Gosport and Churches together in Stubbington.</p>
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Financial Review

Review of the charity's financial position at the end of the period	Para 1.21	Income of £228k was received during the period and expenditure was £150k, generating net income of £77,909. During the period the charity received a gift of a church building with a value of £1m and £49k was transferred from it's predecessor charity. At the reporting date the charity had total reserves of £1,126,856 of which £4,487 was restricted.
Statement explaining the policy for holding reserves stating why they are held	Para 1.22	The charity aims to maintain sufficient reserves to cover a minimum of six months running expenses.
Amount of reserves held	Para 1.22	£1,126,856
Reasons for holding zero reserves	Para 1.22	n/a
Details of fund materially in deficit	Para 1.24	n/a
Explanation of any uncertainties about the charity continuing as a going concern	Para 1.23	There are no uncertainties.

Structure, Governance and Management

Description of charity's trusts:		
Type of governing document (trust deed, royal charter)	Para 1.25	Constitution (Foundation)
How is the charity constituted? (e.g unincorporated association, CIO)	Para 1.25	CIO
Trustee selection methods including details of any constitutional provisions e.g. election to post or name of any person or body entitled to appoint one or more trustees	Para 1.25	New Trustees are suggested by the Chair, with guidance by the existing Trustees. Trustees are committed members of the Network who are well known to the Trustees and Senior Pastors.

Reference and Administrative details

Charity name	Living Word Church Network
Other name the charity uses	
Registered charity number	1184540
Charity's principal address	18 High Street, Titchfield. Fareham. PO14 4AF

Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted If not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Colin Gallaughher	Chair	Appointed 23 Jul 2019	
2	Peter Halsey		Appointed 25 Apr 2020	
3	Rebecca Day		Appointed 25 Apr 2020	
4	Tracey Wickland		Appointed 23 Jul 2019	
5	Savio Rodrigues		Resigned 30 Sep 2020	
6	Laura Marshall		Resigned 2 Nov 2019	
7	Michael Croucher		Resigned 25 Jul 2020	
8	Karen Bosman		Resigned 25 Jul 2020	
9	Katya Samuel	Chair from 23 Jul 2019 to 2 Nov 2019	Resigned 2 Nov 2019	
10				
11				
12				
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15				
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17				
18				
19				
20				

Corporate trustees – names of the directors at the date the report was approved

Director name		

Name of trustees holding title to property belonging to the charity

Trustee name	Dates acted if not for whole year	

Funds held as custodian trustees on behalf of others

Description of the assets held in this capacity	
Name and objects of the charity on whose behalf the assets are held and how this falls within the custodian charity's objects	
Details of arrangements for safe custody and segregation of such assets from the charity's own assets	

Additional information (optional)

Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

Name of chief executive or names of senior staff members (Optional information)

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Exemptions from disclosure

Reason for non-disclosure of key personnel details

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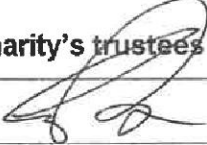
Other optional information

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Declarations

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)		
Full name(s)	Colin Gallagher	
Position (eg Secretary, Chair, etc)	Chair	
Date	20/12/2021	