

**LIBERTY CHURCH LONDON**  
**(A company limited by guarantee)**

**Company number 8615779**  
**Charity registration number 1154877**

**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**31 JULY 2019**

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## Reference and administrative details

(forming part of the trustees' annual report and strategic report)

Legal entity name	Liberty Church London
Company number	8615779 (England & Wales)
Charity registration number	1154877

Principal address and Registered office

International House  
24 Holborn Viaduct  
London EC1A 2BN

Trustees (directors) during the financial year and preceding financial year<sup>1</sup>

Paul Andrew<sup>2</sup>  
*Ex-officio trustee*

Greg Barker<sup>2</sup>

Regina Barker<sup>2</sup>

Brian L Harper<sup>2</sup>

Sheila M Hargreave

Matthew Sadler<sup>2</sup>

Community Pastors	Jonny Pettman Tasha Pettman
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Company secretary	Jenny Catlow
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Bankers	Santander Bootle Merseyside L30 4GB
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<sup>1</sup> The terms 'trustee' and 'director' are interchangeable in the context of Liberty Church London. The term 'trustee' is generally used throughout, except in disclosures explicitly required by the Companies Act 2006 and applicable regulations insofar as they apply to Liberty Church London as a company limited by guarantee.

<sup>2</sup> Also a 'company member' in whom voting rights are vested, including the appointment of trustees.

## Trustees' annual report and strategic report

The trustees are pleased to present their annual report for the financial year ended 31 July 2019. This report incorporates the board of directors' report and strategic report.

### Structure, governance and management

Liberty Church London (referred to as 'the charity' or 'the church' throughout this report) began as a community of like-minded Christians meeting in London at regular intervals from January 2013, with leadership and additional pastoral support provided by Liberty Church, in New York City, a member of the Association of Related Churches ('ARC').

Liberty Church London was **incorporated as a company limited by guarantee** on 18 July 2013 and received its **registration as a charity** from the Charity Commission in England and Wales on 5 December 2013. The charity's name was subsequently changed to Liberty Church London on 23 January 2014.

The **governing document** of Liberty Church London comprises the Memorandum and Articles of Association, as lodged with Companies House at incorporation on 18 July 2013 and amended by the change of name on 23 January 2014.

As a company limited by guarantee, Liberty Church London does not have 'shareholders' but has five (2018: five) **company members** in whom voting rights are vested, currently comprising the Chair of Liberty Church and two additional members of the board of Liberty Church, in New York City, and two members of the London community. Company members must be more than 18 years old and subscribe to the Statement of Beliefs as set out in the Articles of Association.

The Articles of Association establish the rules governing the **appointment and termination of trustees**. In summary:

- The minimum number of trustees is three, but there is no maximum;
- Trustees are appointed by a resolution of the company members;
- Trustees must subscribe and adhere to, in belief and lifestyle, the Statement of Beliefs;
- Appointment of a trustee does not take effect until s/he has signed the prescribed Companies House form. Appointment lapses if this has not been signed within one month unless the Board resolves there is good cause for the delay; and
- The ex-officio trustee serves an indefinite term of office provided s/he remains Chair of Liberty Church, in New York City, or is not removed on grounds of death, disqualification, mental illness or bankruptcy. All other trustees serve a term of one year and may be reappointed upon retirement.

Trustees are **recruited** by the company members with due regard to professional or spiritual leadership experience and adherence to the Statement of Beliefs. Trustees receive targeted **training** upon induction and on a variety of matters throughout the year in anticipation of key events and milestones.

The board of trustees of Liberty Church London is responsible for making **key decisions** of a strategic, legal or statutory nature. Day-to-day financial, operational and spiritual leadership is vested in the London community pastors.

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.

## Relationship with Liberty Church in New York City

Liberty Church London is part of a network of churches headed by Liberty Church, in New York City, collectively referred to as Liberty Church. Liberty Church, in New York City, provides **spiritual oversight** and three of Liberty Church London's trustees, including the ex-officio trustee, are board members of Liberty Church, in New York City. Wherever it is appropriate to do so, we seek to minimise costs by using best practice and operating policies developed by Liberty Church, in New York City, and tailoring them for Liberty Church London's specific needs and requirements.

Liberty Church, in New York City, has now established eight new churches including Liberty Church London. As part of their training the London community pastors completed a Church Planter Residency in New York City. Liberty Foundation, which is affiliated to Liberty Church in New York City, has made grants to Liberty Church London to help it establish its activities.

Liberty Church London works in partnership with Liberty Church, in New York City, but this charity does not control Liberty Church London and Liberty Church London may freely pursue its own separate interests.

## Objectives

Liberty Church London's **objective**, as stated in the Articles of Association, is, *for the public benefit, to advance the Christian faith in accordance with the Statement of Beliefs in the City of London and in such other parts of the United Kingdom and the world as the trustees may from time to time think fit*. The charity is seeking to achieve this objective by establishing a church in London.

The trustees confirm that they have referred to the guidance in the Charity Commission's *General Guidance on Public Benefit* when reviewing the aims and objectives, planning future activities and setting the grant-making policies.

## Summary of the charity's main activities and achievements

During the financial year the charity undertook various **activities**. Primarily these activities centred around preparations for the formal launch of a church in London (launched September 2019). We also continued to support our eSwatini missionaries (who are both UK citizens) in their work with families with disabled children and care points with the non-profit organization Children's Cup, and their work supporting a community centre and church planted in eSwatini in 2017.

We held Community Group gatherings in London prior to launching weekly services in September 2019. These gatherings provided an opportunity for Bible study, prayer and the opportunity to discover Jesus in a personal and meaningful way. We held regular community dinners, Liberty Sisterhood evenings for women in the church and other events for the church community. We provide **public benefit** by meeting the spiritual needs of people in our congregation and wider community, providing financial or logistical support where needed, in accordance with Acts 2:42.

## Financial review

During the year income increased by £144,455 to £153,999 and expenditure increased by £59,778 to £69,869 as the charity geared up for the official launch of the church in September 2019. Income includes grants of £79,672 (2018: £7,131) from Liberty Foundation. The surplus for the year was £84,130 (2018: a deficit of £547) and net assets increased by £84,130 to £89,659. Net assets includes cash of £49,683 and equipment totalling £40,984 bought in readiness for the launch of the church.

## Reserves policy

The charity's reserves policy, as adopted by the board of trustees, is to hold unrestricted cash of no less than £30,000 (which equates to about one month's worth of projected annual expenditure) so that the charity could continue to operate should income and / or expenditure vary adversely. In setting this policy, the trustees note that Liberty Foundation has undertaken to continue to support the charity financially for at least the next 12 months. At the year-end the charity held unrestricted cash of £49,683 and the charity is complying with its reserves policy.

## Events since the balance sheet date

In March 2020 the charity took steps (in line with government advice) to help contain the outbreak of COVID-19. This included the temporary suspension of all physical gatherings and the charity has had to curtail, or change, how it operates; the charity has been able to continue many of its activities using on-line media. The trustees are monitoring income and expenditure and, if it becomes necessary, will take measures to mitigate the impact of COVID-19 on the charity's cash balances.

## Approval

The trustee's annual report, incorporating the board of directors' report and strategic review, was approved by the board on 21 May 2020 and signed on its behalf by:

SHEILA HARGREAVE  
Trustee

International House  
24 Holborn Viaduct  
London EC1A 2BN

## Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SoRP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The directors are responsible for keeping proper accounting records than disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

## Independent Examiner's Report to the Trustees of Liberty Church London ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2019 on pages 8 to 13 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.

Ajay Rajani FCIE  
Stewardship  
1 Lamb's Passage  
London  
EC1Y 8AB

29 June 2020



## Statement of financial activities (including income and expenditure account)

for the financial year ended 31 July 2019

	Note	Total funds (unrestricted) Financial year ended 31 July 2019 £	Total funds (unrestricted) Financial year ended 31 July 2018 £
<b>Income and endowments from:</b>			
Donations, grants and legacies	3	153,955	9,533
Investment income		44	11
<b>Total income and endowments</b>		<b>153,999</b>	<b>9,544</b>
<b>Expenditure on:</b>			
Charitable activities	4	(69,869)	(10,091)
<b>Total expenditure</b>		<b>(69,869)</b>	<b>(10,091)</b>
<b>Net income / (expenditure)</b>		<b>84,130</b>	<b>(547)</b>
<i>Net movements in funds</i>		<b>84,130</b>	<b>(547)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward		5,529	6,076
<i>Total funds carried forward</i>		<b>89,659</b>	<b>5,529</b>

The statement of financial activities includes all gains and losses in the year and arises from continuing activities.

The charity has not received any restricted income and there are no brought forward, or carried forward, restricted fund balances.

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 pages 10 to 13 form part of these financial statements.

## Balance sheet

as at 31 July 2019

	Note	Total funds 2019 £	Total funds 2018 £
<b>Fixed assets</b>			
Tangible fixed assets	6	40,984	-
<b>Current assets</b>			
Cash at bank and in hand		49,683	5,541
<b>Liabilities</b>			
<i>Creditors: Amounts falling due within one year</i>			
Accrued expenses and other creditors		(1,008)	(12)
<b>Net current assets</b>		<b>48,675</b>	<b>5,529</b>
<b>Total assets less current liabilities</b>		<b>89,659</b>	<b>5,529</b>
<b>Net assets</b>		<b>89,659</b>	<b>5,529</b>
<b>The funds of the charity</b>			
Unrestricted general funds		89,659	5,529
<b>Total charity funds</b>		<b>89,659</b>	<b>5,529</b>

The notes on pages 10 to 13 form part of these financial statements.

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2019. The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2019 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 also the charity's trustees) acknowledge their responsibilities for:

- 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. The charitable company is registered with Companies House in England and Wales and its company number is 8615779.

The financial statements were approved by the Board of Directors on 21 May 2020 and were signed on its behalf by:

SHEILA HARGREAVE  
Trustee | International House, 24 Holborn Viaduct, London EC1A 2BN

## Notes to the financial statements

### 1. Legal status

Liberty Church London is a registered charity and a company limited by guarantee (company number 8615779). It is governed by Memorandum and Articles of Association dated 23 January 2014. It is incorporated and domiciled in England and Wales. The address of the registered office is International House, 24 Holborn Viaduct, London EC1A 2BN.

On winding up each person who is a member at that date is liable to contribute a sum not exceeding £1 towards the assets of the charity. As at 31 July 2019 the charity has five (2018: five) members.

### 2. Principal accounting policies

#### *Basis of preparation*

These financial statements have been prepared on a going concern basis under the historical cost convention. They 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.

Monetary amounts in these financial statements are rounded to whole Pounds Sterling.

#### *Going concern*

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

In making their assessment the trustees note that the charity relies on the grant income it receives from a partner charity, Liberty Foundation. Liberty Foundation have expressed their willingness to continue supporting the charity financially for at least the next 12 months.

#### *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.

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

## **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.

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.

## **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; there were no designated funds at the balance sheet date. 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; no restricted funds had been received by the balance sheet date.

## **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 equipment is depreciated on a straight-line basis over periods ranging from 3 years to 5 years from the date they are first brought into use.

## **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## **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.

## **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, grants and legacies

	2019	2018
	£	£
Donations - tithes, offerings and other donations	74,283	2,402
Grants from Liberty Foundation	79,672	7,131
<b>Total</b>	<b>153,955</b>	<b>9,533</b>

### 4. Charitable expenditure

	2019	2018
	£	£
Staff costs	47,303	7,250
Grants payable	1,400	1,200
Weekly church services	7,310	-
Outreach	448	-
Pastoral care	3,785	68
Marketing	6,864	-
Merchant fees	115	90
Office supplies, postage and printing	1,366	13
Leadership development	-	683
Other costs	318	158
Professional fees	-	629
Governance costs: Independent examiner's fee	960	-
<b>Total</b>	<b>69,869</b>	<b>10,091</b>

During the year the charity paid grants totaling £1,200 (2018: £1,200) to individuals and £200 (2018:£nil) to institutions to support UK and overseas mission.

### 5. Staff costs

The average monthly number of employees during the year was 1 (2018: 1). Most of the charity's activities are carried out by volunteers.

During the year key management received employment benefits totalling £42,700 (2018: £7,250).

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

### 6. Tangible fixed assets

	Equipment	Total
	£	2019
		£
Cost		
At 1 August 2018	-	-
Additions in year	40,984	40,984
At 31 July 2019	<b>40,984</b>	<b>40,984</b>
Accumulated depreciation		
At 1 August 2018 and at 31 July 2019	-	-
Net book value		
At 31 July 2019	<b>40,984</b>	<b>40,984</b>
At 31 July 2018	-	-

## 7. Related parties

### *Transactions with trustees*

No trustees received employment benefits in either the current or preceding year. Except for the reimbursement of expenses incurred when acting as agent for the charity, no expenses were paid to (or for) the trustees.

During the year the charity received donations totalling £9,915 (2018: £1,704) from related parties (which includes trustees, other members of key management and anyone closely connected to them).

### *Other related party transactions*

Some trustees also serve on the boards of Liberty Church in New York City and Liberty Foundation. During the year Liberty Foundation paid grants totaling £79,672 (2018: £7,131) to Liberty Church London to help the charity establish its activities.

Two trustees also serve as trustees of Liberty Church Swaziland. During the year the charity paid grants totalling £1,200 (2018: £1,200) to support two missionaries who work for Liberty Church Swaziland and serve on its board of trustees.

Except as disclosed in note 5 'Staff costs' there have been no other transactions with related parties.

## 8. Events since the balance sheet date

As mentioned in the trustee's report, in March 2020 the charity took steps (in line with government advice) to help contain the outbreak of COVID-19. This included the temporary suspension of all physical gatherings and the charity has had to curtail, or change, how it operates; the charity has been able to continue many of its activities using on-line media. The trustees are monitoring income and expenditure and, if it becomes necessary, will take measures to mitigate the impact of COVID-19 on the charity's cash balances. The trustees are unable to reliably estimate the financial impact of COVID-19 at the present time.