

EMMANUEL EVANGELICAL CHURCH
(Charitable Incorporated Organisation)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Registered Charity No:

1154866

EMMANUEL EVANGELICAL CHURCH
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS

	Pages
Reference and administrative details	1
Report of the Trustees	2-8
Auditor's Report	9-10
Consolidated Statement of Financial Activities	11
Consolidated Balance Sheet	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Accounts	14-21

EMMANUEL EVANGELICAL CHURCH
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2019

Charity number:	1154866
Registered address and principal office:	9 – 23 Marsham Street London SW1P 3DW
Chairman:	Senior Pastor Peter Yee Kong Loo
Treasurer:	Mr Andy Tham
Other council Members:	Mrs Naomi Phoo-Par Mr Robert Prosper Ms Francesca Hammond Mr Benjamin Cheong Mr Patrick Pope Mr Richard Hindley
Auditors:	Geary Partnership Chartered Accountants 159a Chase Side Enfield Middlesex EN2 0PW
Bankers:	Barclays Bank PLC P.O.Box 15163H 50 Pall Mall London SW1Y 5AX

EMMANUEL EVANGELICAL CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their report and the audited consolidated financial statements of the Church for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies on pages 14 and 15 and comply with the Church's Constitution, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Reference and administrative information set out on page 1 forms part of this report.

Board of Trustees

Throughout this report the members of the Board of Trustees are collectively referred to as the Trustees. The Trustees are responsible as a body for governance, policy implementation, monitoring of general conduct, overall performance, and for reporting to the membership at general meetings. The Trustees delegate operational management of the Church to the Senior Pastor.

The Trustees who served during the year, who are also Church Council members, were as follows:

Chairman:	Senior Pastor Peter Yee Kong Loo
Treasurer:	Mr Andy Tham (re-appointed 1 November 2019)
Other Council Members:	Mrs Naomi Phoo Par (re-appointed 1 November 2019) Mr Robert Prosper (re-appointed 1 November 2019) Ms Francesca Hammond (re-appointed 1 November 2019) Mr Benjamin Cheong (appointed 4 November 2018) Mr Patrick Pope (appointed 4 November 2018) Mr Richard Hindley (appointed 4 November 2018)

Structure, governance and management

Governing document

The Church is a registered charity and is governed by its Constitution adopted on 24 May 1990 and revised on 23 March 1997, 21 August 2002, 4 July 2011 and 14 July 2013. Its former registered number was 803024. The Church now operates as a Charitable Incorporated Organisation. Its registered number is now 1154866.

Structure

The Church Council constitutes the governing body of the Church. Its voting members are the legal Trustees of the Church, who are appointed by the Council and endorsed by members of the congregation either at the Church Annual General Meeting or at an Extraordinary General Meeting. Their appointments and endorsements are prescribed in the Church Constitution.

Governance

The Council Members are responsible for overall policies and ensure the Charity operates within its objectives. They delegate to the Senior Pastor and his staff teams the vision of the Church and the daily operations. They also delegate the management of Emmanuel Centre to the Chief Operating Officer. The Finance and Administration Committee (F & A) provides support to the Church Council in managing the finances of the Church and it is accountable to the Church through the Treasurer who serves as its Chairman. EEC Trading Limited was incorporated on 12 Nov 2015 with the purpose of running the business of Emmanuel Centres of Westminster and Edgware. EEC Trading Limited has directors who are Council Members of Emmanuel Evangelical Church (EEC). Further responsibilities for the operation of the Emmanuel Centres at Westminster and Edgware were transferred from EEC CIO to EEC Trading Ltd during 2017. An Honorary Chief Operating Officer (COO), who is a Church member, was appointed in July 2017 to oversee EEC Trading Limited. The COO is accountable to the directors of EEC Trading Limited.

EMMANUEL EVANGELICAL CHURCH
REPORT OF THE TRUSTEES, continued
FOR THE YEAR ENDED 31 DECEMBER 2019

Structure, governance and management, continued

Appointment of Trustees

A potential Trustee normally goes through a period of training as a non-voting observer in the Council. The Council then decides his or her suitability to serve in the Council, and his or her appointment to the Council is then endorsed at a General Meeting of the Church.

Trustee induction and training

New Trustees take part in an induction process, which provides them with a briefing and information on their legal obligations under charity and company law, the content of the Church constitution, committee structure of the Board and its decision making process. In addition, new Trustees are given the opportunity to meet with staff, members of the Church and other trustees as part of the orientation.

Organisation

The Board of Trustees meets at least six times per year as a full Board. During the year they address the following areas: governance, strategy and resources.

The staff team meets weekly for prayer, planning and implementing the vision of the Church. Once a month, the staff dedicates half a day in prayer and intercession for the Church.

Risk management

The Chief Operating Officer and the Church Centre management team are constantly reviewing procedures for evaluating the risks associated with the Church operating plan activities, and also reviews annually all insurances, office, fire and general safety, as well as the terms and conditions of employment of staff.

Risk management in the ministries undertaken by the Church is delegated to the Senior Pastor and his staff team. They have established procedures for child protection. All workers amongst children and youth are CRB checked before they commence their ministry. Most staff members are also trained in first aid and fire safety procedures.

Objectives and activities

The purpose of the Church is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Church has a wholly-owned trading subsidiary, EEC Trading Limited, whose principal activity is the provision of conference facilities and related catering services. The annual profits of the subsidiary are paid to the Church where finances permit.

Mission Statement

Emmanuel Evangelical Church (EEC) is an apostolic cell-based church, committed to obeying the Great Commandment and to fulfilling the Great Commission by motivating, equipping and empowering every member to be an effective minister of Jesus Christ.

In line with our Mission Statement, and our identity as an “apostolic cell-based church” and our objective in “nurturing, equipping and empowering every member to be an effective minister of Jesus Christ” we aim to develop a strong leadership base.

EMMANUEL EVANGELICAL CHURCH
REPORT OF THE TRUSTEES, continued
FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

Overall

The Church began the year with the Senior Pastor setting out the Vision and Values of the Church. The theme for 2019 was to continue to lay the foundation to raise 500 and 200 soldiers (disciples) in Emmanuel Westminster (EW) and Emmanuel Edgware (EE) respectively. We continue to focus on making disciples of all nations which is the Great Commission. However, it will not be done over the whole year but in the ensuing years as we learn how to be a disciple and how to make disciples.

Membership of EEC expects active participation in the cell groups and ministry in the church. At the end of 2019, the membership of the Church stood at 344 and 22 people were baptised during the year. There were 26 and 17 professions of faith in EW and EE respectively. These figures do not include those who professed faith outside of London and those who could not be followed up such as tourists. 17 were baptised in EW out of which 15 came from the Youth Church. 5 adults were baptised at EE.

There were 27 care cells, dispersed throughout the city. A number of cells were closed due to the departure of a few of our leaders and also the dissolution of a couple of closed ministry cells.

All cells are involved in reaching out to their pre-Christian friends (evangelism) and in nurturing and building up believers (discipleship). The cells are the building blocks for a healthy church. The two international congregations continued to hold their weekly celebration service at the Emmanuel Centre Westminster and Emmanuel Centre Edgware on Sunday mornings.

In April, Bruce Atkinson from Kensington Temple was appointed as the Associate Pastor of the Church and the matchup cannot be anything but divinely ordained.

The pastors participated in the monthly prayer breakfast for the pastors of 5 other local churches in EW while at EE, the pastors of 5 Edgware churches prayed weekly..

The roof at Westminster continued to be repaired having completed two of the designated three phases.

EEC is a church which 'invests' in young lives. The Church employs a staff member who is dedicated to children's ministry (4 - 12 years). Mrs Laura Leonard who is a qualified teacher joined us as an intern in September for a year with a focus on expanding the Children's Ministry. Two apprentices completed their one year assignment with us. A staff member is also assigned to Youth Ministry (12 - 19 years). The young people attend their own youth service on Sunday mornings, and join the main congregation on the first Sunday of each month. The Alpha course was run to help people from outside to discover the Christian faith. This year, we launched a Student Ministry with the aim of serving the spiritual needs of students in London.

EEC has a passionate concern for the local community in Westminster. One staff member is assigned to run community activities, including Coffee Morning (for toddlers and their parents) and Homework Club (for children 8 - 12 years). We also have members serving as Street Pastors in Westminster. We participate at the Westminster Churches' project called "The Gate" which is a crisis pregnancy advisory centre.

We also care for the inner spiritual lives of the members and a staff member is dedicated to run a team of volunteers to pray and minister inner healing to members of the church who identify that they may need prayer into areas in their lives. An annual retreat takes place to minister more deeply to those who need it. A twice monthly outreach work is done just outside our church with tracting and 'healing on the streets'. Over 120 people were ministered to at the Monday lunch time healing rooms. A healing 'encounter' involving youths was also held.

The Worship Ministry took further steps into spontaneous Spirit-led worship expression and prophetic singing. The Deaf Ministry continued to do signing for the deaf on Sunday mornings.

We had the first "couple dance and dinner" held earlier this year which was well received.

EMMANUEL EVANGELICAL CHURCH
REPORT OF THE TRUSTEES, continued
FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance, continued

More mentoring and strengthening of relationships took place via the District and Zone Leaders to enable the cell groups to grow.

The twice monthly prayer meeting called “Hosting the Presence” became a weekly event from September believing that the Holy Spirit can stir more hearts.

An Easter conference was held at the Emmanuel Centre with Dr Kameel Majdali on ‘Understanding the End Times’.

There was an ongoing weekly youth community and outreach work at Emmanuel Westminster. Mentoring and biblical values were offered to those attending. To promote ‘tri-generations’ in our church, youth and young adults were encouraged to take part in the main services of Emmanuel Westminster. The youth participated more in the Children’s Ministry to bring a continuum across the ages. In order to cultivate a strong spiritual inner life and learning to respond with confidence to the challenges to their faith, a four-day Pre-University camp was held at EE for six university-bound youths.

15 of our youth and youth leaders aimed at raising young leaders for every sphere of society attended the OneLife annual conference. Lessons in godly influence were then shared at an exploratory three-day stay over camp at EE for 8 youths.

This summer, a record number of youths (46) attended the last Soul Survivor. There were 7 professions of faith.

EE participate as one of the Edgware based churches in a combined Summer Festival in Broadfields Park which saw a turnout of 500 where the Deputy Mayor of Barnet graced the event.

The Church focussed on prayer for outreach and impacting the Government. The pastors conduct Holy Communion in the Home Office and offer opportunities for fellowship.

Emmanuel School of Ministry was launched in October with a very well attended course that spanned over 6 Sunday afternoons, teaching on Supernatural Living – Moving in the Gifts and Fruit of the Holy Spirit.

Spiritual Parenting Training (SPT) as well as Cell Leader and Core Team Training (CLCTT) were held at EW and EE to equip cell members in nurturing and evangelism, and in leading cell groups. We started to host our first Cell Leaders’ monthly breakfast prior to our church service at Marsham Street since the last quarter of 2019.

Individual counselling and a residential weekend are held throughout the year ministering to many people. The ministry also does a full Saturday session on inner healing awareness for would-be EEC membership applicants. An online Christian resource called RightNow Media served to strengthen the Equipping Track of the Church.

A monthly preaching class was ongoing to build budding preachers in the church.

A workplace ministry group is in place to help Christians to integrate their faith and work. The course of “Authentic Lives” was successfully piloted in house first at Edgware and then at Westminster in June and September respectively to help identify one’s giftings and life’s purpose.

EEC is a multi-generation church with diverse needs, interests and giftings. Our diversity enables us to be channels of blessings to each other and to complement the needs of the cells. An “Evergreen Ministry” gave specialised advice and acts as a springboard for evangelism amongst the older folks.

To reach out to the community, EEC continues to participate in the local summer fest in Pimlico and a series of Christmas events held in December. We continued to invest in community work through Saturday football in Paddington Green London and mentoring those who joined this football. During the course of the year, we also held events that may be of interest to our local communities such as having a Westminster Community Choir which reached out to over 150 people over Christmas and celebrating Fathers’ and Mothers’ Day. A BBQ for the senior folks was held at a local retirement home with the opportunity for testimony and the proclamation of the gospel. We also held a Marriage enrichment evening for couples.

EMMANUEL EVANGELICAL CHURCH
REPORT OF THE TRUSTEES, continued
FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance, continued

Our tri-generational family spirit at EE is strengthened by the involvement of everyone, from the youngest to the oldest, in its various activities at different intervals throughout the year. Combined cell events, movie nights, summer picnic, barbeques and weekly Sunday table tennis create many opportunities to serve and bond together. A Thursday table tennis club, started by one of our interns, was able to get four youths from EE to attend regularly and sometimes they bring along their friends.

The Church held a twice-yearly 24-hour prayer weekend, and a weekly Church at Prayer meeting was held in both churches.

We continued some homeless work ministry particularly to help those who want to get out of their plight.

Regular "Healing on the streets" were held twice a month in the local vicinity. At Westminster, a Healing Room ministry in October meets on Monday lunchtimes, catering in particular for Civil Service personnel and also for the general public.

In terms of networking, we partnered with various Christian organisations such as Harvest Ministries in India, International China Concern, Operation Mobilisation, Tearfund and churches that share the same vision in the areas of evangelism, and prayer for the Government and nation.

A couple of trips were made to visit CMCT in India. We continue to support a few members who felt called to certain countries working. A member came back from YWAM and is now sharing the gospel weekly with Open Air Campaigners in the streets of London. A team of 12 including 3 first timers went on Beach Mission in Wales to be equipped and then to share the gospel. This is the fourth year running with our church and the second year Jing Li led a mission work.

EEC gives 10% of its income to missions and crisis relief.

Emmanuel Centre continues to be widely used by other churches, Christian agencies, educational institutions and business corporations.

The Edgware congregation continued to be nurtured to become a viable and strong community. There is a thriving Mothers' and Toddlers' group meeting weekly, encompassing mothers from different ethnic and religious backgrounds. "Healing on the Streets" in partnership with local churches continued to serve the community on a weekly Saturday afternoon. Many events such as Fathers' Day, Mothers' Day, picnics and cultural nights took place to connect with the friends of the church. "Healing on the Streets" carried on weekly on Saturdays. A small knitting group that meets weekly sees Muslim, Jew and Hindu being brought together. Weekly prayer meetings with the Pastors at Edgware as well as EE Congregational Tuesday evening prayer meetings take place.

Looking ahead: Plans for 2020

In 2020, we continue in fulfilling our church vision statement which is "Enjoying God, Loving People". Apostle Dowdy has declared a 'new era' is coming and the pastors felt that we should be 'enlarging our tent' and that we should not remain 'hidden' but to make ourselves known in this city while relying on the power of the Holy Spirit. We may also need to 'retune some keys of a grand piano.' We plan to 'rebrand' the Church especially her website platforms with this new vision statement.

Emphasis is on character development and discipling, challenging members to walk in step with the Holy Spirit.

Mentoring and raising leaders will continue within the cell groups as well as understanding how to raise up disciple makers.

EE as a church will identify its distinctiveness to impact the local community.

Over the Easter period, we plan to do a local outreach inviting Evangelist Daniel Chand to spearhead this work.

We have planned our first Young Adults' Retreat in Eastbourne for end of February over a long weekend with activities to bond and to grow our Christian life.

EMMANUEL EVANGELICAL CHURCH

REPORT OF THE TRUSTEES, continued FOR THE YEAR ENDED 31 DECEMBER 2019

Looking ahead: Plans for 2020, continued

The Youth Ministry hopes to make inroads to the local youth community on Fridays via the Refresh cell.

We are exploring a mission to Zambia with Operation Mobilisation this summer. Also we will continue to conduct Beach Mission to Wales and visits to India and China.

At EE, we will be hosting with Chosen People Ministries the remembrance of Messianic believers who perished during the Holocaust on 26 April 2020.

We continue to serve the Home office and also the church will participate in joint celebration and prayer with other local Westminster churches.

The centre will continue to be used as a resource centre supporting Christian work and as a conference centre and on Sunday evenings. Major roof works over the dome and foyer area will need to be done as a continuing repair work at Westminster.

Financial overview

The Church reports a consolidated surplus for the financial year of £64,247 compared to a deficit of £106,025 in the previous financial year.

The principal sources of income and related expenditure in the year are shown in the Statement of Financial Activities and the notes included in the following accounts.

The policy of the Trustees is to maintain sufficient liquid reserves to enable the future development and expansion of the ministries of the Church and to provide for on-going maintenance of the Church's freehold and leasehold properties through its annual budgeting process.

Risk and internal control

The Trustees systematically review and assess the risks the Church faces, and the potential impact they may have on the organisation. Throughout 2019, church giving has been affected by the economic uncertainty in the country. The Trustees have consistently identified the level of giving as one of the organisation's secondary risks, and this issue has been closely monitored and addressed by the church Finance & Administration Committee.

The Trustees and Finance & Administration Committee co-own the risk register, which operates as a working document.

Going Concern

After considering the following areas, the Trustees believe the church has adequate financial resources to continue its operations for the foreseeable future:

- the 2019 financial performance
- our reserves policy
- budget and cash flow projections through to December 2020

Statement on public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Church's charitable purpose as enshrined in its objects is to advance the Christian faith by the publication and proclamation of the Gospel of the Grace of God as revealed in Holy Scripture in order to extend the Christian faith in London and beyond.

The Trustees ensure that this purpose is carried out for the public benefit through planning and monitoring activities by reference to the Church vision and strategy.

EMMANUEL EVANGELICAL CHURCH

REPORT OF THE TRUSTEES, continued FOR THE YEAR ENDED 31 DECEMBER 2019

Statement on public benefit, continued

The structure of the Annual Report allows the Trustees to report on the progress of implementing the strategy, explaining activities and achievements during the year and the Church's plans for 2020.

Responsibilities of the Trustees regarding the financial statements

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).

The law applicable to charities in England and Wales 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 Church and of its incoming resources and application of resources 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 of the Charities Statement of Recommended Practice "Accounting and Reporting by Charities";
- * 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; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Church will continue in existence.

The Trustees are responsible for keeping proper accounting records which are sufficient to show and explain the Church's transactions and to disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that any statements of account comply with the requirements of the Church Constitution, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008. The Trustees are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information of which the auditors are unaware. The Trustees have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Auditors

A resolution to reappoint Geary Partnership as auditors of Emmanuel Evangelical Church will be put to members at the forthcoming Annual General Meeting.

Approved by the Board of Trustees and signed on their behalf by:



**Pastor Peter Y K Loo
Chairman of the Council**

Date: 25/10/2020

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH

Opinion

We have audited the financial statements of Emmanuel Evangelical Church ('the parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows, 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2019, and of the group's 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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMMANUEL EVANGELICAL CHURCH, continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report;
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees are responsible for the preparation of 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 group's and parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our 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 an auditor's report that includes our 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.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.


Geary Partnership
Statutory Auditor

Chartered Accountants
159a Chase Side
Enfield
EN2 0PW

Date: **26 October 2020**

Geary Partnership is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

EMMANUEL EVANGELICAL CHURCH

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

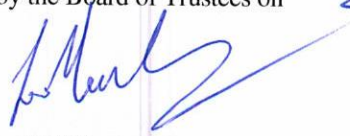
	Unrestricted funds £	Restricted funds £	Revaluation reserve £	Total funds 2019 £	Total funds 2018 £
INCOME AND EXPENDITURE					
Income from:					
Donations and legacies (Note 2a)	671,072	64,188	-	735,260	679,127
Other operating activities (Note 2b)	1,023,331	-	-	1,023,331	723,291
Investments (Note 2c)	316	-	-	316	553
Total Income	1,694,719	64,188	-	1,758,907	1,402,971
Expenditure on:					
Raising funds (Note 3a)	767,370	-	-	767,370	631,832
Charitable activities (Note 3b)	703,714	202,806	-	906,520	877,164
Total Expenditure	1,471,084	202,806	-	1,673,890	1,508,996
Net Income/(Expenditure) before Taxation and Transfers	223,635	(138,618)	-	85,017	(106,025)
Taxation (note 4)	(20,770)	-	-	(20,770)	-
Transfers between funds (note 12)	(138,715)	138,715	-	-	-
Net Income/(Expenditure) for the year	64,150	97	-	64,247	(106,025)
Other Recognised Gains:					
Gain on revaluation of freehold and long leasehold properties (note 11)	-	-	-	-	7,109,050
Net Movement in Funds	64,150	97	-	64,247	7,003,025
RECONCILIATION OF FUNDS					
Total Funds brought forward at 1 January 2019, as previously stated	5,142,935	164,456	8,821,227	14,128,618	7,125,593
Reclassification of roof maintenance expenditure	(25,019)	(101,055)	126,074	-	-
Total Funds brought forward at 1 January 2019, as restated	5,117,916	63,401	8,947,301	14,128,618	7,125,593
Total Funds carried forward at 31 December 2019	£5,182,066	£63,498	£8,947,301	£14,192,865	£14,128,618


EMMANUEL EVANGELICAL CHURCH

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019

	2019		2018	
	Group £	Church £	Group £	Church £
Fixed assets				
Tangible fixed assets (note 6)	14,647,961	14,637,256	14,721,444	14,715,090
Investments (note 7)	-	2	-	2
	<u>14,647,961</u>	<u>14,637,258</u>	<u>14,721,444</u>	<u>14,715,092</u>
Current assets				
Stock	1,500	-	900	-
Debtors (note 8)	182,397	235,860	364,767	763,511
Cash at bank and in hand	470,441	223,848	178,574	91,255
	<u>654,338</u>	<u>459,708</u>	<u>544,241</u>	<u>854,766</u>
Creditors: amounts falling due within one year (note 9)				
Creditors and accrued expenditure	(236,924)	(132,515)	(175,618)	(457,351)
Net current assets	<u>417,414</u>	<u>327,193</u>	<u>368,623</u>	<u>397,415</u>
Total assets less current liabilities	15,065,375	14,964,451	15,090,067	15,112,507
Creditors: amounts falling due after more than one year (note 10)	(872,510)	(872,510)	(961,449)	(961,449)
Net assets	<u>£14,192,865</u>	<u>£14,091,941</u>	<u>£14,128,618</u>	<u>£14,151,058</u>
Funds				
Unrestricted funds:				
General fund	5,182,066	5,081,142	5,117,916	5,140,356
Revaluation reserve (note 11)	8,947,301	8,947,301	8,947,301	8,947,301
	<u>14,129,367</u>	<u>14,028,443</u>	<u>14,065,217</u>	<u>14,087,657</u>
Restricted funds (note 12)	63,498	63,498	63,401	63,401
	<u>£14,192,865</u>	<u>£14,091,941</u>	<u>£14,128,618</u>	<u>£14,151,058</u>

Approved by the Board of Trustees on 25/10/2020 and signed on their behalf by:


Pastor Peter Y K Loo
Trustee


Mr Andy Tham
Trustee

EMMANUEL EVANGELICAL CHURCH

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Net cash provided by operating activities	14	387,588	60,757
Cash flows from investing activities:			
(Purchase) of fixtures, fittings and equipment		(8,734)	(305,029)
Cash (used in) investing activities		(8,734)	(305,029)
Cash flows from financing activities			
(Repayment)/receipt of bank borrowings		(86,987)	34,944
Cash (used in)/generated from investing activities		(86,987)	34,944
Increase/(decrease) in cash and cash equivalents in the year		291,867	(209,328)
Cash and cash equivalents at the beginning of the year		178,574	387,902
Total cash and cash equivalents at the end of the year		£470,441	£178,574

EMMANUEL EVANGELICAL CHURCH

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies

a). Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties and improvements, and in accordance with the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" preparing their accounts in accordance with Financial Reporting Standard 102 and the Charities Act 2011.

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The group accounts consolidate those of Emmanuel Evangelical Church and its subsidiary undertaking EEC Trading Limited (see note 7). A separate Statement of Financial Activities for the Church has not been presented.

b). Income recognition

Tithes and offerings are accounted for when received by the Church. Other income is accounted for on an accruals basis as far as it is prudent to do so.

c). Recognition of liabilities

Accrued expenditure has been taken up in the accounts at the financial year end.

d). Fixed assets, depreciation, and amortisation

Depreciation is provided at the following annual rates, calculated to reduce the book value of the assets concerned to estimated residual value over their useful working lives:

Fixtures, fittings and equipment:

Fixtures, fittings and PA equipment - 15% on cost

Kitchen and catering appliances – 25% on cost

Office and computer equipment – between 15% and 33% on cost

Accounting standards require depreciation to be charged on a systematic basis to write down tangible fixed assets from their cost or revalued amount to their residual value over their useful economic lives. The standards accept that some assets may have a high residual value which will remove the need for depreciation to be charged. The standards provide the example of land as a fixed asset where the residual value is likely to be at least equal to its cost or valuation and therefore no depreciation is charged. In the opinion of the Trustees, the residual values of the Church's freehold and long leasehold properties at the end of their useful lives, whenever that may be, are at least equal to the book values at which they are presently stated, largely because the prime London land on which they stand is by itself, under some measures, at least equal to the present book values of the properties. Furthermore, the Trustees keep the condition of the properties under regular review and they are maintained regularly to ensure their values do not become impaired. The maintenance costs are charged to the expenditure accounts as incurred. Therefore no depreciation has been provided on freehold buildings, nor has amortisation been charged on long leasehold property where the unexpired term of the lease exceeds fifty years.

e). Funds

Unrestricted funds are funds that have not been restricted as to their use by donors. The principal unrestricted fund is the general fund which holds those reserves of the Church which have not been designated for a particular use by the Trustees.

Designated funds are unrestricted funds that have been designated for a particular use by the Trustees.

The revaluation reserve is also part of unrestricted funds. It represents the uplift in value when the Church's freehold property was restated in the balance sheet following a professional valuation.

Restricted funds are funds that have been restricted as to their use by donors.

EMMANUEL EVANGELICAL CHURCH

NOTES TO THE CONSOLIDATED ACCOUNTS, continued FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies, continued

f). Pension contributions

The church makes regular contributions towards the personal pension plans of its employees in compliance with the workplace pension regulations. Contributions are charged to staff costs as incurred.

g). Taxation

As a registered charity, the Church is generally exempt from income tax and capital gains tax, but not from value added tax. Irrecoverable value added tax is included in the cost of those items to which it relates.

2. Income

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
a. Donations and legacies				
Tithes and offerings	554,469	55,275	609,744	582,214
Tax recoveries	116,603	8,913	125,516	96,913
	£671,072	£64,188	£735,260	£679,127
b. Other operating activities				
Rent and facility charges receivable	1,022,971	-	1,022,971	722,811
Parking	360	-	360	480
	£1,023,331	-	£1,023,331	£723,291
c. Investments				
Interest receivable	£316	-	£316	£553

3. Expenditure

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
a. Raising funds				
Staff costs	484,789	-	484,789	403,598
Rent and events costs	228,053	-	228,053	172,676
Depreciation	54,528	-	54,528	55,558
	£767,370	-	£767,370	£631,832

EMMANUEL EVANGELICAL CHURCH

NOTES TO THE CONSOLIDATED ACCOUNTS, continued FOR THE YEAR ENDED 31 DECEMBER 2019

3. Expenditure, continued

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
b. Charitable activities				
Pastoral staff costs	382,601	-	382,601	375,099
Mission and relief	-	88,672	88,672	92,177
Office overheads	29,970	-	29,970	42,333
Upkeep of premises (see note below)	17,051	114,134	131,185	154,623
Depreciation	27,689	-	27,689	29,039
Gifts and honoraria	30,749	-	30,749	28,125
Interest payable on mortgage loan	26,976	-	26,976	27,307
Other expenditure	186,278	-	186,278	126,061
	701,314	202,806	904,120	874,764
Governance costs				
Auditors' remuneration	2,400	-	2,400	2,400
	£703,714	£202,806	£906,520	£877,164

Upkeep of premises, included under the heading 'other expenditure' in previous years, has been restated following the reclassification of roof maintenance expenditure of £126,074 during the year ended 31 December 2018 from capital expenditure to expenditure under the roof maintenance fund. The reclassification has increased the reported cost of upkeep of premises in that year from £28,549 to £154,623, and the overall expenditure on charitable activities from £751,090 to £877,164. Support costs for the year ended 31 December 2018 have increased from £686,346 to £812,420 (see below).

c. Support costs (included above)

	Raising funds £	Charitable activities £	Total 2019 £	Total 2018 £
Staff costs	-	382,601	382,601	375,099
Office overheads	-	29,970	29,970	42,333
Upkeep of premises (see note above)	-	131,185	131,185	154,623
Depreciation	54,528	27,689	82,217	84,597
Interest payable on mortgage loan	-	26,976	26,976	27,307
Governance costs	-	2,400	2,400	2,400
Other expenditure	-	186,278	186,278	126,061
	£54,528	£787,099	£841,627	£812,420

EMMANUEL EVANGELICAL CHURCH

NOTES TO THE CONSOLIDATED ACCOUNTS, continued FOR THE YEAR ENDED 31 DECEMBER 2019

3. Expenditure, continued

d. Employees

	2019	2018
The average number of employees during the year was:		
Management and administration of the Charity	42	39
	----	----
Number of staff for whom retirement benefits are accruing under money purchase pension schemes	28	25
	----	----
Staff Costs:	£	£
Staff and helpers	773,084	712,729
Employer's NI contributions	60,751	57,018
Pension contributions	75,577	33,908
	-----	-----
	£909,412	£803,655
	-----	-----

No employees earned £60,000 p.a. or more.

4. Taxation

	2019	2018
	£	£
Corporation tax charge on the profit for the year of the Church's trading subsidiary @ 19% (see note 7)	£20,770	-
	-----	-----

5. Church results

The Church has taken advantage of the exemption from including its own income and expenditure account in these financial statements. The results of Emmanuel Evangelical Church are summarised below:

	2019	2018
	£	£
Total income	959,972	904,499
Total expenditure (see note below)	(1,019,089)	(988,084)
	-----	-----
Net income/(expenditure)	£(59,117)	£(83,585)
	-----	-----

Total expenditure for the year ended 31 December 2018 has been restated following the reclassification of roof maintenance expenditure of £126,074 in that year from capital expenditure to expenditure under the roof maintenance fund. The reclassification has increased total expenditure in that year from £862,010 to £988,084, and has reduced net income of £42,489 for that year to net expenditure of £83,585.

EMMANUEL EVANGELICAL CHURCH

NOTES TO THE CONSOLIDATED ACCOUNTS, continued FOR THE YEAR ENDED 31 DECEMBER 2019

6. Tangible Fixed Assets

Group	Freehold property and improvements £	Long leasehold property £	Fixtures fittings and equipment £	Total £
Cost or valuation				
Balance at 01.01.2019	12,784,715	1,600,000	1,380,084	15,764,799
Additions	-	-	8,734	8,734
Balance at 31.12.2019	£12,784,715	£1,600,000	£1,388,818	£15,773,533
Depreciation				
Balance at 01.01.2019	-	-	1,043,355	1,043,355
Charge for the year	-	-	82,217	82,217
Balance at 31.12.2019	£Nil	£Nil	£1,125,572	£1,125,572
Net Book Value at 31.12.2019	£12,784,715	£1,600,000	£263,246	£14,647,961
Net Book Value at 31.12.2018	£12,784,715	£1,600,000	£336,729	£14,721,444

Church	Freehold property and improvements £	Long leasehold property £	Fixtures fittings and equipment £	Total £
Cost or valuation				
Balance at 01.01.2019	12,784,715	1,600,000	1,372,102	15,756,817
Additions	-	-	1,277	1,277
Balance at 31.12.2019	£12,784,715	£1,600,000	£1,373,379	£15,758,094
Depreciation				
Balance at 01.01.2019	-	-	1,041,727	1,041,727
Charge for the year	-	-	79,111	79,111
Balance at 31.12.2019	£Nil	£Nil	£1,120,838	£1,120,838
Net Book Value at 31.12.2019	£12,784,715	£1,600,000	£252,541	£14,637,256
Net Book Value at 31.12.2018	£12,784,715	£1,600,000	£330,375	£14,715,090

All of the above fixed assets are for the use of the Church. The Church's freehold property at 9-23 Marsham Street, Westminster, and its long leasehold property at 25 Marsham Street, Westminster, were valued at £9,960,000 and £1,600,000 respectively by external valuers, Matthews & Goodman LLP, Commercial Property Consultants, as at 24 July 2018, on an Existing Use Basis. In the opinion of the trustees, the value of the Church's freehold property at 4 Manor Park Crescent, Edgware is not less than the net book value at which it is stated in the balance sheet. As at the balance sheet date, the cost of the Church's properties determined according to the historical cost convention was £5,437,415 (2018 - £5,437,415) and the accumulated depreciation was £Nil (2018 - £Nil).

The Church's freehold property and improvements have been pledged as security for the mortgage loan referred to in notes 9 and 10 below.

EMMANUEL EVANGELICAL CHURCH

NOTES TO THE CONSOLIDATED ACCOUNTS, continued FOR THE YEAR ENDED 31 DECEMBER 2019

7. Fixed asset investments

	2019 £	2018 £
Unlisted investment, at cost: At 01.01.2019 and 31.12.2019	2	2

The above investment represents the Church's acquisition of the whole of the issued share capital of its subsidiary company, EEC Trading Limited, company number 9868603, at par value. The subsidiary company was incorporated in England and Wales on 12 November 2015 and commenced trading operations on 1 January 2016. The results of EEC Trading Limited are summarised below:

	2019 £	2018 £
Total income	1,061,719	722,472
Total (expenditure)	(917,585)	(744,912)
Profit/(loss) for the year before taxation	144,134	(22,440)
Tax (charge) on the profit for the year (see note below)	(20,770)	-
Total assets at 31 December	355,815	235,623
Total (liabilities) at 31 December	(254,889)	(258,061)
Share capital and reserves at 31 December	100,926	(22,438)

In common with other businesses deriving their revenue from the provision of conference facilities and related catering services, the subsidiary company's trade in 2020 is being severely impacted by the coronavirus pandemic. To preserve company funds to meet ongoing expenditure, the directors of the company have found it necessary to with-hold the usual payment of annual profit to its parent charity. In consequence, a corporation tax charge has arisen on the company's profit for the year ended 31 December 2019, the liability for which is recognised in these accounts. However, it is expected that trading losses arising in 2020 as a result of the pandemic will be sufficient to eliminate this corporation tax liability. The directors are hopeful that trade and profitability will return to normal levels as soon as the pandemic is over, enabling payment of profits to the parent charity to resume.

8. Debtors

	2019 Group £	2019 Church £	2018 Group £	2018 Church £
Trade debtors	90,123	-	135,596	-
Other debtors, prepayments and accrued income	92,274	85,380	229,171	202,415
Amounts due from subsidiary undertaking (note 7)	-	150,480	-	561,096
	£182,397	£235,860	£364,767	£763,511

9. Creditors: amounts falling due within one year

	2019 Group £	2019 Church £	2018 Group £	2018 Church £
Trade creditors	26,459	17,219	16,864	10,394
Accruals and other creditors	44,219	4,439	26,026	22,099
Corporation tax	20,770	-	-	-
Other taxation and social security	40,399	5,780	19,603	5,780
Mortgage loan (secured) (current portion) (note 10)	48,811	48,811	46,860	46,860
Other loans	56,266	56,266	66,265	66,265
Amounts due to subsidiary undertaking (note 7)	-	-	-	305,953
	£236,924	£132,515	£175,618	£457,351

EMMANUEL EVANGELICAL CHURCH

NOTES TO THE CONSOLIDATED ACCOUNTS, continued FOR THE YEAR ENDED 31 DECEMBER 2019

10. Creditors: amounts falling due after more than one year

	2019 Group £	2019 Church £	2018 Group £	2018 Church £
Mortgage loan (secured):				
Payable within 1-2 years	51,379	51,379	49,203	49,203
Payable within 2-5 years	170,362	170,362	154,989	154,989
Payable after more than 5 years	647,497	647,497	714,719	714,719
	-----	-----	-----	-----
	869,238	869,238	918,911	918,911
Other loans	3,272	3,272	42,538	42,538
	-----	-----	-----	-----
	£872,510	£872,510	£961,449	£961,449
	-----	-----	-----	-----

The above mortgage loan was granted on 24 February 2015 and is repayable over 20 years at variable interest rates.

11. Revaluation reserve

Group and Church	£	£
Balance brought forward, as previously stated		8,821,227
Restatement of uplift arising on revaluation of freehold and long leasehold properties on 24 July 2018:		
as previously stated	6,982,976	
Reclassification of roof maintenance expenditure	126,074	126,074
	-----	-----
as restated	7,109,050	
	-----	-----
Balance brought forward, as restated, and balance carried forward		£8,947,301

12. Restricted funds

Group and Church	Roof Fund £	Mission and Relief Fund £	Total restricted funds £
Balance brought forward, as previously stated	101,055	63,401	164,456
Reclassification of roof maintenance expenditure in 2018	(126,074)	-	(126,074)
Transfer from General Fund	25,019	-	25,019
	-----	-----	-----
Balance brought forward, as restated	-	63,401	63,401
Incoming resources for the year	63,919	269	64,188
Outgoing resources for the year	(114,134)	(88,672)	(202,806)
Transfers from General Fund	50,215	88,500	138,715
	-----	-----	-----
Balance carried forward	-	£63,498	£63,498
	-----	-----	-----

EMMANUEL EVANGELICAL CHURCH

NOTES TO THE CONSOLIDATED ACCOUNTS, continued FOR THE YEAR ENDED 31 DECEMBER 2019

12. Restricted funds, continued

The Roof Fund has been set up for the purpose of major roof repairs and maintenance works to be done at Emmanuel Centre Westminster over a period of three to five years.

The Mission and Relief Fund exists to provide funds for missionary activities and disaster and poverty relief.

13. Analysis of net assets between funds

	General fund £	Restricted funds £	Revaluation reserve £
Tangible fixed assets	5,700,660	-	8,947,301
Cash at bank and in hand	406,943	63,498	-
Other net current assets/(liabilities)	(53,027)	-	-
Creditors of more than one year	(872,510)	-	-
Total	£5,182,066	£63,498	£8,947,301

14. Reconciliation of net movement in funds to net cash from operating activities

	2019 £	2018 £
Net movement in funds	64,247	7,003,025
Less: Gain on revaluation of freehold and long leasehold properties	-	(6,982,976)
Add back: Depreciation charge	82,217	84,596
(Increase) in stock	(600)	-
Decrease/(increase) in debtors	182,370	(60,814)
Increase in creditors excluding bank borrowings	59,354	16,926
Net cash provided by operating activities	£387,588	£60,757

15. Transactions involving trustees and connected persons

Mr Peter Y K Loo, a trustee, received remuneration including pension in the sum of £54,561 in the year to 31 December 2019 (2018 – £51,292) in his capacity as senior pastor.