

REGISTERED COMPANY NUMBER: 5392860 (England and Wales)

REGISTERED CHARITY NUMBER: 1111303

Report of the Trustees and

Audited Consolidated Financial Statements for the year ended 31st March 2020

for

LifeChurch Manchester

(a company limited by guarantee and not having a share capital)

Allen Mills Howard Limited
Chartered Accountants
& Statutory Auditors
Lewis House
56 Manchester Road
Altrincham
Cheshire WA14 4PJ

LifeChurch Manchester

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For the year ended 31st March 2020

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LifeChurch Manchester
Report of the Trustees
For the year ended 31st March 2020

The trustees, who are also directors of the charity for the purpose of the Companies Act 2006, present their report with the consolidated financial statements of the charity and its subsidiary for the year ended 31st March 2020. The trustees have adopted the provisions of 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 1st January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number: 05392860 (England and Wales)

Registered Charity Number: 1111303

Registered office: The LifeCentre
235 Washway Road
Sale
M33 4BP

Trustees: D S Fleming - Chairman to 20 September 2020 - resigned 14th November 2020
A J Barclay-Watt - Chairman from 21 September 2020
T H Giles
N H Matthews - Resigned 17th August 2020
D J Ogilvie
P A Flatman
A J Cutteridge

Company Secretary: D J Rolles

Auditors: Allen Mills Howard Limited
Chartered Accountants and Statutory Auditors
Lewis House
56 Manchester Road
Altrincham
WA14 4PJ

Bankers: Barclays Bank PLC
17 Northenden Road
Sale
M33 2DP

Redwood Bank Ltd
The Nexus Building
Broadway
Letchworth Garden City
SG6 3TA

LifeChurch Manchester (Registered number: 5392860)

Report of the Trustees
For the year ended 31st March 2020

Trustees

D S Fleming	Chairman to 20 September 2020 - resigned 14 th November 2020
A J Barclay-Watt	Chairman from 21 September 2020
T H Giles	
N H Matthews	Resigned 17 th August 2020
D J Ogilvie	
P A Flatman	
A J Cutteridge	

Secretary and Registered Office

D J Rolles, The LifeCentre, 235 Washway Road, Sale, M33 4BP

Governing instrument

The charity's activities are regulated by the Memorandum and Articles of Association. The objectives and principal activities of the charity are:

- a) The advancement of the Christian faith.
- b) The relief of persons in conditions of hardship and distress or who are aged or sick.
- c) The advancement of education on Christian principles.

Recruitment, induction and training of new trustees

Any prospective new trustees are recommended by the current board and by the Elders and are appointed by the Church members. In appointing trustees the board seek to bring a range of skills and expertise to the management of the Charity. New trustees are introduced to the workings of the charity and are kept updated through regular trustees' meetings and communication throughout the year.

Organisational structure

The Church is led by a leadership team which comprises of Elders and others. The Elders currently are Andy Barclay-Watt, Nick Matthews, Tom Giles, Mark Smith, Alastair Cutteridge and David Rolles. Elders are nominated by the existing Elders and are appointed by Church members. The other current leadership team members are Phil Watterson, Jane Rolles, Sue Matthews, Zoe Barr, Melanie Cutteridge, Emma Barclay-Watt and Sarah Smith. Senior staff appointments are approved by the leadership team and the Trustees. The senior staff are responsible for managing the day-to-day affairs of the Church.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Related parties and co-operation with other organisations

Three trustees receive remuneration from the charitable company in accordance with the Trust Deed which stipulates that the number of remunerated trustees must never be a majority.

The charity's wholly owned subsidiary, LifeCentre Events Ltd, was established to operate the LifeCafé and to provide catering and conferencing facilities at the LifeCentre (see note 4 to the accounts). LifeCentre Events Ltd provides catering and conferencing facilities to the local community, as well as local businesses, schools and other charitable organisations.

Use of volunteers

The group is very involved with the community and is dependent on the support of many volunteers in the church and the LifeCentre. The trustees are very grateful to the church members for this support.

LifeChurch Manchester (Registered number: 5392860)

Report of the Trustees
For the year ended 31st March 2020

Objectives & activities during the year

When planning the activities for the year the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. The group operates in and around Sale, South Manchester and has a number of activities which seek to reach out to the local community as well as serving members of the church. In particular, the charitable company has sought & achieved to fulfil its charitable objectives in the following ways:

- The provision of a public worship service each Sunday which is open to all.
- Running "Alpha" courses to enable members of the public to find out more about the Christian faith.
- Providing pastoral care for members of the church.
- The provision of a general counselling service for members of the public and the church.
- Regular activities for the 60 plus age range.
- Oversight and support of teams in Eccles, Stretford and Heald Green engaged in community development.
- Support for various charitable projects in the UK and overseas e.g. for the relief of poverty and furtherance of education.
- Various activities for children and youth.

Financial review

The group's total income for the year amounted to £845,529 (2019: £800,589) and the expenditure amounted to £795,862 (2019: £770,522) giving a surplus for the year of £49,667 (2019: £30,067). Voluntary donations to LifeChurch Manchester (including associated gift aid) were £491,945 (2019: £475,832) whilst income for LifeCentre Events Ltd rose by 10% to £289,931 (2019: £264,214).

Expenditure (excluding parent charity donations of £76,700 (2019: £150,959)) for LifeCentre Events Ltd rose to £184,842 from £122,922 in 2019.

LifeChurch Manchester (Registered number: 5392860)

Report of the Trustees
For the year ended 31st March 2020

Reserves policy & going concern

The group generates a regular income by way of gifts and donations as well as the hiring of the LifeCentre conference rooms which is adequate to cover the projected expenditure. In addition, the group seeks to maintain adequate reserves to enable it to meet any unforeseen expenditure or to cover any short term drop in income. The group held reserves of £1,649,367 (2019: £1,599,700) and whilst “free reserves” the end of the financial year were £nil (2019: £nil) due to the level of reserves invested in fixed assets, the group’s net current assets stood at £28,368 (2019: £2,825).

The Trustees responded rapidly to the Covid-19 pandemic by setting a revised 2020/21 budget in March 2020, and then have met since to review progress against that on at least a monthly basis. The revised budget included significantly reduced income expectations and drastically reduced expenditure. The latter involved a substantial use of the Job Retention Scheme where 16 of the staff are concerned, postponed staff appointments, voluntary salary reductions by most of the staff, the repayment of interest-only for 6 months on the mortgage with Barclays Bank and reductions or elimination of all discretionary expenditure. At the time of writing (early December 2020), the Trustees are very pleased to be able to say that over the intervening nine months LifeChurch’s Tithes income has exceeded the pre-pandemic budget for 2019/20 rather than reduced.

The revised budget that had been set in March was revisited in July, particularly in relation to LifeCentre Events Ltd’s (LCE) projected income for the remainder of the financial year. The impact of the pandemic had been devastating to LCE’s business, but from August clients began to use the LifeCentre again, and conservative forecasts were made for a continuing gradual recovery of the conference and events business for the rest of 2020/21. The latter is in large measure being facilitated by the different client mix that LCE is being able to draw during this period. LCE was able to continue to generate income during the November 2020 second national ‘lockdown’ because it was hosting several essential NHS clinics. A variety of additional bookings are being taken for December and 2021, such that the Trustees are able to view the new year with a measure of confidence. However, the Trustees will continue to monitor the situation closely and will take any measures that are deemed necessary in order to ensure that LifeChurch remains solvent, in the event that the LCE business fails to recover sufficiently during 2021.

Therefore with a relatively strong cash position, realistic and proactive plans for the rebuilding of LifeCentre Events’ business and the intention of using to best effect the continuing Job Retention Scheme, the Trustees are able to confirm that in their opinion it remains appropriate for the group’s accounts to be prepared on a going concern basis.

LifeChurch Manchester (Registered number: 5392860)

Report of the Trustees
For the year ended 31st March 2020

Plans for Future Periods

During the forthcoming year the trustees and the church will continue to raise the profile of the charity within the local community in order to involve a higher proportion in the activities of the Church and the LifeCentre.

Trustees' indemnity arrangements

Individual indemnities have been provided to the trustees, under which the charitable company has agreed to indemnify the trustees to the fullest extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, their execution of their powers, duties and responsibilities as trustees of the group.

Auditors

The auditors, Allen Mills Howard Limited have indicated their willingness to be re-appointed to office.

Report of the Trustees
For the year ended 31st March 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the charitable company for the purpose of company law) are responsible for preparing the trustees' report and the financial statements in accordance with general applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the charitable group, and of the incoming resources and application of resources of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charity SORP;
- make judgements 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 statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safekeeping the assets of the charity and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of this information.

The trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees on 18th January 2021.

.....
A J Barclay-Watt – Trustee

Report of the Independent Auditors to the Members of
LifeChurch Manchester

Opinion

We have audited the financial statements of LifeChurch Manchester (the 'parent charitable company') and its subsidiaries (the 'charitable group') for the year ended 31st March 2020 which comprise the consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group's affairs as at 31st March 2020 and of its incoming resources and application of resources, including its result, 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 Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group 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 the provisions available for small entities, in the circumstances set out in note 22 to the financial statements, 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 charitable 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 annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Report of the Independent Auditors to the Members of
LifeChurch Manchester

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees (who are also the directors of the charitable group for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable group'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 charitable group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr David Allen FCCA (Senior Statutory Auditor)
For and on behalf of Allen Mills Howard Limited
Chartered Accountants & Statutory Auditors
Lewis House,
56 Manchester Road,
Altrincham,
Cheshire,
WA14 4PJ

19th January 2021

LifeChurch Manchester (Registered number: 5392860)

Consolidated Statement of Financial Activities
(Incorporating a consolidated Income and Expenditure Account)
For the year ended 31st March 2020

		Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	Notes	£	£	£	£
Income from:					
Donations	3	457,067	34,878	491,945	475,832
Charitable activities	6	39,277	21,484	60,761	59,159
Commercial trading operations	4	289,931	-	289,931	264,140
Investment income	5	585	-	585	921
Other income		2,307	-	2,307	537
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		789,167	56,362	845,529	800,589
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Cost of raising funds:					
Cost of goods sold and other costs	4	184,843	-	184,843	122,922
Charitable activities:					
Staff costs	7	269,905	-	269,905	309,717
Church operating expenses	8	291,152	49,962	341,114	337,883
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		745,900	49,962	795,862	770,522
		<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expenditure)		43,267	6,400	49,667	30,067
Transfers between funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		43,267	6,400	49,667	30,067
		<hr/>	<hr/>	<hr/>	<hr/>
RECONCILIATION OF FUNDS					
Total funds brought forward		1,592,786	6,914	1,599,700	1,569,633
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		1,636,053	13,314	1,649,367	1,599,700
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All results relate to continuing operations and there are no gains or losses other than those shown above.

The notes form part of these financial statements.

LifeChurch Manchester (Registered number: 5392860)

Consolidated Balance Sheet
For the year ended 31st March 2020

		2020	2019	2020	2019
		Group	Group	Charity	Charity
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	13	2,850,027	2,909,718	2,847,911	2,909,718
Investments	14	-	-	1	1
		<hr/>	<hr/>	<hr/>	<hr/>
		2,850,027	2,909,718	2,847,912	2,909,719
CURRENT ASSETS					
Debtors	15	58,736	55,517	30,158	33,926
Cash at bank and in hand		94,746	155,108	66,272	144,050
		<hr/>	<hr/>	<hr/>	<hr/>
		153,482	210,625	96,430	177,976
CREDITORS					
Amounts falling due within one year	16	125,114	207,800	103,448	182,642
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS/(LIABILITIES)		28,368	2,825	(7,018)	(4,666)
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,878,395	2,912,543	2,840,894	2,905,053
CREDITORS					
Amounts falling due after more than one year	17	1,229,028	1,312,843	1,229,028	1,312,843
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS		1,649,367	1,599,700	1,611,866	1,592,210
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS OF THE CHARITY	19				
Unrestricted funds:					
General		1,624,351	1,581,774	1,586,850	1,574,284
Designated		11,702	11,012	11,702	11,012
Restricted funds		13,314	6,914	13,314	6,914
		<hr/>	<hr/>	<hr/>	<hr/>
		1,649,367	1,599,700	1,611,866	1,592,210
		<hr/>	<hr/>	<hr/>	<hr/>

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

The financial statements were approved by the Board of Trustees on 18th January 2021 and were signed on its behalf by:

.....
A J Barclay-Watt – Trustee

.....
A J Cutteridge – Trustee

The notes form part of these financial statements

LifeChurch Manchester (Registered number: 5392860)

Statement of Cash Flows and Consolidated Statement of Cash Flows
For the year ended 31st March 2020

		2020	2019	2020	2019
		Group	Group	Charity	Charity
	Notes	£	£	£	£
Cash used in operating activities	24	87,322	99,032	67,460	99,685
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash flows from investing activities					
Purchase of tangible fixed assets		(6,993)	-	(4,547)	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash used in investing activities		(6,993)	-	(4,547)	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash flows from financing activities					
Repayment of borrowing		(140,691)	(44,721)	(140,691)	(44,721)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash used in financing activities		(140,691)	(44,721)	(140,691)	(44,721)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Increase (decrease) in cash and cash equivalents in the year		(60,362)	54,311	(77,778)	54,964
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at the beginning of the year		155,108	100,797	144,050	89,086
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and cash equivalents at the end of the year		94,746	155,108	66,272	144,050
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

The notes form part of these financial statements

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

1. STATUTORY INFORMATION

LifeChurch Manchester is a private charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office can be found on the Report of the Trustees. LifeChurch Manchester is a public benefit entity.

The presentation currency for the financial statements is Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 and the Charities SORP (FRS 102). The financial statements have been prepared under the historical cost convention.

Preparation of the accounts on the going concern basis

The trustees have reviewed the circumstances of the charitable group and consider that adequate resources continue to be available to fund the activities of the Church, and of the LifeCentre, for the foreseeable future. The trustees are of the opinion, therefore, that it remains appropriate to prepare the consolidated accounts on a going concern basis.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary LifeCentre Events Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income comprises of interest receivable. Deferred incoming resources consist of amounts invoiced in advance for the hiring of facilities relating to the trading subsidiary company. Activities for generating funds relates to the income of the subsidiary undertaking.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Expenditure includes any VAT which cannot be recovered.

Costs of generating funds relates to the expenditure of the subsidiary undertaking. Charitable activities relates to expenditure incurred in the furtherance of the charitable objectives.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include telephone & website, photocopying, stationery and office costs. The costs for employing support staff are included in staff costs within note 7 to the financial statements.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' Annual Report.

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and depreciated on a straight-line basis over the estimated useful lives as follows:

Freehold property	- 50 years
Plant and machinery	- 4 years
Fixtures, fittings & equipment	- 4 years

Impairment reviews are carried out when there is some indication that the carrying amount of a functional fixed asset is below its net book value.

Investments

Investments are stated at historical cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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 four months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Included in creditors are interest free concessionary loans which are recognised at the amount received/repayable.

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Taxation

As a registered charity, the company benefits from rates relief and is generally exempt from Income Tax, Corporation Tax and Capital Gains Tax, but not Valued Added Tax.

Pensions

The charity operates defined contribution pension schemes. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fund accounting

Unrestricted funds are those funds for use at the discretion of the trustees in furtherance of the general objective of the charity.

Some of the unrestricted funds have been designated by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of the appeal. It is the policy of the charity for any tax reclaimed on all types of gift aid payments to be retained by the charity and placed in the unrestricted funds, unless otherwise specifically requested by the donor.

Support costs include telephone & website, photocopying, stationery and office costs.

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

Company Status

LifeChurch Manchester is a company limited by guarantee. The members of the company are the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 'Related Party Disclosures' not to disclose transactions with group companies which are eliminated on consolidation in the group financial statements.

3. **DONATIONS AND LEGACIES**

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Gifts & offerings	381,248	34,638	416,126	398,004
Gift aid	75,819	240	75,819	77,828
	_____	_____	_____	_____
	457,067	34,878	491,945	475,832
	=====	=====	=====	=====

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

4. **INCOME FROM TRADING OPERATIONS**

	As reported in subsidiary financial statements	
	2020	2019
	£	£
Turnover	289,931	264,140
Cost of sales	(38,033)	(38,561)
	<hr/>	<hr/>
Gross profit	251,898	225,579
Other income	1,620	74
Operating costs	(222,760)	(234,570)
Governance costs (see note 9)	(750)	(750)
	<hr/>	<hr/>
Profit/(loss) for the year	30,008	(9,667)
	<hr/>	<hr/>

The charitable company owns 100% of the share capital of LifeCentre Events Limited, a company registered in England & Wales (08196649). The company carries out the provision of supporting facilities and services to its parent company. The trading results are set out above. The results of the subsidiary company are included in these financial statements.

During the year, LifeCentre Events Limited made donations to the parent charitable company of £76,700 (2019: £150,959). This donation has been eliminated from the Consolidated Statement of Financial Activities.

At the 31st March 2020 the aggregate amount of this company's assets, liabilities, share capital and reserves was:

	2020	2019
	£	£
Fixed assets	2,116	-
Current assets	57,050	32,649
Creditors: amounts falling due within one year	(21,666)	(25,158)
	<hr/>	<hr/>
	37,500	7,491
	<hr/>	<hr/>
Share capital and reserves	37,500	7,491
	<hr/>	<hr/>

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

5. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	585	921
	<hr/>	<hr/>
	585	921
	<hr/>	<hr/>

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Maximise Event	-	21,484	21,484	26,345
LifeTots	2,624	-	2,624	4,877
LifeKids & LifeYouth	18,109	-	18,109	8,797
Life Church Heald Green	14,768	-	14,768	13,071
Journey counselling	2,697	-	2,697	1,566
Other	1,079	-	1,079	4,503
	<hr/>	<hr/>	<hr/>	<hr/>
	39,277	21,484	60,761	59,159
	<hr/>	<hr/>	<hr/>	<hr/>

7. STAFF COSTS

	2020 £	2019 £
All unrestricted funds		
Wages and salaries	230,173	265,502
Social security costs	16,731	17,930
Pensions	23,001	26,285
	<hr/>	<hr/>
	269,905	309,717
	<hr/>	<hr/>

There were no employees with employee benefits of £60,000 or more in the year (2019: none).

The key management personnel of the parent charity, and of the group, comprise the trustees, Senior Leader, Associate Pastor, Missions Director and Operations Director. The total employee benefits of the key management personnel of the group were £165,510 (2019: £168,279).

The average number of employees was as follows:

	2020	2019
Charitable activities	9	7
Support activities	15	20
	<hr/>	<hr/>
	24	27
	<hr/>	<hr/>

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

8. CHURCH OPERATING EXPENSES

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Ministry costs				
Travel	4,217	-	4,217	4,665
Mission and outreach	59,574	49,962	109,536	119,444
Gifts and donations	26,290	-	26,290	21,394
Youth, children & students	27,186	-	27,186	20,901
Office and administration costs				
Use of premises	32,134	-	32,134	28,750
Insurance	4,639	-	4,639	4,543
Building maintenance	25,848	-	25,848	28,360
Telephone & website	3,366	-	3,366	3,880
Photocopying, stationery & office	10,342	-	10,342	9,106
Sundry expenses	4,383	-	4,383	3,430
Depreciation of equipment	282	-	282	283
Depreciation of building-	66,073	-	66,073	66,073
Mortgage & loan interest	21,659	-	21,659	22,424
Bank & finance charges	604	-	604	295
Governance costs (see note 9)	4,555	-	4,555	4,335
	<hr/>	<hr/>	<hr/>	<hr/>
	291,152	49,962	341,114	337,883
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Support costs include telephone & website, photocopying, stationery and office costs. The costs for employing support staff are included in staff costs.

9. GOVERNANCE COSTS

	2020 £	2019 £
Auditors' remuneration	3,150	3,100
Auditors' remuneration – non audit services	1,396	1,263
Irrecoverable VAT	759	722
	<hr/>	<hr/>
	5,305	5,085
	<hr/> <hr/>	<hr/> <hr/>

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

10. TRUSTEES' REMUNERATION & EXPENSES

	Remuneration including pension contributions
Mr A J Barclay-Watt	£50,001 - £60,000
Mr A J Cutteridge	£40,001 - £50,000
Mr N H Matthews	£20,001 - £30,000

Trustees receive remuneration in respect of services they provide as staff and not in respect of their services as a trustee.

Four (2019: five) trustees were reimbursed £4,576 (2019: £7,489) for travel & church activity expenses during the year.

The remuneration of trustees is in accordance with the Trust Deed which stipulates that the number of remunerated trustees should never be a majority.

The number of trustees to whom retirement benefits were accruing was as follows:

	2020	2019
Money purchase schemes	3	3
	=====	=====

11. RESULTS OF CHARITABLE COMPANY

As permitted by Section 408 of the Companies Act 2006, the parent company's Income and Expenditure Account has not been included in these financial statements. The parent company's surplus for the financial year was £19,656 (2019: £39,736).

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Income from:			
Donations	445,700	30,132	475,832
Charitable activities	32,814	26,345	59,159
Commercial trading operations	264,140	-	264,140
Investment income	921	-	921
Other income	537	-	537
	_____	_____	_____
Total income	744,112	56,477	800,589
	_____	_____	_____
Expenditure on:			
Cost of raising funds:			
Cost of goods sold and other costs	122,922	-	122,922
Charitable activities:			
Staff costs	309,717	-	309,717
Church operating expenses	283,073	54,810	337,883
	_____	_____	_____
Total expenditure	715,712	54,810	770,522
	_____	_____	_____
Net income/(expenditure)	28,400	1,667	30,067
Transfers between funds	(5,247)	5,247	-
	_____	_____	_____
Net movement in funds	23,153	6,914	30,067
	_____	_____	_____
RECONCILIATION OF FUNDS			
Total funds brought forward	1,569,633	-	1,569,633
	_____	_____	_____
Total funds carried forward	1,592,786	6,914	1,599,700
	=====	=====	=====

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

13. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
COST:				
At 1 st April 2019				
and 31 st March 2020	3,303,654	4,436	154,182	3,462,272
Additions	4,547	-	2,446	6,993
	<hr/>	<hr/>	<hr/>	<hr/>
	3,308,201	4,436	156,628	3,469,265
DEPRECIATION:				
At 1 st April 2019	394,217	4,436	153,901	552,554
Charge for year	66,073	-	611	66,684
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2020	460,290	4,436	154,512	619,238
NET BOOK VALUE:				
At 31 st March 2020	2,847,911	-	2,116	2,850,027
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2019	2,909,437	-	281	2,909,718
	<hr/>	<hr/>	<hr/>	<hr/>

The Baptist Union Corporation Limited holds the title to the property on trust for the current and future congregations of the church. They recognise that, whilst they hold legal title to the property, the local church should recognise the asset, as well as any liabilities.

It is likely that there is a material difference between the open market value of the charity's property and its book value. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the trustees, is not justified in terms of the benefit to the user of the accounts. The charity's buildings have an insured value of £6,036,980.

Charity	Freehold property £	Fixtures, fittings & equipment £	Total £
COST:			
At 1 st April 2019			
and 31 st March 2020	3,303,654	120,746	3,424,400
Additions	4,547	-	4,547
	<hr/>	<hr/>	<hr/>
	3,308,201	120,746	3,428,947
DEPRECIATION:			
At 1 st April 2019	394,217	120,465	514,682
Charge for year	66,073	281	66,354
	<hr/>	<hr/>	<hr/>
At 31 st March 2020	460,290	120,746	581,036
NET BOOK VALUE:			
At 31 st March 2020	2,847,911	-	2,847,911
	<hr/>	<hr/>	<hr/>
At 31 st March 2019	2,909,437	281	2,909,718
	<hr/>	<hr/>	<hr/>

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

14. FIXED ASSET INVESTMENTS

Charity	Shares in Group Undertaking
	£
COST	
At 1 st April 2019	1
	<hr/>
At 31 st March 2020	1
	<hr/> <hr/>
NET BOOK VALUE	
At 31 st March 2020	1
	<hr/> <hr/>
At 31 st March 2019	1
	<hr/> <hr/>

The charity's investment in the share capital of LifeCentre Events Limited is detailed in note 4 of the accounts.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 Group	2019 Group	2020 Charity	2019 Charity
	£	£	£	£
Trade debtors	27,403	26,372	762	5,051
Prepayments & accrued income	24,147	23,523	23,766	23,253
Other debtors	7,186	5,622	5,630	5,622
	<hr/>	<hr/>	<hr/>	<hr/>
	58,736	55,517	30,158	33,926
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 Group	2019 Group	2020 Charity	2019 Charity
	£	£	£	£
Trade creditors	5,987	11,121	3,746	6,999
Taxation and social security	10,628	14,246	5,553	7,798
Other creditors	4,017	4,952	3,697	4,200
Accruals and after date payments	8,449	13,937	7,607	12,533
Deferred income	13,188	23,823	-	11,391
Bank loan	22,845	44,721	22,845	44,721
Concessionary loans	60,000	95,000	60,000	95,000
	125,114	207,800	103,448	182,642

Income is deferred when a service, such as the hiring of a conference room, has been invoiced in advance of the date that the room is hired for. If, at the year end, the hire has not taken place but the invoice has been raised, the income is carried forward and released when the hire takes place.

In January 2018, the charitable company agreed a loan facility of £820,000 with Barclays Bank PLC. The loan is to be repaid by 59 instalments and then a lump sum due 5 years after the date of the first drawdown (due 31st January 2023). The interest rate on the loan is 2.17% over Barclays Base Rate.

The bank loan is secured on the LifeCentre building.

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

Group & Charity

	2020	2019
	£	£
Bank loan (repayable by instalments) 2-5 years	699,028	722,843
Concessionary loans:		
– 2-5 years	-	60,000
– more than 5 years	530,000	530,000
	1,229,028	1,312,843

Concessionary loans of £530,000 (2019: £530,000) are secured on the LifeCentre building.

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

18. SECURED DEBTS

The following secured debts are included in creditors:

	2020	2019
	£	£
Bank loan	721,873	767,564
Concessionary loans	530,000	530,000
	<hr/>	<hr/>
	1,251,873	1,297,564
	<hr/>	<hr/>

All secured debts are secured on the land & buildings of the charitable company.

19. RESERVES

Group

	1st April 2019	Incoming Resources	Resources Expended	Transfers	31st March 2020
	£	£	£	£	£
Unrestricted funds:					
General fund	1,581,774	786,194	743,617	-	1,624,351
Designated funds	11,012	2,973	2,283	-	11,702
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,592,786	789,167	745,900	-	1,636,053
Restricted funds	6,914	56,362	49,962	-	13,314
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,599,700	845,529	795,862	-	1,649,367
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Designated funds relate to reserves that are earmarked by the trustees for use towards future Church activities, as well as a number of local and wider community causes. Restricted funds relate to fund held on behalf of Maximise Sphere.

Comparative net movement in funds included in the above are as follows:

	1st April 2018	Incoming Resources	Resources Expended	Transfers	31st March 2019
	£	£	£	£	£
Unrestricted funds:					
General fund	1,550,459	743,914	(712,599)	-	1,581,774
Designated funds	19,174	198	(3,113)	(5,247)	11,012
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,569,633	744,112	(715,712)	(5,247)	1,592,786
Restricted funds	-	56,477	(54,810)	5,247	6,914
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,569,633	800,589	(770,522)	-	1,599,700
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

20. OPERATING LEASE COMMITMENTS

	2020	2019
	£	£
Amounts falling due:		
Less than one year	4,147	4,147
Between two and five years	4	4,150
More than five years	111	112
	<hr/>	<hr/>
	4,262	8,409
	<hr/>	<hr/>

21. RELATED PARTY DISCLOSURES

The charity is controlled by the trustees. See note 10 for details of the trustees' remuneration and expenses. Pension contributions paid on behalf of trustees during the year was £11,054 (2019: £11,571). During the year, the trustees and other related parties made donations to the charity, without conditions, totalling £42,430 (2019: £54,155).

Life Church Heald Green (LCHG) is a registered charity that, during the year, was controlled by four trustees of Life Church Manchester; N Matthews, P Flatman, D Fleming and D Ogilvie. During the year, LifeChurch Manchester paid expenses on behalf of LCHG of £4,813 (2019: £4,917). N Matthews resigned as a trustee of LifeChurch Manchester on 17th August 2020 & D Fleming resigned as a trustee of LifeChurch Manchester on 14th November 2020.

During the year, LifeChurch Manchester employed the services of close family members of trustees A J Barclay-Watt, N H Matthews and A J Cutteridge. These related parties received employee benefits during the year totalling £5,821 (2019: £22,290).

22. APB ETHICAL STANDARD – PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature, we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

23. PENSION COMMITMENTS

The charity operates defined contribution pension schemes for its employees. The assets of the schemes are held separately from those of the group in independently administered funds. Contributions payable for the year are charged to the Statement of Financial Activities.

The pension charge included in the Statement of Financial Activities for the year was £31,574 (2019: £31,344).

LifeChurch Manchester (Registered number: 5392860)

Notes to the Financial Statements
For the year ended 31st March 2020

24. **RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 Group	2019 Group	2020 Charity	2019 Charity
	£	£	£	£
Net movement in funds	49,667	30,067	19,656	39,736
Add back depreciation charge	66,685	66,839	66,355	66,357
Decrease/(increase) in trade and other debtors	(3,219)	15,386	3,768	(23)
Increase/(decrease) in trade and other creditors	(25,811)	(13,260)	(22,319)	(6,385)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in operating activities	87,322	99,032	67,460	99,685
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>