

COMPANY REGISTRATION NUMBER 00764727

CHARITY NUMBER 232667

LEE ABBEY INTERNATIONAL STUDENTS CLUB

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

30 APRIL 2019

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

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**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 APRIL 2019

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 30 April 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Lee Abbey International Students Club
Charity registration number	232667
Company registration number	00764727
Business address	57 – 67 Lexham Gardens London W8 6JJ
Registered office	Lee Abbey Lynton Devon EX35 6JJ

The trustees

The trustees who served the company during the period were as follows:

Prof A Pepper
Revd Dr G R Cappleman
E Holland
Revd Canon A O Ladipo
F Nouri
Revd Dr L Taylor
Revd P van Rossum (from 4 October 2019)

Secretary	M Proctor
Community Director	M Mason (until 30 June 2019) P Williams (from 1 July 2019)
Auditor	Thomas Westcott Chartered Accountants 47 Boutport Street Barnstaple Devon EX31 1SQ

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 APRIL 2019

Bankers

National Westminster
41 High Street
Barnstaple
Devon
EX31 1BZ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of Trustees

As set out in the Articles of Association the Board of Trustees may appoint a person who is willing to act as a Trustee either to fill a vacancy or as an additional Trustee providing that he or she is willing recommended by the Board of Trustees and the agreement of the Holding Charity has been given. A Trustee so appointed will hold office only until the following Annual General Meeting.

Trustee Induction and Training

New Trustees are encouraged to spend time with the Chair of Trustees and the senior management team, and also to stay for at least one night to further familiarise themselves with community life and the hostel. Our solicitors have also given training in the legal responsibilities of the trustees.

Organisation

The Board of Trustees administers the charity. The Trustees have delegated the day to day management of the operations of the charity to the Director and the senior management team.

Governance and Internal Control

Trustees and senior management continued throughout the year to give a high priority to risk management. Risks are categorised according to potential severity and their likely incidence. The levels of risks are regularly reviewed and procedures to mitigate those risks are set in place. During the year a full review of the risks faced by the charity was carried out by the company's insurance broker, Bluefin Insurance Services Limited and the senior management team has implemented all the recommendations following that review.

OBJECTIVES AND ACTIVITIES

The charity's objects are the advancement of the Christian faith worldwide through the ministry of communities of Christians whose shared lives in the fellowship of the Holy Spirit communicate the love of God revealed in Jesus Christ, and for education and for other charitable purposes beneficial to the community, including the furtherance in ways that are charitable, of the welfare of students and their families or such of them as may be proper objects of charity.

These objects are fulfilled through a community of Christians which runs a hostel with a Christian foundation for students from any nationality and of any faith or none.

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 APRIL 2019

ACHIEVEMENTS AND PERFORMANCE

Review of activities and achievements

Following the major refurbishment project completed in September 2016, the overall appearance of the house has been vastly improved and is much appreciated by our residents and community. However, various issues remain, most notably to do with plumbing and drainage. A significant amount of time was spent planning a second phase of repair work, with that work beginning in June 2018.

Lee Abbey School of Ministry and missional activities

The Lee Abbey London School of Ministry continues to provide discipleship and ministry training for our community. Through social activities for our students, we are continually seeking to build relationships between our community and residents with the aim of creating opportunities for mission.

Public benefit

In setting objectives and planning activities the Trustees have continued to take careful notice of the Charity Commission's general guidance on public benefit and in particular its supplementary guidance on the advancement of religion and on fee-charging. The Trustees are satisfied that the activities of the community, in particular its mission to international students living in London, satisfies the public benefit requirement of charity law.

Spiritual Life

This year's intake of community has seen a marked change in the devotional life of Lee Abbey London. We believe that some of this is in part due to our rebranding which emphasizes the importance of worship, discipleship and mission. By presenting clearer expectations of those who apply, we feel it has raised the bar in terms of how engaged our community members are in worshipping Christ and in serving others. There is a much more tangible sense of God's presence and a number of students, who are Christians, regularly attend our morning worship.

A partnership with St Luke's Church Earls Court, has provided several long term mission team members, who are based at the church, to provide additional pastoral support for our community and student guests. The mission team members also lead and provide ministry input at our morning devotions every Thursday morning. A number of our community regularly attending St Luke's and are involved in serving in the life of the church.

FINANCIAL REVIEW

Financial Review

There was a deficit in the year of £221,812 (2018 - £176,776 deficit).

During the year refurbishment work was carried out at a total cost of £531,826 (2018 - £100,366) for the next phase of the rebuilding project. Of these costs, £461,826 have been capitalised as tangible fixed assets. As a result of the capitalisation of these assets, and a change in depreciation policy, total depreciation was £322,341 (2018 - £242,241). In addition to these costs, as a result of the

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 APRIL 2019

shutdown there was loss of resident and transit fees in the order of £40,000 compared to the previous year.

Principal Funding Sources

Our principal funding source continues to be our fee income. Residents' fees in 2019 were £1,457,256, representing 87% of activity income (2018 - £1,370,931 representing 84% of activity income). As in 2018, the balance of activity income was primarily made up of transit fees of £170,356 (2018 – £243,405) from short-term guests.

We continue to be grateful to Lee Abbey Friends and others for donations received in support of the charity's mission.

Reserves

Total unrestricted funds at the year-end were £4,535,261 (2018 - £4,757,074). The trustees have determined that future phases of the building project should be financed by a fund-raising campaign and not from reserves. Our financial plan is to generate a surplus of around £300,000 per year, after adding back non-cash depreciation charges, in order to cover the on-going repairs and maintenance costs necessary to maintain the building at the standard required to ensure that the charity's mission is financially sustainable in future. On this basis, the trustees are satisfied with the overall level of reserves at the end of the year.

This policy is reviewed annually by the board in conjunction with the preparation of the budget and annual cash flow forecasts.

PLANS FOR FUTURE PERIODS

There are continuing plans to carry on the refurbishment of parts of the building over the next five years, including replacing parts of the plumbing system and upgrading residents' bathrooms; fund-raising continues to be made. The trustees also continue to monitor both UK immigration policy, which has implications for the recruitment of new community members, and the London student accommodation market, with a view to ensuring that the charity's mission continues to be carried out in the most effect way.

The trustees are also aware of their responsibilities in respect of safeguarding and protecting the mental health of students and community alike.

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 APRIL 2019

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also the directors of Lee Abbey International Students Club for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the company 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 principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 APRIL 2019

AUDITOR

Thomas Westcott are deemed to be re-appointed under section 144 of the Charities Act 2011.

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- so far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each Trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:
Lee Abbey
Lynton
Devon
EX35 6JJ

Signed by order of the trustees



Magnus Proctor
Company Secretary

6/12/2019
.....

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LEE
ABBAY INTERNATIONAL STUDENTS CLUB**

YEAR ENDED 30 APRIL 2019

Opinion

We have audited the financial statements of Lee Abbey International Students Club (the 'charity') for the year ended 30 April 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 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:

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LEE
ABBAY INTERNATIONAL STUDENTS CLUB *(continued)***

YEAR ENDED 30 APRIL 2019

- 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LEE
ABBAY INTERNATIONAL STUDENTS CLUB**

YEAR ENDED 30 APRIL 2019

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

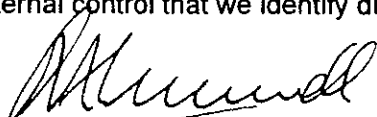
**LEE ABBEY INTERNATIONAL STUDENTS CLUB
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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LEE
ABBAY INTERNATIONAL STUDENTS CLUB**

YEAR ENDED 30 APRIL 2019

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Stephen Cresswell BA FCA DChA

For and on behalf of;
Thomas Westcott
Chartered Accountants and Statutory Auditors
96 High Street
Ilfracombe
Devon
EX34 9NH

6 December 2019

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 30 APRIL 2019

	Note	Total Funds 2019 £	Total Funds 2018 £
INCOMING AND ENDOWMENTS			
Donations and legacies	2	12,473	1,969
Investment income	3	2,852	2,976
Charitable activities	4	1,649,578	1,630,739
		<hr/>	<hr/>
TOTAL INCOMING RESOURCES		1,664,903	1,635,684
		<hr/>	<hr/>
EXPENDITURE			
Charitable activities	5/6	(1,886,715)	(1,812,460)
		<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		(1,886,715)	(1,812,460)
		<hr/>	<hr/>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR/NET (EXPENDITURE)/INCOME FOR THE YEAR RECONCILIATION OF FUNDS	8	(221,812)	(176,776)
Total funds brought forward		4,757,073	4,933,849
		<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		4,535,261	4,757,073
		<hr/>	<hr/>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities.

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL POSITION

30 APRIL 2019

		2019		2018
	Note	£	£	£
FIXED ASSETS				
Tangible assets	12	6,380,385		6,215,577
CURRENT ASSETS				
Stocks	13	7,860		8,495
Debtors	14	86,636		268,125
Cash at bank and in hand		357,118		689,628
			451,614	966,248
CREDITORS: Amounts falling due within one year	15	(474,926)		(471,042)
NET CURRENT ASSETS/(LIABILITIES)			(23,312)	495,206
TOTAL ASSETS LESS CURRENT LIABILITIES			6,357,073	6,710,783
CREDITORS: Amounts falling due after more than one year	15		(1,821,812)	(1,953,710)
TOTAL NET ASSETS			4,535,261	4,757,073
FUNDS				
Unrestricted income funds	17	4,535,261		4,757,073
TOTAL FUNDS			4,535,261	4,757,073

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL POSITION *(continued)*

30 APRIL 2019

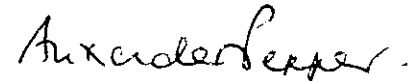
For the year ended 30 April 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the members of the committee and authorised for issue on the 6/12/19..... and are signed on their behalf by:



Prof A Pepper

Chair


Mr M Proctor

Secretary

Company Registration Number: 00764727

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2019

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (expenditure)/income	(221,812)	(176,776)
Adjustments for:		
Interest receivable	(2,852)	(2,976)
Depreciation	322,341	242,121
Gains on disposal of tangible fixed assets	(387)	0
(Increase)/Decrease in stocks	635	(4,651)
(Increase)/Decrease in debtors	181,489	(25,109)
Increase/(Decrease) in creditors	(128,014)	(123,058)
Cash generated from operations	151,400	(90,449)
Interest received	2,852	2,976
Net cash (used in)/from operating activities	154,252	(87,473)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(490,577)	(33,029)
Proceeds from sale of tangible assets	3,815	0
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(332,510)	(120,502)

**RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT
IN NET FUNDS**

	2019 £	2018 £
(Decrease)/Increase in cash in the period	(332,510)	(120,502)
Change in net funds	(332,510)	(120,502)
Net funds at 1 May 2018	689,628	810,666
Net funds at 30 April 2019	357,118	689,628

ANALYSIS OF CHANGES IN NET FUNDS

	1 May 18 £	Cash flows £	30 Apr 19 £
Cash in hand and at bank	689,628	(332,510)	357,118

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

1. ACCOUNTING POLICIES

General information

The charity is registered in England and Wales and is incorporated and limited by guarantee. The registered office is Lee Abbey, Lynton, Devon, EX35 6JJ.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and investments measured at market value. The financial statements have been prepared in accordance with the FRS102 SORP, the Charities SORP (FRS102) and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Charities SORP (FRS102). The financial statements are prepared in sterling which is the functional currency of the charity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specific purpose and which the charity may use for its purpose at its discretion.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

1. ACCOUNTING POLICIES *(continued)*

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset. Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	- written off over 50 years
Plumbing works	- written off over 15 years
Plant and machinery	- written off over ten years
Fixtures, fittings and equipment	- written off over five years
Motor vehicles	- written off over four years

Freehold land is not depreciated.

Stocks

Stock is valued at the lower of cost and net realisable value.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Income from investments is included in the year in which it is receivable.

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

2. DONATIONS AND LEGACIES

	Unrestricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£
Donations	12,473	12,473	1,969
	<u>12,473</u>	<u>12,473</u>	<u>1,969</u>

3. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£
Bank interest receivable	2,852	2,852	2,205
Other interest receivable	0	0	771
	<u>2,852</u>	<u>2,852</u>	<u>2,976</u>

4. CHARITABLE ACTIVITIES

	Unrestricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£
Resident fees and income from running hostel	1,457,256	1,457,256	1,370,931
Transit fees	170,356	170,356	243,405
Sundry income	3,459	3,459	2,583
Room Hire	4,538	4,538	0
Telephone	0	0	15
Laundrette income	13,246	13,246	12,651
Cafe income	723	723	1,154
	<u>1,649,578</u>	<u>1,649,578</u>	<u>1,630,739</u>

5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£
The management of the hostel and community	1,570,039	1,570,039	1,467,977
Support costs	316,676	316,676	344,483
	<u>1,886,715</u>	<u>1,886,715</u>	<u>1,812,460</u>

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total Funds 2019 £	Total Funds 2018 £
The management of the hostel and community	1,570,039	316,676	1,886,715	1,812,460

7. ANALYSIS OF SUPPORT COSTS

	The management of the hostel and community	
	Total 2019 £	Total 2018 £
Trustees' expenses	0	0
Insurance	29,959	29,692
Motor vehicle and travel expenses	10,538	3,791
Telephone system	5,281	4,628
Auditor remuneration	8,151	8,096
Professional fees re Phase 2	64,105	79,704
Other professional fees	12,581	32,332
Telephone	4,642	5,888
Other office expenses	23,146	22,469
Depreciation	11,228	5,496
Interest payable	39,174	47,169
Other costs	1,064	1,015
Grants and scholarships	68,694	62,203
Contribution to Lee Abbey Movement	38,500	42,000
Profit/(loss) on disposal of fixed assets	(387)	0
	316,676	344,483

8. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2019 £	2018 £
Staff pension contributions	25,565	22,346
Depreciation	322,341	242,121
Auditors' fees	8,151	8,096
Trustees' expenses	0	0

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

9. TRUSTEES' EMOLUMENTS

During the year Trustees' received remuneration and other emoluments of £nil (2018: £nil).

Travel and incidental expenses of £nil (30 April 2018 - £nil) have been reimbursed to the trustees during the year.

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	192,569	173,111
Community allowances	148,060	131,892
Social security (NI) costs	21,960	19,419
Other pension costs	25,565	22,346
	388,154	346,768

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs.

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2019	2018
	No.	No.
Running of hostel	30	30
Management and administration	6	5
	36	35

No employee received remuneration of more than £60,000 during the year (2018 - Nil).

11. TAXATION

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

12. TANGIBLE FIXED ASSETS

	Land and buildings £	Other plant & machinery etc. £	Total £
COST			
At 1 May 2018	7,941,915	1,512,013	9,453,928
Additions	148,326	342,251	490,577
Disposals	—	(8,298)	(8,298)
At 30 April 2019	<u>8,090,241</u>	<u>1,845,966</u>	<u>9,936,207</u>
DEPRECIATION			
At 1 May 2018	2,627,061	611,290	3,238,351
Charge for the year	127,007	195,334	322,341
On disposals	—	(4,870)	(4,870)
At 30 April 2019	<u>2,754,068</u>	<u>801,754</u>	<u>3,555,822</u>
NET BOOK VALUE			
At 30 April 2019	<u>5,336,173</u>	<u>1,044,212</u>	<u>6,380,385</u>
At 30 April 2018	<u>5,314,854</u>	<u>900,723</u>	<u>6,215,577</u>

These are included at cost except for the freehold property which is included at its 1989 valuation plus additions to 31 August 1994. The 1989 valuation was made at an open market value based on a continuing existing use. The Trustees have chosen not to adopt a policy of stating freehold property at current valuation and are maintaining them under the transitional provisions of FRS 15. Depreciation is not charged on freehold land. Freehold land and buildings includes £1,300,000 of freehold land.

The original cost of the buildings was £2,326,713. The freehold land and buildings are used as part of security for a loan for Lee Abbey Movement.

Capital commitments

	2019 £	2018 £
Contracted but not provided for in the financial statements	<u>0</u>	<u>468,791</u>

13. STOCKS

	2019 £	2018 £
Stock	<u>7,860</u>	<u>8,495</u>

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

14. DEBTORS

	2019 £	2018 £
Trade debtors	40,217	32,555
Amounts owed by group undertakings	0	191,284
Other debtors	0	0
Prepayments	46,419	44,286
Development WIP	0	0
	<u>86,636</u>	<u>268,125</u>

15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	104,217	77,526
Amounts owed to group undertakings	0	0
PAYE and social security	5,358	4,645
Other creditors	365,351	388,871
	<u>474,926</u>	<u>471,042</u>

CREDITORS: Amounts falling due more than one year

	2019 £	2018 £
Amounts owed to group undertakings	1,821,812	1,953,710
	<u>1,821,812</u>	<u>1,953,710</u>

16. PENSIONS

Defined Benefits Scheme:

The company operates a money purchase (defined contribution) pension scheme in respect of salaried staff with the Church Workers Pensions Funds. The scheme and its assets are held by independent managers. The pension charges represents contributions due from the company and amounted to £22,522 (2018 - £20,589).

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 May 2018 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 30 April 2019 £
Bursary fund	50,000	–	–	(30,000)	20,000
Revaluation reserve	3,179,390	–	–	(37,585)	3,141,805
Fixed asset reserve	3,036,186	–	–	569,982	3,606,168
General Funds	(1,508,503)	1,664,903	(1,886,715)	(502,397)	(2,232,712)
	<u>4,757,073</u>	<u>1,664,903</u>	<u>(1,886,715)</u>	<u>–</u>	<u>4,535,261</u>

Purpose of unrestricted funds

General funds are donations and other incoming resources receivable or generated for the objects of the charity without specific purpose and which the charity may use for its purpose at its discretion.

The bursary funds are designated to assist any student who may be in financial difficulties with paying their fees.

The revaluation reserve represents the unrealised surplus on revaluation of the charity's freehold land and buildings. They are depreciated in accordance with the disclosed accounting policy.

The fixed asset reserve represents the net book value of unrestricted fixed assets, less the value of the borrowings still extant from their purchase.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets/ (liabilities) £	Total £
Unrestricted Income Funds	6,380,385	(1,845,124)	4,535,261
Total Funds	<u>6,380,385</u>	<u>(1,845,124)</u>	<u>4,535,261</u>

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2019

19. RELATED PARTY TRANSACTIONS

The charity is part of a group known as The Lee Abbey Movement and has transactions with other group members. These comprise:

- payments to Lee Abbey Movement of £38,500 (2018 - £42,000).

At 30 April 2019 £nil (2018 - £198,284) was owed from The Lee Abbey Movement. Interest of nil (2018 - £467) has been charged on the loan at normal commercial terms.

As at 30 April 2019 £1,821,812 (2018 - £1,953,710) was owed to The Lee Abbey Movement. Interest of £39,174 (2018 - £50,517) has been charged on the loan at normal commercial terms.

At 30 April 2019 £nil (2018 - £nil) was owed from Lee Abbey Household Communities. Interest of £nil (2018 - £304) has been charged on the loan at normal commercial terms.

20. INDEMNITY INSURANCE

The charity paid for the insurance premiums to indemnify trustees and senior staff from any loss arising from neglect or defaults of trustees or staff and any consequent loss.

21. ULTIMATE PARENT UNDERTAKING

The holding company is The Lee Abbey Movement which is the sole guarantor of this company. The liability of the guarantor is limited to £1.

Copies of the group's consolidated accounts are available from the registered office on request.

22. COMPANY LIMITED BY GUARANTEE

Lee Abbey International Students Club is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

MANAGEMENT INFORMATION

YEAR ENDED 30 APRIL 2019

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 7 to 10.**

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 30 APRIL 2019

	2019 £	2018 £
INCOMING RESOURCES		
VOLUNTARY INCOME		
General Donations	8,206	1,969
Build the Future	4,267	0
	<u>12,473</u>	<u>1,969</u>
INVESTMENT INCOME		
Bank interest receivable	2,852	2,205
Investment income	0	771
	<u>2,852</u>	<u>2,976</u>
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
Resident fees and income from running hostel	1,457,256	1,370,931
Transit fees	170,356	243,405
Sundry income	3,459	2,583
Room Hire	4,538	0
Telephone	0	15
Laundrette income	13,246	12,651
Cafe income	723	1,154
	<u>1,649,578</u>	<u>1,630,739</u>
TOTAL INCOMING RESOURCES	<u><u>1,664,903</u></u>	<u><u>1,635,684</u></u>

**LEE ABBEY INTERNATIONAL STUDENTS CLUB
COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 30 APRIL 2019

	2019 £	2018 £
RESOURCES EXPENDED – CHARITABLE ACTIVITIES		
The management of the hostel and community		
<i>Activities undertaken directly</i>		
Staff costs - Wages & Salaries	192,569	173,111
Staff costs - Employer's NIC	21,960	19,419
Staff costs - Pension costs	25,565	22,346
Rates, water and refuse	45,023	40,136
Establishment - Light & heat	57,411	53,680
Maintenance, furniture and gardening expenses	195,912	216,217
Refurbishment Costs	0	100,366
Household expenses	58,552	55,072
Catering	220,512	181,912
Security	0	5,293
Food and kitchen sundries	218,882	172,452
Residents' telephone and internet	19,168	21,813
Advertising	16,721	7,030
Depreciation	311,113	236,625
Credit card charges	6,385	6,255
Uniforms	3,098	2,817
Club and social expenses	4,942	4,356
Community, pastoral, mission and training etc	17,512	16,038
Sundry expenses	423	1,147
Community allowances	148,060	131,892
	<u>1,570,039</u>	<u>1,467,977</u>
<i>Support costs</i>		
Establishment - Insurance	29,959	29,692
Motor vehicle and travel expenses	10,538	3,791
Telephone system – fixed costs	5,281	4,628
Professional - Auditor fees	8,151	8,096
Professional – Phase 2 fees	64,105	79,704
Other professional fees	12,581	32,332
Office expenses - Telephone	4,642	5,888
Office expenses - Other	23,146	22,469
Depreciation	11,228	5,496
Interest payable	39,174	47,169
Other costs	1,064	1,015
Grants and scholarships	68,694	62,203
Contribution to Lee Abbey Movement	38,500	42,000
(Profit)/loss on disposal of fixed assets	(387)	0
	<u>316,676</u>	<u>344,483</u>
TOTAL RESOURCES EXPENDED	<u><u>1,886,715</u></u>	<u><u>1,812,460</u></u>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR	<u><u>(221,812)</u></u>	<u><u>(176,776)</u></u>