

COMPANY REGISTRATION NUMBER: 03137720
CHARITY REGISTRATION NUMBER: 1053813

Lee Abbey Household Communities
Company Limited by Guarantee
Financial Statements
30 April 2018

THURSDAY



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27/12/2018
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Lee Abbey Household Communities

Company Limited by Guarantee

Financial Statements

Year ended 30 April 2018

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Lee Abbey Household Communities

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 April 2018

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 April 2018.

Reference and administrative details

Registered charity name Lee Abbey Household Communities

Charity registration number 1053813

Company registration number 03137720

Principal office and registered office Lee Abbey
Lynton
Devon
EX35 6JJ

The trustees

Mrs S Edmondson	Chair
Rev'd Dr G Cappleman	
Ven Dr A Jolley	
Rev'd J Simmons	
Mr R Pool	
Mr A Jones	(Retired 18 May 2017)
Rev'd M Bishop	(Appointed 11 October 2018)

Company secretary M Proctor

Auditor Thomas Westcott
Chartered Accountant & Statutory Auditor
96 High Street
Ilfracombe
Devon
EX34 9NH

Lee Abbey Household Communities

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2018

Structure, governance and management

Status

Appointment of Trustees

As set out in the Articles of Association the Board of Trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee providing that he or she is 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 Board, who will guide them through the induction process which includes time with the senior management team.

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 leaders of the Small Missional Communities (Households) and the Chairs of their Local Support Groups.

Governance and Internal Control

During the year, management and trustees kept under review the financial and other risks of the Small Missional Communities (Households) and the Charity. All risks are managed as part of the on-going operation of the Charity.

In July 2013 The Council of Lee Abbey Movement agreed, on the recommendation of the Household Communities Board, that in future Households should be known as Small Missional Communities (SMCs) and the Household Board as the Small Missional Communities Board.

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 the relief of the needs of those living or working in the local area served by local Christian churches.

These objects are currently fulfilled through Small Missional Communities in Aston (Birmingham) and Knowle West (Bristol). These SMCs are places for prayer and healing and, through a variety of ministries offered by Community Members, provide valuable support to local churches and their communities.

The participation and prayer support of the Lee Abbey Friends continues to be a powerful tool for meeting these objectives.

Lee Abbey Household Communities

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2018

Achievements and performance

Personnel

The Knowle West community is led by Ed Palairt with his wife Aggy and two children. Aggy is training for ordination at Trinity College Bristol. Tim and Jill Jones are also part of the community, and there have been many visitors for shorter or longer periods. In Aston there are three members - James Hicks, Paul Lacey and Lesley Lacey- and Will Simonette and Jo Joseph Hunter have joined them at different times during the year. Both Communities are supported by Local Support Groups chaired by Ron Pool (Knowle West) and Jill Waters (Aston). Susan Edmondson is the Chair of the Board. We are grateful to all Board and Local Support Group members who give so generously of their time and energies. The Rev Andy Wooding Jones is the Advocate for Lee Abbey Small Missional communities, and he has spent several days each month on a freelance basis on this role. It has involved working with the existing communities on their ethos and mission and meeting many other groups and organisation who are involved in small missional communities, for example, St Anselm in London, Eden, and dioceses which are launching communities. He also fields enquiries from other people who are interested in forming communities, and his research during the year has helped us to clarify further our vision and values.

Review of activities

At both Aston and Knowle West, the basis of an SMC is to "BE" a Christian presence, and thus to serve both the community and the local churches. The Knowle West SMC has been involved in a wide range of activities, including supporting the local church, where the incumbent and her husband are now both involved in the LSG and in missional activities in partnership with the Community. Activities have included The Noise in Bristol, church activity days and support for local schools and community centre. All of this has been underpinned by prayer. Members of the community work with local charities and organisations to enhance the life skills of people in the area. At Aston, the smaller number in the community had somewhat restricted activity this year, but each member is closely involved in the life of the local church and community. The new member Lesley works in a care home. The Board has continued its ministry partnership with the Acton Vale Missional Community led by Rev Mark Bishop, though Mark has now moved on in his diocesan role, and the community links with Lee Abbey will cease.

Public Benefit

In setting our objectives and reviewing the activities of the two household communities we have had regard to the Charity Commission's general guidance on public benefit and its supplementary guidance on the advancement of religion.

Both Knowle West and the Aston communities are ministering in areas in Birmingham and Bristol where there are significant needs. In all their activities the communities have been seeking to communicate the love of God in Jesus Christ through their ministry and have done much valuable work in relieving the needs of those living and/or working in the areas served by the local churches in a wide variety of ways, some of which have been referred to in this report. Most of their work is in benefiting those at the lower end of the income scale; and no one is debarred by their financial circumstances from benefiting from the ministry of the SMCs.

Having carefully reviewed the activities carried out by the Knowle West and Aston Communities in furtherance of this charity's object, we have concluded that those activities are of clear and significant public benefit.

Lee Abbey Household Communities

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2018

Financial review

Financial review

The year to 30 April 2018 generated a surplus of £72,638 (2017 deficit £11,241).

Principal Funding Sources

Our principal funding sources continue to be donations £112,368 (2017 £31,662) and contributions from the Communities £20,683 (2017 £16,013). We are very grateful to all those who support us in the demanding work that living in an SMC entails, and in particular the Friends of the Lee Abbey Movement.

Reserves

We seek to maintain liquid unrestricted funds at the level of at least three months expenditure to provide funds to cover unexpected costs. In addition we seek to build up funds against future building maintenance needs. At the year-end there was 12 months (2017 12 months) of expenditure in cash and free reserves. The trustees have approved the designation of the fixed asset and it is now shown as a separate reserve.

Investment Powers, Policy and Performance

Under the Memorandum and Articles of Association the charity has power to make any investment which the trustees see fit. The trustees make and hold investments using the general funds of the Communities.

Plans for future periods

The trustees will continue to seek new opportunities to establish SMCs either directly or in partnership with other suitable bodies.

Qualifying indemnity provision

The trustees (who are also the directors of Lee Abbey Household Communities 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.

Trustees' responsibilities statement

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

Lee Abbey Household Communities

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 April 2018

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

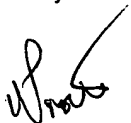
- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

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

The trustees' annual report was approved on 7/12/2018 and signed on behalf of the board of trustees by:



M Proctor
Charity Secretary

Lee Abbey Household Communities

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lee Abbey Household Communities

Year ended 30 April 2018

Opinion

We have audited the financial statements of Lee Abbey Household Communities (the 'charity') for the year ended 30 April 2018 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 2018 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:

- 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.

Lee Abbey Household Communities

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lee Abbey Household Communities *(continued)*

Year ended 30 April 2018

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 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.

Lee Abbey Household Communities

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lee Abbey Household Communities *(continued)*

Year ended 30 April 2018

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.
- 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.

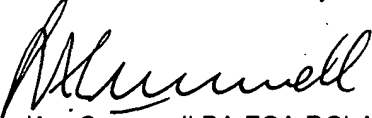
Lee Abbey Household Communities

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lee Abbey Household Communities *(continued)*

Year ended 30 April 2018

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

7 December 2018

Lee Abbey Household Communities
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 30 April 2018

		2018	2017		
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	112,368	—	112,368	31,662
Charitable activities	6	20,683	—	20,683	16,013
Investment income	7	3	58	61	53
Total income		<u>133,054</u>	<u>58</u>	<u>133,112</u>	<u>47,728</u>
Expenditure					
Expenditure on charitable activities	8,9	60,474	—	60,474	58,969
Total expenditure		<u>60,474</u>	<u>—</u>	<u>60,474</u>	<u>58,969</u>
Net income/(expenditure) and net movement in funds					
		<u>72,580</u>	<u>58</u>	<u>72,638</u>	<u>(11,241)</u>
Reconciliation of funds					
Total funds brought forward		<u>352,082</u>	<u>20,431</u>	<u>372,513</u>	<u>383,754</u>
Total funds carried forward		<u>424,662</u>	<u>20,489</u>	<u>445,151</u>	<u>372,513</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

Lee Abbey Household Communities

Company Limited by Guarantee

Statement of Financial Position

30 April 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	14	378,778	388,456
Current assets			
Debtors	15	373	238
Cash at bank and in hand		69,203	61,299
		<u>69,576</u>	<u>61,537</u>
Creditors: amounts falling due within one year	16	<u>3,203</u>	<u>77,480</u>
Net current assets/(liabilities)		66,373	(15,943)
Total assets less current liabilities		445,151	372,513
Net assets		445,151	372,513
Funds of the charity			
Restricted funds		20,489	20,431
Unrestricted funds		424,662	352,082
Total charity funds	17	445,151	372,513

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

These financial statements were approved by the board of trustees and authorised for issue on 7/12/2018, and are signed on behalf of the board by:



Mrs S Edmondson
Director

The notes on pages 13 to 19 form part of these financial statements.

Lee Abbey Household Communities

Company Limited by Guarantee

Statement of Cash Flows

Year ended 30 April 2018

	2018 £	2017 £
Cash flows from operating activities		
Net income/(expenditure)	72,638	(11,241)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	9,678	9,708
Other interest receivable and similar income	(61)	(53)
Accrued expenses	60	150
<i>Changes in:</i>		
Trade and other debtors	(135)	(25)
Trade and other creditors	–	(110,000)
Cash generated from operations	82,180	(111,461)
Interest received	61	53
Net cash from/(used in) operating activities	82,241	(111,408)
Cash flows from financing activities		
Proceeds from loans from group undertakings	(74,337)	(149,502)
Net cash used in financing activities	(74,337)	(149,502)
Net increase/(decrease) in cash and cash equivalents	7,904	(260,910)
Cash and cash equivalents at beginning of year	61,299	322,209
Cash and cash equivalents at end of year	69,203	61,299

The notes on pages 13 to 19 form part of these financial statements.

Lee Abbey Household Communities

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 April 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Lee Abbey, Lynton, Devon, EX35 6JJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

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, and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS102 SORP

Going concern

There are no material uncertainties about the charity's ability to continue.

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.

Lee Abbey Household Communities

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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.

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.

Tangible assets

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

Land and buildings - 2.5% reducing balance

Freehold land is not depreciated.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Lee Abbey Household Communities

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Lee Abbey Household Communities

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

Lee Abbey Household Communities 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.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Donations				
Donations	12,842	12,842	23,156	23,156
Donations from Lee Abbey Movement	23,742	23,742	8,506	8,506
Forgiveness of inter-company loan	75,784	75,784	-	-
	<u>112,368</u>	<u>112,368</u>	<u>31,662</u>	<u>31,662</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Contributions from Communities	<u>20,683</u>	<u>20,683</u>	<u>16,013</u>	<u>16,013</u>

7. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Bank interest receivable	<u>3</u>	<u>58</u>	<u>61</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Bank interest receivable	<u>53</u>	<u>-</u>	<u>53</u>

Lee Abbey Household Communities

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Christian Faith Ministries	56,454	–	56,454
Support costs	4,020	–	4,020
	<u>60,474</u>	<u>–</u>	<u>60,474</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Christian Faith Ministries	52,120	433	52,553
Support costs	6,416	–	6,416
	<u>58,536</u>	<u>433</u>	<u>58,969</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Christian Faith Ministries	<u>56,454</u>	<u>4,020</u>	<u>60,474</u>	<u>58,969</u>

10. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2018 £	Total 2017 £
Premises	1,620	1,620	1,620
Communications and IT	–	–	2,396
Human resources	2,400	2,400	2,400
	<u>4,020</u>	<u>4,020</u>	<u>6,416</u>

11. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	<u>9,678</u>	<u>9,708</u>

12. Staff costs

No salaries or wages have been paid to employees, including the members of the committee, during the year.

The average head count of employees during the year was Nil (2017: Nil).

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

Lee Abbey Household Communities

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

13. Trustee remuneration and expenses

During the year Trustees' received remuneration and other emoluments of £2,000 (2017: £2,000).

14. Tangible fixed assets

	Land and buildings £
Cost	
At 1 May 2017 and 30 April 2018	<u>426,830</u>
Depreciation	
At 1 May 2017	38,374
Charge for the year	<u>9,678</u>
At 30 April 2018	<u>48,052</u>
Carrying amount	
At 30 April 2018	<u>378,778</u>
At 30 April 2017	<u>388,456</u>

15. Debtors

	2018 £	2017 £
Other debtors	<u>373</u>	<u>238</u>

16. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	1,643	75,980
Accruals and deferred income	<u>1,560</u>	<u>1,500</u>
	<u>3,203</u>	<u>77,480</u>

Lee Abbey Household Communities

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

17. Analysis of charitable funds

Unrestricted funds

	At 1 May 2017 £	Income £	Expenditure £	Transfers	At 30 April 2018 £
General funds	352,082	133,054	(60,474)	(378,778)	45,884
Fixed asset fund	-	-	-	378,778	378,778
	<u>352,082</u>	<u>133,054</u>	<u>(60,474)</u>	<u>-</u>	<u>424,662</u>

Restricted funds

	At 1 May 2017 £	Income £	Expenditure £	At 30 April 2018 £
Aston Development	<u>20,431</u>	<u>58</u>	<u>-</u>	<u>20,489</u>

Purposes of restricted funds

The Aston Development fund is a fund to pay for the redevelopment of the Aston Buildings.

18. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	378,778	378,778	388,456
Current assets	66,373	66,373	(15,943)
Net assets	<u>445,151</u>	<u>445,151</u>	<u>372,513</u>

19. Related parties

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

- payments from The Lee Abbey Movement of £13,600 (2017 - £8,506)
- payments to The Lee Abbey Movement of £2,400 (2017 - £2,400)

At 30 April 2018 £NIL (2017 - £75,784) was owed to Lee Abbey International Students Club. Interest of £304 (2017 - £498) has been charged on the loan at normal commercial terms.

As at 30 April 2018 there was no money owed to any other group members (2017 - £NIL).

20. Controlling party

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.

Consolidated accounts are available on request from the registered office.