

Registered number: 00654913 (England and Wales)
Charity number: 311098 (England and Wales) SC040008 (Scotland)

WORLDWIDE CHURCH OF GOD
Also known as Grace Communion International

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

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**WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Trustees

David Silcox	(Chair)
Margaret Mitchell	(Vice Chair)
Peter Sheppard	(Honorary Treasurer & Company Secretary)
Gordon Brown	
Linda Halford	
Simon Williams	
James Henderson	
K. Victor Scott	(Resigned 18 August 2019)
James Lambu	(Appointed 22 January 2019)
Maureen Watson	(Appointed 13 March 2020)

National Ministry Team

Gavin Henderson	(Operations Manager)
Barry Robinson	(Ombudsman)
Peter Mill	(Mission Developer)

Secretary to the Trustees

Peter Sheppard

Registered Charity Name

Worldwide Church of God

Names Also Known By

Grace Communion International (GCI UK)
Summer Educational Programme (Summer camp only)

Registered Office and Operational Address

9 The Point
Rockingham Road
Market Harborough
Leicestershire
LE16 7QU

Company Registered Number

00654913 (England & Wales)

Charity Registered Number

311098 (England & Wales)
SC040008 (Scotland)

**WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Independent Auditor

MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditors
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

Barclays Bank Plc
20 High St
Market Harborough
LE16 7NR

Solicitors

Edward Connor Solicitors
41 The Point
Market Harborough
Leicestershire
LE16 7QU

**WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 December 2019**

The Trustees (who are also the directors of the Charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Worldwide Church of God also known as Grace Communion International ("WCG" UK, the charitable company, the Church, the Charity) for the year ended 31 December 2019. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with current statutory requirements, the requirements of the charitable company's governing document, the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)), and the Companies Act 2006.

The charity qualifies as small under S383 of the Companies Act 2006. A Strategic Report under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Mission Statement

The mission of the Charity is to proclaim the good news of Jesus Christ whenever and wherever it can. We take care of those whom God calls into our part of the body of his Church by inspiring and training them to serve and love others, reflecting the way in which Jesus Christ loves humanity. Thus, we seek to create a positive and accountable spiritual environment in which the Church lives and shares the Gospel of Jesus Christ in the UK, Ireland and beyond.

To help us achieve this mission a 5-point approach to both living and sharing the Gospel is used:

Living the Gospel

1. Bringing churches and members into accountability to the peace of Christ;
2. Contact and correspondence;
3. Pastoral councils and structures;
4. Retreats, festivals, fellowship opportunities; and
5. National conferences and local seminars.

Sharing the Gospel

1. Exhort the membership to continue the work of Jesus Christ;
2. Intergenerational ministries and mission;
3. Creating a financial model to enable local churches to do missions;
4. Exploring national and local mission opportunities; and
5. Creating a platform of ideas.

Main Activities

As a Church our main activity is to hold regular (weekly) services for our members. These services are open to everyone, including the public, who are welcome to join in and participate with us in worship and to hear a sermon proclaiming Jesus Christ and his Kingdom, though we reserve the right to refuse entry where necessary. We have 38 churches and/or worship groups throughout the UK and Ireland and are developing a further Church plant.

These services provide a safe environment for people to celebrate the church's beliefs. We believe this supports our mission to live and share the gospel, and subsequently encourages congregants to express their Christian beliefs by serving people in their families, in the workplace, and in their local communities.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 December 2019**

Experienced local pastoral workers provide support for people through biblical counselling, and, in the case of ordained ministry, through performing ministerial duties such as weddings, funerals, and offering general assistance where possible or where needs have been expressed. Significantly, ministers and approved pastoral workers are increasingly being asked to give biblical counsel and comfort to the sick and terminally ill, and also to bereaved relatives and friends: often such services are provided to people with little or no prior connection to the church and are provided free of charge.

We communicate regularly to all members and church contacts using various communication media. A magazine called *In Touch* was sent out monthly from the President of GCI HQ and/or the National Ministry Team, and it includes news of the Church activities both in the British Isles and elsewhere around the world. It also includes updates on the progress of projects which have been sponsored by us.

In addition to this, a magazine called *Because* is also sent out with *In Touch*. *Because* is an outreach magazine designed for those “on the edge of spirituality” and aims to encourage and support those who are beginning to ask questions about God and faith. Often *Because* is theme-based on topical issues. *In Touch* and *Because* had a mailing circulation of around 840 copies at the end of 2019 (870 in 2018) and are also available on our websites and at our outreach events (www.because.uk.com and www.gracecom.church). We also distribute a localised version of *Because* at several of our Churches, increasing our monthly distribution to around 1,500 copies per month.

We also produce a daily Bible study series, called *Day by Day* which is published on our website www.daybyday.org.uk and which helps provide for our members and those who visit the website during the week when they might not otherwise have regular contact with us. It can also be delivered via email, on request and we have a high proportion of international readers.

We also hold a number of celebratory festivals and retreats. In 2019 these were held in Larbert, Galway, Bridlington and Paignton. These festivals are open to everyone and this year were focused around the theme of “Remembrance and Thanksgiving” Based on Philippians 1:3 in the Bible.

In addition to these festivals we also hold regular conferences. In 2019 we held two local regional conferences throughout the UK and Ireland, along with a larger Denominational conference held in November. While these conferences are aimed at training and supporting our pastoral workers and ministers, they are open to everyone. For our denominational conference in 2019 we were pleased to welcome Dr Greg Williams, the President of Grace Communion International, who outlined his vision for the future of our worldwide denomination in two presentations. The first was about *Healthy Churches*, in which Dr Williams outlined that a healthy church would follow ‘the most excellent way’ (1 Corinthians 12:31) of faith, hope and love (1 Corinthians 13:13). This way is centred on Jesus, whose faith we live by, in whom we have hope, and whose love is shared with us so we can share it with others. The second presentation discussed *Healthy leaders for healthy churches*, outlining that church leaders are bond slaves of Jesus, co-workers with God and each other, managers of the mysteries of God and are spiritual fathers and mothers. GCI European Superintendent, Mr James Henderson led the conference in a solemn service to mark Remembrance Day. Delegates from Europe also attended our conference. Gavin Henderson, the UK church’s Operational Manager, spoke about how our church, in keeping with so many others, needs to break out of “survival mode” and embrace a new future. The NMT members also delivered three interactive workshops: *Healthy worship* by Pete Mill; *The priority of expositional preaching* by Barry Robinson; and *The joy of small churches* by Gavin Henderson. Also, in 2019 Dr Joseph Tkach, the Head of the GCI Doctrinal and Theological Committee and the Chair of our GCI HQ’s Board, and his wife, Tammy, visited various churches in Europe, including the UK’s Watford congregation. Dr Tkach addressed the subject of Worship.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 December 2019**

We also ran a ten-day long summer camp for teenagers at Morfa Bay Activity Centre in Wales, called the Summer Educational Programme (SEP). SEP continues to have an international flavour with campers and staff from Australia, USA, Canada, South Africa, Argentina, Spain, Germany, Holland, Ireland and the UK. This year we welcomed 73 campers, 10 mini campers and 33 staff. What is interesting is, that for the second year running, about one third of those campers have never attended SEP before. SEP is a Christian activity camp which aims to provide a positive Christian environment where children can learn and enjoy a variety of activities. New activities included coasteering, coastal walks, body boarding and caving. There was also Christian living classes and daily worship. SEP is open to all who apply, including those of other religions and beliefs. In 2019 we also had a 4 day long Adventure Camp for young children aged between 7-13. This is a Christian activity camp aimed to provide a similar ethos to SEP but catering for younger children and was held at the Sir John Lowther Centre near Kettering in England.

Volunteers

We are greatly indebted to all our volunteers for their dedication, time and skills: in particular the over 100 voluntary pastoral workers, without whom the church and charity could not provide its services. Our volunteers not only help as worship leaders and ministers, but we also have a huge number of volunteers who help setup for our services each week, help provide refreshments after services, help with the audio/visual requirements of our church services and assist in our local community outreach.

We are also very grateful for those who help write, promote and produce our magazine *Because* and also our daily Bible study series *Day by Day*.

Finally, we would particularly like to thank those who give of their time and expertise at the annual SEP summer camp and at the Adventure Camp. Without this group of individuals, our summer camps just would not happen, and we particularly recognise those who give their time and resources throughout the year to develop key skills and experience we need to run activities at the camps.

Public Benefit

GCI UK, as outlined above, carries out a large number of activities to achieve its aims and objectives. The Trustees consider that these activities provide a public benefit both in terms of the redemptive work of the Church as well as the social outreach the Church engages in on a regional, national and international level and have considered the guidance issued by both the Charity Commission and the Office of the Scottish Charity Regulator on Public Benefit in this regard. The Trustees would like to in particular emphasize the Church's desire to be inclusive, where we strive to make the services and events that we run open to all and endeavour not to present a financial barrier to attendance and participation.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance Summary

2019 was a busy year and a time of transition. At the end of 2018 the National Ministry Leader, James Henderson, stepped down to be replaced by a new National Ministry Team (NMT), and significant time was spent to ensure that this transition went smoothly. Further training was provided to the NMT in 2019. Moving to a more team-based leadership structure provides more accountability for our leadership, and reduces the workload placed on each individual in the team. Throughout 2019 the NMT met at least monthly and also kept in regular contact via Skype, emails and phone calls. One of the key aims of the NMT throughout 2019 was to improve the flow of communication between our local leadership, pastoral workers and the Church service centre in Market Harborough so that we can coordinate our resources and tailor the support we offer to each of our congregations appropriately.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 December 2019**

A notable achievement in 2019 was an extended denominational conference for our ministers and volunteers which featured interactive workshops and time built in for networking and sharing ideas.

In addition to this, continuing on from 2018, we no longer operate summer camps ourselves but now hold our camps at dedicated outdoor centres. For the first time in over 40 years we held our SEP summer camp outside of Scotland at Morfa Bay in Wales and we were pleased at the new activities we were able to introduce and the success of our first Welsh summer camp. The changes to how we operate our summer camps since 2018 have significantly reduced the cost and risk of running the summer camps, and this reduction in costs was reflected in 2019.

We also started a new Church plant in Corby in 2019 which ran for around two months before closing. While unsuccessful, the project was helpful in terms of generating ideas and approaches to mission and outreach in local communities and also highlighted the need to ensure that adequate support structures are in place (with key volunteers) before any future church plant is launched.

The management of the church has also been monitored regularly by the governance of its Board of Trustees, and it has operated within its 2019 budget, which was proposed in 2018 based on projections of Income and Expenditure. The Church has continued to keep its members well-informed, and to promote Christian values and ethics locally through its churches and nationally through its media outreach.

Churches and Pastoral Support

In 2019, GCI UK has continued its programme of re-commissioning pastoral councils to provide on-going support and accountability for its local congregations. We have also provided training for our pastoral councils and churches through regional conferences held in Coulsdon and Craigavon and an extended annual denominational conference held in Northampton. We were pleased to be able to open up these events to anyone who would like to attend free of charge. At our denominational conference we distributed free copies of *Impossible Commands* by Jonty Alcock, *5 things to pray for your church* by Rachel Jones, and *Expositional Preaching* by David Helm.

In addition to this training, we also supported our churches and congregations by providing regular resource material including a weekly update from the NMT's Operational Manager and regular letters to our members. We have also sponsored several of our volunteers and employees in the area of theological education, both with local UK institutions (e.g. the Queen's Foundation, Birmingham) as well as our denominational accredited seminary (www.gcs.edu) in the US and our denominational seminary in Australia (www.ambascol.org). So far three people have graduated with degrees resulting from the Church's sponsorship: in 2018 Barry Robinson graduated from the London School of Theology with a BA in Theology, in 2019 David W Gibbs graduated from the Queen's Foundation in Birmingham with a BA in Theology, Mission and Ministry, and in 2019 Gavin Henderson graduated with a Masters in Pastoral Studies from Grace Communion Seminary in the US. In 2019 we continued with our pastoral resource for our preachers which can be found at www.lectionary.church. This provides weekly sermon resources for our preachers and is also freely available to those outside of our denomination.

We are pleased with the progress of both of our Church plants in Stratford and Llanelli. In Stratford, they have been very proactive in distributing our magazine *Because* and now make copies available in various locations E.g. a local library and a dentist reception room. Our church plant in Llanelli also provides a soup kitchen for the homeless once a week and has forged close connections with the local community. We are particularly thankful to Gary and Deborah Glenister for their spearheading of this project.

At the end of 2018 we employed a church planter on a part-time basis to start a new church plant for us. Hazel Leys, near Corby, was decided as a location for the Church plant due to its proximity to where the Church planter lived. The Church plant launched in April and ran until June when it was closed due to concerns about the sustainability and viability of the Church plant and the lack of engagement with the local community.

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FOR THE YEAR ENDED 31 December 2019**

Youth Activities

In 2016, a three-year plan was initiated to help secure SEP's future. 2019 was a critical year for SEP in this plan as it was the second year since moving to commercially owned activity centres. GCI UK has continued to be able to significantly subsidise the costs of SEP, and it offers scholarships to those in financial hardship so that they are able to attend.

We were also pleased to be able to hold Adventure Camp again in 2019 and once again the camp was fully subscribed. Activities at Adventure Camp this year included archery, balls and bubbles, tunnels, Christian living, climbing tower, obstacle course, orienteering and Pedal karts. Like most of our activities, this camp was subsidised by the Church to help people attend.

Media and Outreach

For a number of years now the Church has run the *Because* project, which is an outreach aimed to engage with people who have questions about spirituality. In 2018 we undertook a research project using an outside firm to see how effectively we were engaging with our target group and obtain feedback on the impact of our articles. This focus group was very useful in helping us to further define our target group and in challenging us to adapt how and why we write articles for this group. In 2019, Pete Mill took over as chief editor of the magazine, and in an effort to focus resources on the website, the magazine moved to a bi-monthly format, with a three posts a week schedule on the *Because* website www.because.uk.com.

A number of our congregations are now actively distributing *Because* in their local areas with a particular focus on the London areas, increasing our monthly print-run to 1,500 copies, around 870 of which are mailed to our Church members and contacts.

We have also continued with our daily Bible study *Day by Day* (www.daybyday.org.uk) which is also advertised regularly on United Christian Broadcasting (UCB) radio using 1 minute long "God-Spots" where our material is read out on the radio by one of our members, John Magowan.

In 2019 we were also able to broadcast live our denominational conference. This is in addition to the weekly broadcasting of some of our services to those who are not able to attend our Churches in person. Many of our congregations are able to support those who are not able to attend with us due to ill-health by making their sermons available online, and in some cases posting CDs of sermons to those who are unable to access them online.

Administration & Management

In 2019, the Church drafted a new investment policy, seeking to align its investments with its ethical principles with a goal of moving the church investments to it by the end of 2020. Additionally, a new system of training was introduced for safeguarding using the online learning platform Educare.

The new NMT structure that was introduced sees the National Director role split into three portfolios. The Operations Manager (Gavin Henderson) oversees the administration of the Church and reports directly to the Board of Trustees and the Denomination, the Mission Developer (Peter Mill) focuses on the media and outreach, and the Ombudsman (Barry Robinson) handles pastoral troubleshooting and overseas and pastoral projects such as *Day by Day*.

The Board of Trustees also began in 2019 a review of the Memorandum and Articles of Association of the charity to bring them up to date with current legislation and to take advantage of new technology that is available.

GCI UK has also continued to review and update its policies and assess the risks facing the charity.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 December 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Worldwide Church of God was incorporated as a company limited by guarantee in 1960 and registered as a charity in 1963. The charity is governed by a Memorandum and its Articles of Association dated 1 April 1960 and amended by Special Resolution on 1 June 1984, 1 August 1986, 6 February 2000, 23 July 2004, 14 July 2006, 27 October 2007, 2 August 2008, 2 September 2017 and 17 August 2018.

Method of Appointment or election of Trustees and Training Policies

As set out in the Articles of Association there are a minimum of five Trustees and a maximum of fifteen. At the 31 December 2019 there were eight Trustees. Trustees are elected in accordance with the Articles of Association for a term of three years and may serve if so elected, for three terms, before being required to step down for at least one year. Trustees are required to abide by the Code of Ethics for Elders and the Grace Communion International Statement of Beliefs as published by Grace Communion International USA (GCI HQ) based in Charlotte, USA.

Any new Trustee is given a copy of the Memorandum and Articles of Association. Induction is provided in the form of copies of previous minutes and copies of the latest Governance and Leadership Magazine and Charity Commission News. Each new Trustee is provided with a copy of the guidance advice from the Charity Commission and Office of the Scottish Charity Regulator for new Trustees.

Trustees are also kept up to date with the availability of (fully funded) courses/seminars on Trustees' responsibilities. In addition, the Trustees receive copies of Governance and Leadership Magazine and Charity Commission News.

Trustee Benefits

GCI UK does not give remuneration to Trustees for their role as Trustees. It does, however, help cover the costs of their travel and the training required or recommended for their duties as Trustees.

As permitted by the Articles of Association, each Trustee has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006.

Organisational Structure and Decision Making

WCG UK is governed by a Board of Trustees, which meets at least four times a year to:

- Agree the policy of the charity;
- Determine strategic direction and objectives;
- Ratify major decisions on and monitor the use of finances; and
- Review management reports.

Board Committees

Sub-committees, if necessary, are appointed on an ad hoc basis and disbanded when they have completed the task for which they are formed. In 2019 there were two sub-committees: the Trustee Appointment sub-committee and the National Ministry Team's remuneration sub-committee.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 December 2019**

International Connections

GCI UK operates as an organisation associated with GCI HQ. Although capable of independent operation, GCI UK has willingly subordinated itself in doctrinal matters to the GCI HQ insofar as it does not bring our church and charity into conflict with UK laws.

Additionally, we have a working relationship with various Grace Communion International organisations overseas – in particular those based in Europe, and, upon the request of the President of GCI HQ, we have also agreed to James Henderson, our former National Director, acting as the Denominational Supervisor for Europe and have accordingly agreed to subsidise his expenses in this regard within budget limitations (James Henderson is not paid for this role).

In addition, we seek to support and value our international connections. In 2019 our Northampton church organised an International Day and invited our Dutch CEO and his wife as guests at that event. We have actively supported various humanitarian and mission projects and in 2019 sent \$3,500 to help support GCI congregations in the Bahamas that were affected by Hurricane Dorian. Also, with the Church's partial sponsorship, the European Superintendent was guest speaker at festivals in Switzerland, Holland, Italy and France. One of our pastoral workers was also a guest speaker at a Swiss Retreat. We published updates about our international churches in our newsletter In Touch.

Operational management

In 2019, the general management and strategic planning were delegated to the NMT within the guidelines of the Board's Mission Statement and within the vision of the denomination. The NMT reported regularly to the Board and to GCI HQ and is supported by its staff with whom it consults regularly.

Management Remuneration

The NMT's remuneration was determined by a sub-committee of the Board consisting of the Honorary Treasurer, the Board Chair and GCI's European Superintendent. Staff salaries were set accordingly. The salaries of staff were seen and approved by the Board of Trustees at the November 2018 Board meeting where the budget for 2019 was approved. GCI UK seeks to ensure that its staff are paid appropriately but not excessively.

FINANCIAL REVIEW

GCI UK ends 2019 positively from a financial perspective. While the income was less than in 2018, this was largely due to the receipt of several legacy payments in 2018. The income from the year was above budget.

Expenditure for the Charity was also below budget for the year with significant saving being made in insurance and the SEP summer camp (this is because of the new format for SEP which was begun in 2018). Significant areas of expenditure were the SEP summer camp, £61,914 (2018 - £76,475) and the cost of hiring halls to hold our services, £101,693 (2018 - £104,301).

From a wider perspective, the Church currently has significant reserves.

Reserves Policy

The Board of Trustees has established that the level of reserves in cash or cash equivalent should be at least six months' operating expenses. This level of reserves were maintained throughout 2019. Following Charity Commission guidance any pension scheme surplus is not reflected in the level of reserves, as they do not represent an immediately realisable asset.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 December 2019**

The Board has agreed that, for the year ending 31 December 2019, unrestricted legacies and donations received above the annual budget are to be used to increase the Charity's reserves and are invested appropriately to provide a new income stream to support the Charity and its activities in the future.

At 31 December 2019 the total funds comprised:

Unrestricted		£2,230,826
Restricted:	Pension reserve	£439,000
	Other	£13,539
		<hr/>
		£2,683,365
		<hr/> <hr/>

Investment Powers and Policy

WCG UK's constitution allows the Board of Trustees to invest money not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

The Board of Trustees, having regard to the liquidity requirements of operating WCG UK and the reserves policy set out above, have operated a policy of keeping available funds in a 'Targeted Return Fund', with Barings Asset Management and Newton's 'Growth and Investment fund for charities' to provide a new revenue stream for the charity and diversify investments.

The Charity does not invest directly in the tobacco industry.

In 2019 the Board agreed a new investment policy to be implemented by the end of 2020.

Fundraising

Most of the income from the Church comes from donations as opposed to fundraising. While the Church encourages members to support the Church financially, the Church stresses that members should only give as they are able. In 2019, the magazines *Because* and *In Touch* were sent out in 11 mailshots. Each mailshot contained a donation envelope in case recipients wanted to help support the Church financially. In addition, our congregations occasionally took up offerings in Church services. In 2019, offerings were taken up less than 12 times a year per congregation.

The Church complies with the law as it applies to charities and fundraising and in 2019 did not use third party or professional fundraisers and received no complaints in relation to fundraising. Due to the very limited nature of the Church's active fundraising, the Church has not signed up to the code of fundraising practice, however, the Board keeps this position under review and are keen that the Church follows best fundraising practices. No specific fundraising activities are currently planned for 2020.

Indigenous Income

The income of WCG UK is predominantly derived from donations from its congregational members in Great Britain and Eire with occasional contributions from non-members. As in previous years, full advantage has been taken of Gift Aid tax relief on eligible donations.

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FOR THE YEAR ENDED 31 December 2019**

Pension Scheme

The Pension and Life Assurance Plan of the Worldwide Church of God has been closed to new members since 2004. The recent scheme funding valuation showed the scheme had moved to a deficit having previously been in a surplus. The last active member of the scheme retired in 2015 leaving only deferred members as non-insured liabilities. A recovery plan has been agreed with the church agreeing to make 4 equal instalments in 2020, 2021, 2022, and 2023 to address the deficit.

Fiscal Responsibility

The Board of Trustees requires that the executive of GCI UK operate a balanced budget, based on anticipated Income and Expenditure for the year. The Board has determined that any income in excess of expenditure can be assigned to projects suggested by the NMT to the Board of Trustees. Until then funds should be invested to provide additional revenue for the Church in the future.

Risk management and internal controls

The Trustees ensure that major risks to which GCI UK is exposed are reviewed and assessed and that systems are in place to mitigate those risks. The Trustees have agreed a risk management policy for which they have overall responsibility. Operational responsibility was delegated by the Trustees to the National Ministry Team and their staff. A risk register identifies risks and assigns specific actions and responsibilities for mitigating the risks. The risk management process is on-going. The Trustees consider that a major risk is one that has a high likelihood of occurring and would, if it occurred, have a severe impact on operational performance. The National Ministry Team reported regularly to the Board of Trustees on major risks and how they are being managed.

The Trustees expect all staff and volunteers when engaging in any activity on behalf of GCI UK to consider the risks posed and to act in accordance with the risk management policy and procedure. All increases to on-going or new activities are risk assessed prior to being introduced or undertaken.

The Trustees want to be risk alert but do not wish to be averse to taking reasonable risks as part of its strategy to achieve the objectives of GCI UK. All key policies within the organisation were regularly reviewed and updated as appropriate to reflect legislative changes and the latest developments in this area.

The changes to how summer camps are run by the Church in 2018 were made to reduce the risks they pose to the Church.

The Board has identified two major risks to the Church in 2019. The first is the age of its membership. The increasing age of our volunteers means that some of our congregations are having to meet less frequently, and the increasing age of our members also has an impact on our finances as our regular donors retire etc. The other major risk to the Church is the Church pension scheme, especially in light of the Covid-19 pandemic and uncertainty about the UK's future relationship with the EU. The pension scheme was closed to new members in 2004, no longer has active members (only pensioners and deferred pensioners), however, due to the size of the pension fund compared to our annual income, this remains a significant concern.

Third party indemnity insurance

The Church pays third party liability insurance in respect of the Trustees and senior management. The cost of the insurance for the year is £3,285 which includes third party indemnity insurance (2018 - £1,411).

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 December 2019**

PLANS FOR THE FUTURE

The NMT has identified developing new leaders as a key area that needs to be addressed to ensure the sustainability of the Church in the UK and Ireland going forward. To help with this, a new coaching initiative is being launched in 2020 to help develop new leaders for the Church and support our existing leaders. This would involve training some of our more experienced ministers as coaches and pairing them with a developing leader. Developing leaders will be a key priority for our pastoral workers and the hope is that a retreat can be held in each region to help developing leaders engage their congregations and plan for the future.

The plan was for SEP to return to Morfa Bay in 2020 in Wales, but this has been cancelled due to the Coronavirus pandemic.

Plans for the future also include the development of websites for the church and our *Day by Day* project, further development and promotion of our *Because* project and its related magazine, encouraging our congregations to make use of its mission fund for local outreach, making funds available to assist financially in the case of national or international crises or disasters, etc.

Additionally, the hope is to launch a new magazine called *Belong* in 2020 which aims to reach our existing membership and is to be mailed out on months when *Because* is not being sent out.

In 2020 the church also plans to continue its ongoing risk assessment, review and update its policy on investments, review its board recruitment process, implement leadership succession planning, and re-vitalise its media initiatives.

CORONAVIRUS UPDATE

While the COVID-19 pandemic in 2020 has had a significant impact on our congregations, as they have been unable to meet, we have been able to stream online services, send out more printed resources and find new ways to support our members and contacts. While our income has been affected, as we were not previously reliant on donations being physically received in our congregations, donations have continued to be received and we have encouraged online giving as much as possible. In terms of expenditure, as we hire the meeting venue in which our congregation meet each week, we have seen significant savings as we have not been meeting. The Church's reserves remain strong to weather any future financial uncertainty brought about by the pandemic but the full effects on our congregations remain to be seen.

We regretfully have had to cancel our summer camps for 2020, and also our Bridlington, Paignton and Galway Autumn Celebrations due to the pandemic.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Charity does not hold any such funds on behalf of any other organisations.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Worldwide Church of God for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 December 2019**

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

- Select suitable accounting policies and then apply them consistently; and
- Observe the methods and principles of the Charities SORP 2015 (FRS 102); and
- Make judgements and accounting estimates that are reasonable and prudent; and
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved confirm that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees and signed on their behalf by:



.....
David Silcox
Chair of Trustees

Date: 21/12/2020

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE CHURCH OF GOD

Opinion

We have audited the financial statements of Worldwide Church of God (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE CHURCH OF GOD
(CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Report, other than the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustee's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustee 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 Trustee's Report and from the requirement to prepare a Strategic Report.

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE CHURCH OF GOD
(CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 12 and 13, the Trustees (who are also the Directors of the Charity 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44 (1) (c) of the Charities and Trustees Investment (Scotland) Act 2005 and the Companies Act 2006, and report in accordance with regulations made within those Acts.

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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charity's Trustees as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's Trustees 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, the charitable company's members as a body and the charitable company's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE CHURCH OF GOD
(CONTINUED)

MHA MacIntyre Hudson

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 22 December 2020

MHA MacIntyre Hudson is eligible to act as an auditor in terms of Section 121 of the Companies Act 2006.

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	2	-	664,973	664,973	812,044
Investments	3	-	53,038	53,038	53,496
Total income		-	718,011	718,011	865,540
Expenditure on:					
Charitable activities	4	-	630,001	630,001	636,959
Governance costs	5	-	30,137	30,137	38,069
Total expenditure		-	660,138	660,138	675,028
Net gains/(losses) on investments	13	-	147,483	147,483	(112,082)
Net movement in funds before other recognised gains/(losses)		-	205,356	205,356	78,430
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	201,000	201,000	(67,000)
Net movement in funds		-	406,356	406,356	11,430
Reconciliation of funds:					
Total funds brought forward		13,539	2,263,470	2,277,009	2,265,579
Net movement in funds		-	406,356	406,356	11,430
Total funds carried forward		13,539	2,669,826	2,683,365	2,277,009

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 41 form part of these financial statements.

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00654913 (England & Wales)

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	208,103	223,348
		<u>208,103</u>	<u>223,348</u>
Current assets			
Debtors	12	101,346	109,483
Investments	13	1,454,125	1,306,642
Cash at bank and in hand	18	540,270	457,177
		<u>2,095,741</u>	<u>1,873,302</u>
Creditors: amounts falling due within one year	14	(59,479)	(51,641)
		<u>2,036,262</u>	<u>1,821,661</u>
Net current assets		2,036,262	1,821,661
Total assets less current liabilities		2,244,365	2,045,009
Defined benefit pension scheme asset	19	439,000	232,000
Total net assets		2,683,365	2,277,009
Charity funds			
Restricted funds	15	13,539	13,539
Unrestricted funds			
Unrestricted funds excluding pension asset	15	2,230,826	2,031,470
Pension reserve	15	439,000	232,000
		<u>2,669,826</u>	<u>2,263,470</u>
Total unrestricted funds	15	2,669,826	2,263,470
Total funds		2,683,365	2,277,009

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf, by:



.....
David Silcox
Chair of Trustees

Date: 21/12/2020

The notes on pages 22 to 41 form part of these financial statements.

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	17	39,489	180,685
Cash flows from investing activities			
Dividends, interests and rents from investments	3	47,038	46,496
Proceeds from the sale of tangible fixed assets		43	6,500
Purchase of tangible fixed assets	11	(3,477)	(15,774)
Gains/(losses) on investments	13	147,483	(112,082)
Net cash provided by/(used in) investing activities		191,087	(74,860)
Change in cash and cash equivalents in the year		230,576	105,825
Cash and cash equivalents at the beginning of the year		1,763,819	1,657,994
Cash and cash equivalents at the end of the year	18	1,994,395	1,763,819

The notes on pages 22 to 41 form part of these financial statements

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

Worldwide Church of God is an incorporated Charity registered with the Charity Commission for England and Wales registration number 311098, and with OSCR in Scotland registration number SC040008. The company is registered in the UK, registration number 00654913.

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

Worldwide Church of God meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Charity's functional and presentational currency is British Pound Sterling (£) and is rounded to the nearest pound (£).

The following principal accounting policies have been applied.

1.2 Company status

The Charity is a company limited by guarantee. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £7 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are included in the Trustees Report on page 3.

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Collections and donations are accounted for when they are received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Direct costs are related support costs associated with preaching, pastoral care and the production and distribution of Charity literature. These are separately disclosed in the Statement of Financial Activities as Charitable Activities.

Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Historically the Charity has taught the principle of tithing (which is the donation of ten percent of one's net income for the Charity's unrestricted use). Most of the Charity revenue consists of such unrestricted donations. Donations are used for the publishing of Charity literature, assistance for members which are more in need, operating expenses of the annual Church festivals, ministerial activities and maintenance of buildings, as seems appropriate by Charity doctrine. Restricted funds comprise amounts donated for specific objectives. They are expended in furtherance of certain aspects of the Charity. In the Trustees' opinion, at 31 December 2019, all donations received for specific purposes had been expended in accordance with, and in furtherance of, their intended purposes with the exception of the restricted funds not yet utilised as detailed in note 15.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This consideration has taken into account the expected impact of Covid-19 on the charity, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.8 Operating leases

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

1.9 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is provided on the following bases:

Freehold buildings	- 4% on a straight line basis
Motor vehicles	- 25% on a straight line basis
Fixture and fittings	- 10% and 20% on a straight line basis

Freehold land is not depreciated.

Profit on disposal of fixed assets are included in net expenditure for the year.

1.11 Current asset investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. The Statement of Financial Activities includes the unrealised and realised gains and losses arising on revaluations and disposals throughout the year.

1.12 Debtors

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

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.13 Cash at bank and in hand

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

1.14 Creditors and provisions

Creditors and provisions are recognised where the company 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 normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Pensions

Defined Contribution

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Defined Benefit

The Charity operates a defined benefit, fully insured pension scheme administered externally and the pension charge is based on a full actuarial valuation dated 1 January 2017.

The scheme was closed to new entrants from 31 December 2002. Payments made to the funds are charged annually in these financial statements. The funds are actuarially valued on a regular basis by a qualified actuary, the rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

The amount charged to the Statement of Financial Activities is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations to the cost.

Any difference between amounts charged to the Statement of Financial Activities and contributions paid to the independent pension scheme is shown as a liability or asset at the balance sheet date. Further information on pension costs is shown in note 19.

A pension scheme asset is recognised in the Balance Sheet under FRS 102 to the extent that the Charity is able to recover the surplus through refunds or through a reduction in future contributions to the scheme.

1.16 Financial instruments

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

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.17 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

1) Defined benefit pension schemes valuation

The FRS 102 valuation for the charitable company's Defined Benefit Pension Schemes is recognised in the Balance Sheet as an asset. This is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. This is sensitive to change in the assumptions made by the actuaries who have been appointed to value the schemes. See note 19 for the assumptions made for the pension commitments, and note 1.15 for the pensions accounting policies.

2) Depreciation of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 11 for the carrying amount of the tangible fixed assets and note 1.10 for the useful economic lives for each class of assets.

2. Donations and legacies

	Unrestricted 2019 £	Total funds 2019 £
Donations	567,635	567,635
Legacies	18,468	18,468
Gift aid	78,870	78,870
Total 2019	664,973	664,973

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<i>Unrestricted 2018 £</i>	<i>Total funds 2018 £</i>
Donations	568,541	568,541
Legacies	170,284	170,284
Gift aid	73,219	73,219
<i>Total 2018</i>	<i>812,044</i>	<i>812,044</i>

3. Investment income

	Unrestricted 2019 £	Total funds 2019 £
Investment income	47,038	47,038
Pension income (note 10)	6,000	6,000
Total 2019	53,038	53,038

	<i>Unrestricted 2018 £</i>	<i>Total funds 2018 £</i>
Investment income	46,496	46,496
Pension income (note 10)	7,000	7,000
<i>Total 2018</i>	<i>53,496</i>	<i>53,496</i>

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Charitable activities

	Unrestricted 2019 £	Total funds 2019 £
Mileage and travel	83,661	83,661
Insurance	10,939	10,939
Other expenses	93,535	93,535
General assistance	41,977	41,977
Depreciation	18,722	18,722
Summer Educational Programme	61,914	61,914
Hall hire and rent	101,693	101,693
Profit on disposal	(43)	(43)
Wages and salaries	196,300	196,300
National insurance	15,442	15,442
Pension cost	5,861	5,861
Total 2019	<u>630,001</u>	<u>630,001</u>
	<i>Unrestricted 2018 £</i>	<i>Total funds 2018 £</i>
Mileage and travel	78,205	78,205
Insurance	12,979	12,979
Other expenses	99,650	99,650
General assistance	26,761	26,761
Depreciation	19,185	19,185
Summer Educational Programme	76,475	76,475
Hall hire and rent	104,301	104,301
Profit on disposal	(3,211)	(3,211)
Wages and salaries	203,447	203,447
National insurance	15,403	15,403
Pension cost	3,764	3,764
<i>Total 2018</i>	<u>636,959</u>	<u>636,959</u>

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Governance costs

	Unrestricted 2019 £	Total funds 2019 £
Auditors' remuneration	19,802	19,802
Professional fees	7,176	7,176
Board expenses	3,159	3,159
Total 2019	30,137	30,137

	<i>Unrestricted 2018 £</i>	<i>Total funds 2018 £</i>
Auditors' remuneration	15,540	15,540
Professional fees	16,873	16,873
Board expenses	5,656	5,656
<i>Total 2018</i>	<i>38,069</i>	<i>38,069</i>

6. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	18,722	19,185
Operating lease rentals	1,060	1,607
(Profit)/loss on disposal of tangible fixed assets	(43)	(3,211)
	19,739	17,581

7. Auditors' remuneration

The Auditor's remuneration comprises audit fees of £19,802 (2018 - £15,540) and fees for other non-audit services of £450 (2018 - £450).

WORLDWIDE CHURCH OF GOD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Staff costs

Staff costs were as follows:

	2019	<i>2018</i>
	£	£
Wages and salaries	196,300	203,447
Social security costs	15,442	15,403
Pension costs (note 19)	5,861	3,764
	217,603	222,614

The average number of persons employed by the Company during the year was as follows:

	2019	<i>2018</i>
	No.	No.
Persons employed	8	10
Stipendiary persons employed	8	8
	16	18

No employee received remuneration amounting to more than £60,000 in either year.

The Key Management Personnel of the Charity are deemed to be those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the Charity. The Key Management Personnel of the Charity comprise the National Ministry Team. The total employee benefits of the Key Management Personnel of the Charity (including employer national insurance and employer pension) amounted to £119,037 (2018 - £90,331).

9. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £35,520).

No retirement benefits were accruing to Trustees in respect of defined benefit pension schemes during the current and previous year.

No benefits in kind were received by Trustees during the current and previous year.

5 Trustees received reimbursement of expenses amounting to £1,815 (2018 - 5 Trustees received £3,708).

Other related party transactions involving the Trustees are set out in note 21.

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10. Pension finance income

	2019 £	2018 £
Interest income on pension scheme assets	275,000	252,000
Interest on pension scheme liabilities	(269,000)	(245,000)
	6,000	7,000

11. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2019	359,256	4,714	228,711	592,681
Additions	-	-	3,477	3,477
At 31 December 2019	359,256	4,714	232,188	596,158
Depreciation				
At 1 January 2019	168,581	4,714	196,038	369,333
Charge for the year	11,597	-	7,125	18,722
At 31 December 2019	180,178	4,714	203,163	388,055
Net book value				
At 31 December 2019	179,078	-	29,025	208,103
<i>At 31 December 2018</i>	190,675	-	32,673	223,348

Freehold land and buildings includes freehold land, the value of which is estimated by the Trustees as being £69,324 (2018 - £69,324), which has not been depreciated.

A recent valuation, on 15 May 2018, has indicated that the value of the property is £305,000.

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FOR THE YEAR ENDED 31 DECEMBER 2019

12. Debtors

	2019 £	2018 £
VAT repayable	7,715	9,818
Other debtors	11,280	15,113
Prepayments and accrued income	82,351	84,552
	101,346	109,483
	101,346	109,483

13. Current asset investments

	2019 £	2018 £
Short term bonds	1,454,125	1,306,642
	1,454,125	1,306,642
	1,454,125	1,306,642
Clerical Medical Bonds		
Market value brought forward	54,584	-
Amounts invested	-	56,469
Realised and unrealised gains/(losses)	6,158	(1,885)
	60,742	54,584
Market value carried forward	60,742	54,584
Cost at 31 December 2019	56,469	56,469
	56,469	56,469
	56,469	56,469
Canada Life Bond		
Market value brought forward	59,196	-
Amounts invested	-	59,150
Realised and unrealised gains	7,875	46
	67,071	59,196
Market value carried forward	67,071	59,196
Cost at 31 December 2019	59,196	59,196
	59,196	59,196
	59,196	59,196

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NOTES TO THE FINANCIAL STATEMENTS
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13. Current asset investments (continued)

	2019 £	2018 £
Newton Growth Fund		
Market value brought forward	355,049	370,330
Amounts invested	-	-
Realised and unrealised gains/(losses)	55,336	(15,281)
Market value carried forward	410,385	355,049
Cost at 31 December 2019	300,000	300,000
	2019 £	2018 £
Barings Investment		
Market value brought forward	837,813	932,775
Amounts invested	-	-
Realised and unrealised gains/(losses)	78,114	(94,962)
Market value carried forward	915,927	837,813
Cost at 31 December 2019	860,000	860,000

Total realised and unrealised gains (2018 - losses) in respect of current asset investments were as follows:

Clerical Medical Bonds gain £6,158 (2018 - £1,885)
 Canada Life Bond gain £7,875 (2018 - gain £46)
 Newton Growth Fund gain £55,336 (2018 - £15,281)
 Barings Investment gain £78,114 (2018 - £94,962)

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	14,587	10,078
Other creditors	10,407	15,744
Accruals	34,485	25,819
	59,479	51,641

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15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Resources expended £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds					
Charitable fund	2,031,470	712,011	(660,138)	147,483	2,230,826
Pension reserve (note 19)	232,000	6,000	-	201,000	439,000
	<u>2,263,470</u>	<u>718,011</u>	<u>(660,138)</u>	<u>348,483</u>	<u>2,669,826</u>
Restricted funds					
Restricted building fund	12,539	-	-	-	12,539
Restricted Africa fund	1,000	-	-	-	1,000
	<u>13,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,539</u>
Total of funds	<u><u>2,277,009</u></u>	<u><u>718,011</u></u>	<u><u>(660,138)</u></u>	<u><u>348,483</u></u>	<u><u>2,683,365</u></u>

Unrestricted funds

Charitable funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds

The restricted building fund represents the balance of unspent funds received towards property related expenditure.

The restricted Africa fund is funded by the Estate of I King and is to be used for work in Africa.

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NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Resources expended £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
Unrestricted funds					
Charitable fund	1,960,040	858,540	(675,028)	(112,082)	2,031,470
Pension reserve (note 19)	292,000	7,000	-	(67,000)	232,000
	<u>2,252,040</u>	<u>865,540</u>	<u>(675,028)</u>	<u>(179,082)</u>	<u>2,263,470</u>
Restricted funds					
Restricted building fund	12,539	-	-	-	12,539
Restricted Africa fund	1,000	-	-	-	1,000
	<u>13,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,539</u>
Total of funds	<u><u>2,265,579</u></u>	<u><u>865,540</u></u>	<u><u>(675,028)</u></u>	<u><u>(179,082)</u></u>	<u><u>2,277,009</u></u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	208,103	208,103
Current assets	13,539	2,082,202	2,095,741
Current liabilities	-	(59,479)	(59,479)
Pension reserve	-	439,000	439,000
Total	<u><u>13,539</u></u>	<u><u>2,669,826</u></u>	<u><u>2,683,365</u></u>

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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	223,348	223,348
Current assets	13,539	1,859,763	1,873,302
Current liabilities	-	(51,641)	(51,641)
Pension reserve	-	232,000	232,000
Total	<u>13,539</u>	<u>2,263,470</u>	<u>2,277,009</u>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	<u>205,356</u>	<u>78,430</u>
Adjustments for:		
Depreciation charges	18,722	19,185
(Gains)/losses on investments	(147,483)	112,082
Interest and rents from investments	(47,038)	(46,496)
Pension scheme finance income	(6,000)	(7,000)
Decrease in debtors	8,137	14,966
Increase in creditors	7,838	12,729
Profit on sale of tangible fixed assets	(43)	(3,211)
Net cash provided by operating activities	<u>39,489</u>	<u>180,685</u>

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18. Analysis of cash and cash equivalents

	2019	<i>2018</i>
	£	£
Cash in hand	540,270	<i>457,177</i>
Notice deposits (less than 3 months) (note 13)	1,454,125	<i>1,306,642</i>
Total cash and cash equivalents	1,994,395	<i>1,763,819</i>

19. Pension commitments

The Company operates a defined benefit pension scheme.

Defined contribution pension scheme

The Charity operates two defined contribution stakeholder pension schemes and a defined benefit scheme for its employees.

The pension recognised as an expense in the year was £5,861 (2018 - £3,764).

The defined contribution asset is allocated to unrestricted funds.

Defined benefit group stakeholder pension scheme

The Charity also operates a defined benefit pension scheme, which is funded.

The pension cost and asset for the year ending 31 December 2019 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 31 December 2018.

The scheme was closed to new entrants with effect from 31 December 2002.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2019	<i>2018</i>
	%	%
Discount rate	2.00	<i>2.70</i>
Future pension increases	2.30	<i>2.50</i>
Consumer price inflation	2.30	<i>2.50</i>

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FOR THE YEAR ENDED 31 DECEMBER 2019

19. Pension commitments (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2019	<i>2018</i>
	Years	<i>Years</i>
Mortality rates (in years)		
- for a male aged 65 now	21.2	<i>22.8</i>
- at 65 for a male aged 45 now	22.9	<i>24.9</i>
- for a female aged 65 now	23.1	<i>24.9</i>
- at 65 for a female aged 45 now	24.9	<i>27.2</i>

The Company's share of the assets in the scheme was:

	Fair value at	<i>Fair value at</i>
	31	<i>31</i>
	December	<i>December</i>
	2019	<i>2018</i>
	£	<i>£</i>
Equities (including property)	1,182,000	<i>1,156,000</i>
Bonds	573,000	<i>488,000</i>
Insured pensions	8,045,000	<i>8,563,000</i>
Cash	262,000	<i>248,000</i>
Total fair value of assets	10,062,000	<i>10,455,000</i>

The actual return on scheme assets was £131,000 (2018 - £196,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	<i>2018</i>
	£	<i>£</i>
Interest income	(275,000)	<i>(252,000)</i>
Interest cost	269,000	<i>245,000</i>
Total amount recognised in the Statement of Financial Activities	(6,000)	<i>(7,000)</i>

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19. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2019 £	2018 £
Opening defined benefit obligation	10,223,000	10,482,000
Interest cost	269,000	245,000
Actuarial (gains)/losses	(345,000)	11,000
Benefits paid	(524,000)	(515,000)
Closing defined benefit obligation	9,623,000	10,223,000

Changes in the fair value of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	10,455,000	10,774,000
Interest income	275,000	252,000
Actuarial (losses)/gains	(144,000)	(56,000)
Benefits paid	(524,000)	(515,000)
Closing fair value of scheme assets	10,062,000	10,455,000

Net Actuarial gains / (losses) in the year amounted to £201,000 (2018 - (£67,000)).

The Charity expects to contribute £24,900 to its Defined Benefit Pension Scheme in 2020.

Amounts for the current and previous year are as follows:

Defined benefit pension schemes

	2019 £	2018 £
Defined benefit obligation	(9,623,000)	(10,223,000)
Scheme assets	10,062,000	10,455,000
Surplus	439,000	232,000
Experience adjustments on scheme liabilities	345,000	(11,000)
Experience adjustments on scheme assets	(144,000)	(56,000)

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20. Operating lease commitments

At 31 December 2019 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	1,330	929
Later than 1 year and not later than 5 years	1,600	499
	<u>2,930</u>	<u>1,428</u>

21. Related party transactions

No related party transactions took place in the year ended 31 December 2019, other than those disclosed in note 9.

22. Controlling party

The Charity is ultimately controlled by the Board of Trustees.

23. Company limited by guarantee

The Charity is a Company limited by guarantee and does not have share capital.

24. Post balance sheet events

Subsequent to the year end the global outbreak of the COVID19 pandemic has created a number of uncertainties in the wider environment. This is a non-adjusting post balance sheet event.