

REGISTERED COMPANY NUMBER: 04460911 (England and Wales)  
REGISTERED CHARITY NUMBER: 1101659

Report of the Trustees and  
Audited Financial Statements for the Year Ended  
31 March 2016  
for  
Christian Broadcasting Network (UK)

Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Christian Broadcasting Network (UK)

Contents of the Financial Statements  
for the Year Ended 31 March 2016

	Page
Report of the Trustees	1 to 7
Statement of Trustees Responsibilities	8
Report of the Independent Auditors	9 to 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 22
Reconciliation of Income and Expenditure	23
Reconciliation of Funds	24 to 25
Detailed Statement of Financial Activities	26 to 27

## Christian Broadcasting Network (UK)

### Report of the Trustees for the Year Ended 31 March 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The primary objective of the charity is the promotion of the Christian religion through media.

As CBN is a media driven ministry it is our aim to reach households in the UK, Ireland and Europe with the Gospel while providing a lifeline to callers through our free Prayer service. Simultaneously it is our aim to raise funds and awareness for the national and global work of CBN, ensuring we are able to continue to operate as a charity and ministry from a financial view. From both ministry and fundraising perspective it is our aim to reach all age-groups through our communication methods and promote engagement at different levels. This brings with it a number of challenges such as reaching a younger age group with our programming, and having a presence on distribution platforms to achieve this.

We developed a long term strategy to build continuity for the ministry and reach not only our current audience (45 years and above), but also reach younger generations with the Gospel. We launched CBN's Superbook series in the UK and Europe, broadcasting animated Bible stories to engage families with children with the Gospel. To reach young adults and the age group up to 45 years, we started to create social media content and are developing a format for a UK produced TV show. We are currently in the process of producing material so that we can launch a brand new, home produced TV show to our UK audiences.

We restructured our team and welcomed new employees who are involved in the following areas: Prayer Centre, Donor Development, Social Media, TV Production and Marketing. By carefully investing in new positions that will support our aims we will be able to achieve the objectives better. We also implemented training and coaching for our staff to build better quality control across the board.

The criteria we use to measure success are found in the response to our content on all platforms (which we measure on a daily basis) as well as in fundraising and the number of new donors to CBN's ministry. Using various tools to also measure traffic to our websites, responses to our Prayer Centre and donor engagement, we are able to identify what works best and focus on best practices.

##### **Significant activities**

The objective is achieved by:

Broadcasting the Gospel through TV programmes and online media in the UK, Republic of Ireland, Europe and other parts of the world, providing follow up ministry through our phone Prayer Centre as well as raising funds to benefit our global humanitarian outreach projects (Operation Blessing).

CBN continues to reach viewers in the UK and across Europe, as well as in Australia and New Zealand with daily TV programming, online streaming and social media posts, creating continuous engagement with viewers for ministry and fundraising purposes. The level of engagement enables us to further the aims and objectives to reach people with the Gospel, and raise funds and awareness for our humanitarian projects.

##### **Public benefit**

CBN provides a free prayer service for all members of the public, offering Biblical advice, prayer and information. CBN's websites offer free reading and discipleship materials along with free access to online video content on various platforms, including social media. Our 24/7 IPTV stream is freely accessible, offering news from a Christian perspective, Bible teaching and proclamation of the Gospel to the public.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

##### **Grantmaking policy**

CBN provides grants to organisations that help meet the objectives of CBN's ministry here in the UK, Europe and abroad. A funding application needs to be submitted for review by CBN's trustees before the start of the fiscal year. Any approved grants will be included in CBN's budgets. Any non-budgeted grant requests submitted during the fiscal year have to be approved by the trustees and depend on cash-flow / reserves.

Christian Broadcasting Network (UK)

Report of the Trustees  
for the Year Ended 31 March 2016

**OBJECTIVES AND ACTIVITIES**

**Volunteers**

CBN offers volunteering opportunities in various departments including administration, media and prayer. During the year we have worked with up to 5 volunteers at any given time. We also offered work orientation week placements for secondary school pupils. CBN provides full training to all volunteers and all our volunteers are DSB checked.

## Christian Broadcasting Network (UK)

### Report of the Trustees for the Year Ended 31 March 2016

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

During the year, these were significant highlights:

Our broadcast ministry to the UK and Europe continued with daily programs on the Sky TV platform, providing shows to Christian and Afro-Caribbean channels. We also continued a 24/7 IPTV streaming channel on Roku TV and our website. We continued to air daily on Freeview (TBN UK), giving us a new audience and increased calls to our ministry. We created a new, half hour show for TBN where we edit the daily, 60 minute show down to 30 minutes and insert customised content for our UK viewers.

Our media staff received further training from CBN HQ in the area of production and editing which has resulted in the first content produced from UK and aired on TV and social media.

Superbook, CBN's animated Bible stories, continued to air on UCB TV, TBN UK (Satellite and Freeview). We started the development of Religious Education resources based on Superbook for primary schools with the aim to share the Bible stories with children in KS1 and KS2. A brand new website has launched with the first resources available at [www.superbookschools.org](http://www.superbookschools.org). We also started the work on Superbook Academy, a Bible based resource for Sunday schools.

CBN's prayer line continued to generate an average of 2486 calls per month (29,836 calls during the year), enabling us to share the Gospel and bring hope to thousands of callers. Our prayer line staff also continued to connect with current and new partners who support the ministry. We sent out a total of 56,937 of Reach ministry magazines, sharing proof of performance with our donors.

Our production staff and social media team started to create content to engage a younger demographic with the ministry's aims and objectives, resulting in increased awareness and fundraising.

In addition to its own projects, the charity was able to assist our CBN offices in Germany and Senegal with significant funding to support ministry activities. This funding helped to produce and broadcast TV programmes, operate prayer ministries and reach children through Superbook in German and French language regions.

We continued to support the SEED project in the Ukraine (Something to Eat Every Day) where we work with the local Roma families, teaching them agriculture, safe construction and livelihood projects. This project is now impacting 9 communities, providing hope and a future to hundreds of children and adults in impoverished regions.

Our support to Safe from Slavery has enabled us to bring restoration and hope to women who were rescued from sex trafficking and enabled the organisation to develop training to bring awareness to local authorities, schools and the public.

CBN continued to work with Convoy of Hope to reach out to refugees in areas such as Calais, sharing the Gospel and providing practical relief such as food, poncho's, tents and assistance.

Our support to Sporting Marvels in the Rhonda Valley enabled us to share the Bible stories to children in primary schools during Religious Education lessons.

As a ministry and charity, CBN continues to grow and expand reach which is measured in increased fundraising, better engagement with our callers due to improved training and coaching, and increased online traffic showing an increase in interest and awareness for CBN's ministry.

##### **Key Performance Indicators:**

- Social media performance: our 700 Club Facebook page went from 3387 likes to 4724 likes. Our new CBN FB page went from 127 likes to 628 likes.
- Website and video performance. At the beginning of the year we had 16,622 page views per month on our website at [www.cbneurope.com](http://www.cbneurope.com). At the end of the year we registered 26,679 page views. The unique users went up from 6,422 to 15,027. Our website live stream registered 21,559 views in total. Our Video on Demand online registered 3,513 views. On Facebook we recorded a total of 37,505 video views. On Youtube we recorded a total of 189,472 views or 1,061,982 video minutes spent.
- Number of calls received. In this FY we received 29,836 calls in total versus 17,784 calls in the year before.
- Number of active monthly donors. We started the FY with 2,276 monthly donors and finished the FY with 2,731, resulting in 455 additional monthly donors.

## Christian Broadcasting Network (UK)

### Report of the Trustees for the Year Ended 31 March 2016

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

- Number of people responding to the online Gospel presentation. In the year we registered 39,070 visits to the online Gospel presentation, with 533 viewers responding positively.
- Number of positive responses to the Gospel through our prayer line. In the year we registered 175 people who responded positively.

##### **Significant positive factors that helped us achieve objectives are:**

- the increased airtime we receive on TBN UK (reaching viewers on the Freeview and Satellite platform)
- Improved magazine, sharing proof of performance with our donors, providing a monthly continuous link between donor and charity
- Increased website content including a brand new 'News' section.
- Personalised monthly letter to all our donors to thank for their support, providing a stronger, 2-way relationship between donor and charity
- Excellent stewardship by our staff of our resources, maximising opportunities to connect such as outbound calls to our partners to thank for their support and offer prayer
- Stable value of the £ sterling and Euro, which helps with supporting our overseas offices, maximising the donation value.

##### **Challenging factors that affected the achievement of our objectives:**

- When starting out with media production, developing strategies that are effective and reach our goals, we found ourselves on a steep learning curve which caused a number of adjustments throughout the year. Although part of the learning process, this has been a challenging factor which will bear fruit in the long term.
- Cost of media production equipment is high - which has an impact on our budget in the years to come. At the same time it is hard to find trained and experienced media staff which is a challenge in itself. We are looking to hire a full time TV producer in the next FY to help us with TV production in the long term.

#### **FINANCIAL REVIEW**

##### **Financial position**

The charity was successful in raising donations of £1,094,873 (2015: £944,344) during the fiscal year on which £75,174 (2015: £73,730) of gift aid was also claimed.

The charity maintains a separate bank account for donations designated to our humanitarian work, Operation Blessing. Also a separate account is operated for donations designated to our Orphans Promise projects.

A full audited account of the financial year is conducted by Thorne Widgey.

During the FY, CBN held 3 significant fundraising events that have attracted new donors to the ministry, generating a potential annual value of £126,000 (provided monthly donors continue to give throughout the year).

##### **Factors that are likely to affect future performance are:**

- UK economy (and possibly upcoming Brexit vote)
- Value of the £ sterling (as this affects our funding to overseas offices)
- Introduction of UK produced TV content (increasing donor engagement)

##### **Principal funding sources**

The ministry is primarily funded by voluntary donations of the public as well as legacy gifts.

##### **Reserves policy**

At the year end the charity held total funds of £269,124 (2015: £150,851), of this includes £57,555 (2015: £50,692) of restricted funds. The value of fixed at the year end were £18,575 (2015: £16,070).

Guidelines from the Charity Commission suggest that Charities should hold six months of general running cost in reserves. The charity is working towards these guidelines and holds free reserves at the balance sheet date of £192,944 (2015: £84,088), equivalent to three months (2015: one and a half months) of outgoing resources, excluding donations paid.

## Christian Broadcasting Network (UK)

### Report of the Trustees for the Year Ended 31 March 2016

#### **FUTURE PLANS**

CBN is planning on moving to new, local facilities that will support the ministries' growth. The new facilities will be rented accommodation and should also include a small studio space where we can start production of ministry content for TV and social media.

CBN is developing resources based on the Superbook series for usage in churches and schools named 'Superbook Academy'.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Christian Broadcasting Network (UK) Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 13 June 2002. It is a registered charity with the Charity Commission. There are currently three trustees and no members.

##### **Recruitment and appointment of new trustees**

As set out in the Articles of Association, the charity will be administered by three trustees who will be elected annually by existing trustees of the charity. A review of the serving trustees will be made at the Annual General Meeting.

##### **Organisational structure**

The board of trustees, of which there are three members, holds an annual board meeting to review development, membership, finance and audit.

##### **Induction and training of new trustees**

Present and new trustees are briefed on their legal obligations under charity and company law and receive a copy of the Memorandum and Articles of Association. They are also appraised of the financial performance through a monthly report. Trustees also make timely visits to the offices in Hereford and Standish to oversee the activities. Trustee Peter Darg has daily contact with the Hereford office.

##### **Key management remuneration**

Remuneration of key management staff is set by the trustees, are in line with appropriate pay scales for the non-profit sector and reflect the qualifications, expertise and experience of key management staff.

##### **Related parties**

Ben Edwards is trustee of CBN UK and also sits on the board of Directors of CBN Nigeria and CBN Germany.

Kim Mitchell is trustee of CBN UK and also sits on the board of Directors of CBN Senegal, CBN Nigeria and CBN Germany.

Peter Darg is trustee of CBN UK and is married to Christine Darg who directs Exploits Ministries. Peter Darg is also a trustee of the Revelation Foundation charity.

Allen Carter is prayer centre coordinator for CBN UK and married to Sue Carter who directs Safe from Slavery. Mr Carter is also company secretary for Safe from Slavery.

Mrs Sandra Smith who is also on the board CBN companies in Costa Rica, Germany, Guatemala and South Korea.

Christian Broadcasting Network (UK)

Report of the Trustees  
for the Year Ended 31 March 2016

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

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

The trustees have a risk management strategy:

- contracting with Thorne Widgey Accountants to oversee employment contracts, employee grievance procedures, salaries and legal issues of staff employment
- reviews of all Health and Safety Regulations for Hereford offices and annual inspections of electrical and alarm facilities
- monthly review of financial bank statements and book-keeping by professional accountants outside of auditors Thorne Widgey
- registered with the Data Protection Act and a secure daily backup of all database transactions
- all cheques issued by the charity must be signed by two parties

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
04460911 (England and Wales)

**Registered Charity number**  
1101659

**Registered office**

Suite 4  
Thorpe House  
25 King Street  
Hereford  
HR4 9BX

**Trustees**

Mr P A Darg  
Mr K H Mitchell  
Mr M B Edwards  
Mrs S Smith

Administrator  
Manager  
Vice President - resigned 23.12.15  
Programming Director - appointed 18.1.16

**Company Secretary**

Mr M Dijkens

**Auditors**

Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

**Bankers**

The Royal Bank of Scotland plc  
21 Broad Street  
Hereford  
HR4 9AP



Christian Broadcasting Network (UK)

Report of the Trustees  
for the Year Ended 31 March 2016

**REFERENCE AND ADMINISTRATIVE DETAILS**

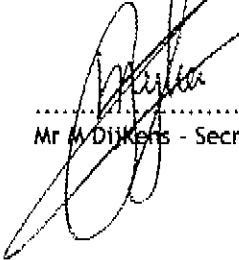
Solicitors  
Harrison Clark Shawcross  
Overross House  
Ross Park  
Ross-on-Wye  
Herefordshire  
HR9 7US

**AUDITORS**

The auditors, Thorne Widgey Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on ..... 14 Nov 2016 ..... and signed on its behalf by:



.....  
Mr W Dijkens - Secretary

Christian Broadcasting Network (UK)

Statement of Trustees Responsibilities  
for the Year Ended 31 March 2016

The trustees (who are also the directors of Christian Broadcasting Network (UK) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of 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 those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the trustees are aware:

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

Report of the Independent Auditors to the Members of  
Christian Broadcasting Network (UK)

We have audited the financial statements of Christian Broadcasting Network (UK) for the year ended 31 March 2016 on pages eleven to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 19 to the financial statements

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 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.

**Opinion on other matter prescribed by the Companies Act 2006**

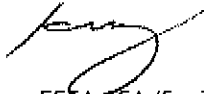
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of  
Christian Broadcasting Network (UK)

**Matters on which we are required to report by exception**

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

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



Kevin Tong FCCA ACA (Senior Statutory Auditor)  
for and on behalf of Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: ..... 14/11/16 .....

Christian Broadcasting Network (UK)

Statement of Financial Activities  
for the Year Ended 31 March 2016

	Notes	Unrestricted fund £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	1,143,762	97,177	1,240,939	1,040,318
Other trading activities	3	3,698	-	3,698	-
Investment income	4	26	22	48	41
<b>Total</b>		<b>1,147,486</b>	<b>97,199</b>	<b>1,244,685</b>	<b>1,040,359</b>
<b>EXPENDITURE ON</b>					
Charitable activities	5				
Humanitarian Aid and Promotion of Christian Religion		1,036,075	90,337	1,126,412	1,071,889
<b>NET INCOME/(EXPENDITURE)</b>		<b>111,411</b>	<b>6,862</b>	<b>118,273</b>	<b>(31,530)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		100,159	50,692	150,851	182,381
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>211,570</b>	<b>57,554</b>	<b>269,124</b>	<b>150,851</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

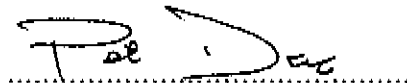
Christian Broadcasting Network (UK) (Registered number: 04460911)

Balance Sheet  
At 31 March 2016

	Notes	Unrestricted fund £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	18,576	-	18,576	16,071
<b>CURRENT ASSETS</b>					
Debtors	14	39,640	-	39,640	58,124
Cash at bank and in hand		174,222	57,555	231,777	98,216
		<u>213,862</u>	<u>57,555</u>	<u>271,417</u>	<u>156,340</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(20,869)	-	(20,869)	(21,560)
<b>NET CURRENT ASSETS</b>		<u>192,993</u>	<u>57,555</u>	<u>250,548</u>	<u>134,780</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>211,569</u>	<u>57,555</u>	<u>269,124</u>	<u>150,851</u>
<b>NET ASSETS</b>		<u>211,569</u>	<u>57,555</u>	<u>269,124</u>	<u>150,851</u>
<b>FUNDS</b>					
Unrestricted funds	17			211,569	100,159
Restricted funds				57,555	50,692
<b>TOTAL FUNDS</b>				<u>269,124</u>	<u>150,851</u>

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

The financial statements were approved by the Board of Trustees on 14 NOV 2016 and were signed on its behalf by:

  
.....  
Mr P A Darg -Trustee

Christian Broadcasting Network (UK)

Cash Flow Statement  
for the Year Ended 31 March 2016

	Notes	31.3.16 £	31.3.15 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	145,533	7,187
<b>Net cash provided by (used in) operating activities</b>		<u>145,533</u>	<u>7,187</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(12,020)	(9,309)
Sale of tangible fixed assets		-	225
Interest received		48	41
<b>Net cash provided by (used in) investing activities</b>		<u>(11,972)</u>	<u>(9,043)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>133,561</u>	<u>(1,856)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>98,216</u>	<u>100,072</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>231,777</u>	<u>98,216</u>

Christian Broadcasting Network (UK)

Notes to the Cash Flow Statement  
for the Year Ended 31 March 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.16	31.3.15
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	118,273	(31,530)
Adjustments for:		
Depreciation charges	8,049	6,970
Loss on disposal of fixed assets	1,465	1,478
Interest received	(48)	(41)
Decrease in debtors	18,485	25,532
(Decrease)/increase in creditors	(691)	4,778
Net cash provided by (used in) operating activities	<u>145,533</u>	<u>7,187</u>



**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures & Fittings	- 20% or 33% reducing balance
Computer Equipment	- 20% or 33% reducing balance

**Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**Bank**

Cash at bank and cash 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.

**Liabilities**

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

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

1. ACCOUNTING POLICIES - continued

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

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

2. DONATIONS AND LEGACIES

	31.3.16	31.3.15
	£	£
Donations	1,094,873	944,344
Gift aid	146,066	73,730
Legacies	-	22,244
	<u>1,240,939</u>	<u>1,040,318</u>

3. OTHER TRADING ACTIVITIES

	31.3.16	31.3.15
	£	£
Exchange gains	<u>3,698</u>	<u>-</u>

4. INVESTMENT INCOME

	31.3.16	31.3.15
	£	£
Deposit account interest	<u>48</u>	<u>41</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6)	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Humanitarian Aid and Promotion of Christian Religion	<u>766,249</u>	<u>353,311</u>	<u>6,852</u>	<u>1,126,412</u>

Christian Broadcasting Network (UK)

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

**6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	31.3.16	31.3.15
	£	£
Staff costs	403,286	333,170
Hire of equipment	768	193
Rent re: Licences & other	24,486	28,741
Rates	5,357	6,803
Insurance	2,915	5,720
Light and heat	5,450	6,259
Telephone	19,394	20,340
Postage and stationery	65,764	53,984
Production & satellite fees	28,674	40,828
Sundries	1,392	636
Office expenses and repairs	55,922	45,803
Repairs and maintenance	3,567	1,270
Cast and talent fees	6,080	6,676
Bank charges	20,446	18,074
Exchange losses	-	586
Travelling	36,444	29,042
Contract labour	33,160	43,977
Professional fees	43,631	27,804
Depreciation	8,048	6,970
Loss on sale of assets	1,465	1,479
	<u>766,249</u>	<u>678,355</u>

**7. GRANTS PAYABLE**

	31.3.16	31.3.15
	£	£
Humanitarian Aid and Promotion of Christian Religion	<u>353,311</u>	<u>386,551</u>

The total grants paid to institutions during the year was as follows:

	31.3.16	31.3.15
	£	£
World Reach - Senegal	90,833	117,760
World Reach - Nigeria	-	78,855
World Reach - Germany	198,164	120,420
Challenge Community Church	500	6,000
Safe from Slavery	7,784	8,419
Hereford Street Pastors	-	6,000
Abraham's Oasis	-	6,514
Operation Blessing USA	-	5,520
Other donations under £5,000	27,349	37,063
Convoy of Hope	5,081	-
Sporting Marvels	5,000	-
Christian Broadcasting Network (USA)	18,600	-
	<u>353,311</u>	<u>386,551</u>

Grants to institutions represent financial assistance for the institutions to pursue their charitable objects and activities.

Christian Broadcasting Network (UK)

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

8. SUPPORT COSTS

	Governance costs £
Humanitarian Aid and Promotion of Christian Religion	6,852

9. NET INCOME/(EXPENDITURE)

Net resources are stated after charging / (crediting):

	31.3.16	31.3.15
	£	£
Auditors' remuneration	6,852	6,983
Depreciation - owned assets	8,048	8,538
Operating leases	35,861	38,308
Deficit on disposal of fixed asset	1,465	1,479
Foreign (gains) / losses	(3,698)	586

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

Trustees' expenses

One trustee was reimbursed £7,097 (2015: £24,816) for the uses of a personal bank card to pay for expenses relating to the charity.

11. STAFF COSTS

	31.3.16	31.3.15
	£	£
Wages and salaries	376,415	311,284
Social security costs	26,871	21,886
	<u>403,286</u>	<u>333,170</u>

The average monthly number of employees during the year was as follows:

	31.3.16	31.3.15
	<u>23</u>	<u>18</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the Trustees, the UK office director and the UK office manager. The total employee benefits of the key management personnel of the Trust were £82,253 (2015: £74,449). Trustees are not remunerated for their role.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	935,264	105,054	1,040,318
Investment income	23	18	41
<b>Total</b>	<b>935,287</b>	<b>105,072</b>	<b>1,040,359</b>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Humanitarian Aid and Promotion of Christian Religion	962,806	109,083	1,071,889
<b>Total</b>	<b>962,806</b>	<b>109,083</b>	<b>1,071,889</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(27,519)</b>	<b>(4,011)</b>	<b>(31,530)</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	127,677	54,704	182,381
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>100,158</b>	<b>50,693</b>	<b>150,851</b>

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2015	4,886	64,627	69,513
Additions	-	12,020	12,020
Disposals	-	(3,249)	(3,249)
At 31 March 2016	<u>4,886</u>	<u>73,398</u>	<u>78,284</u>
<b>DEPRECIATION</b>			
At 1 April 2015	2,710	50,732	53,442
Charge for year	436	7,613	8,049
Eliminated on disposal	-	(1,783)	(1,783)
At 31 March 2016	<u>3,146</u>	<u>56,562</u>	<u>59,708</u>
<b>NET BOOK VALUE</b>			
At 31 March 2016	<u>1,740</u>	<u>16,836</u>	<u>18,576</u>
At 31 March 2015	<u>2,176</u>	<u>13,895</u>	<u>16,071</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Other debtors	29,324	49,765
Prepayments and accrued income	10,316	8,359
	<u>39,640</u>	<u>58,124</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Trade creditors	6,415	7,549
Social security and other taxes	7,890	7,222
Other creditors	-	429
Accruals and deferred income	6,564	6,360
	<u>20,869</u>	<u>21,560</u>

16. OPERATING LEASE COMMITMENTS

Total minimum lease payments are due to be paid as follows:

	Land and buildings		Other operating leases	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Expiring:				
Within one year	32,637	32,637	2,927	3,223
Between one and five years	95,192	127,829	943	3,870
	<u>127,829</u>	<u>160,466</u>	<u>3,870</u>	<u>7,093</u>

17. MOVEMENT IN FUNDS

	At 1.4.15	Net movement in funds	At 31.3.16
	£	£	£
<b>Unrestricted funds</b>			
General fund	100,159	111,410	211,569
<b>Restricted funds</b>			
Restricted fund - Operation Blessing	35,056	(8,995)	26,061
Restricted fund - Orphans Promise	15,636	15,858	31,494
	<u>50,692</u>	<u>6,863</u>	<u>57,555</u>
<b>TOTAL FUNDS</b>	<u>150,851</u>	<u>118,273</u>	<u>269,124</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,147,486	(1,036,076)	111,410
<b>Restricted funds</b>			
Restricted fund - Operation Blessing	41,518	(50,513)	(8,995)
Restricted fund - Orphans Promise	55,681	(39,823)	15,858
	97,199	(90,336)	6,863
<b>TOTAL FUNDS</b>	<b>1,244,685</b>	<b>(1,126,412)</b>	<b>118,273</b>

**OPERATION BLESSING**

Operation Blessing provides humanitarian relief to people affected by disaster and poverty all over the World. It also provides financial support to individuals or organisations engaged in religious, educational and other charitable work. Operation Blessing relies almost entirely on charitable contributions from the private and public sector.

**ORPHANS PROMISE**

Orphans Promise provides orphan care and relief to vulnerable women and families in over 50 countries around the world. Founded by Terry Meeuwssen, co-host of CBN's flagship programme 'The 700 Club', Orphans Promise is providing shelter, education, medical relief and work opportunities to see children move from at risk to thriving. Orphans Promise is mainly depending on charitable contributions from the private and public sector. The SEED project (Something to Eat Every Day) in the Ukraine is funded from Orphans Promise charitable income.

18. RELATED PARTY DISCLOSURES

During the year to 31 March 2016, expenditure of £Nil (2015: £100) and income of £Nil (2015: £300) was received from Exploits Ministry a company in which the wife of Mr P Darg, trustee, is Company Secretary. There were no amounts outstanding at the year end (2015: £Nil).

During the year to 31 March 2016, income of £Nil (2015: £1,200) was received from Revelation Foundation a charity which the trustee Mr P Darg is also a trustee of. There were no amounts outstanding at the year end (2015: £Nil).

During the year to 31 March 2016, grants of £7,784 (2015: £8,419) were made to Safe for Slavery Ltd, a company in which the wife of Mr A Carter, Office Manager, is Company Secretary. There were no amounts outstanding at the year end (2015: £Nil).

During the year to 31 March 2016, the company made charitable contributions to CBN Germany, amounting to £198,164 (2015: £127,348), in which B Edwards and K Mitchell are also Trustees. There were no amounts outstanding at the year end (2015: £Nil).

During the year to 31 March 2016, the company made charitable contributions to CBN Nigeria, amounting to £Nil (2015: £78,854), in which B Edwards and K Mitchell are also Trustees. There were no amounts outstanding at the year end (2015: £Nil).

During the year to 31 March 2016, the company made charitable contributions to CBN Senegal, amounting to £90,833 (2015: £117,759), in which K Mitchell is also a Trustee. There were no amounts outstanding at the year end (2015: £Nil).

**19. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

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

**20. ULTIMATE CONTROLLING PARTY**

The company is jointly controlled by the Trustees.

**21. FIRST YEAR ADOPTION**

**Transitional relief**

The trustee's of CBN have completed an exercise of reviewing the fixed asset register. It was noticed that one recorded at 31 March 2015 had actually been donated to another organisation. An adjustment has been made accordingly to correct the closing position at 31 March 2015.



Christian Broadcasting Network (UK)

Reconciliation of Income and Expenditure  
for the Year Ended 31 March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies		1,040,318	-	1,040,318
Investment income		41	-	41
<b>Total</b>		<u>1,040,359</u>	<u>-</u>	<u>1,040,359</u>
<b>EXPENDITURE ON</b>				
Charitable activities		1,061,724	10,165	1,071,889
OBSOLETE Governance costs		6,983	(6,983)	-
<b>NET INCOME/(EXPENDITURE)</b>		<u>(28,348)</u>	<u>(3,182)</u>	<u>(31,530)</u>

Christian Broadcasting Network (UK)

Reconciliation of Funds

At 1 April 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		15,435	-	15,435
		<u>15,435</u>	<u>-</u>	<u>15,435</u>
<b>CURRENT ASSETS</b>				
Debtors		83,656	-	83,656
Cash at bank and in hand		100,072	-	100,072
		<u>183,728</u>	<u>-</u>	<u>183,728</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(16,782)	-	(16,782)
		<u>166,946</u>	<u>-</u>	<u>166,946</u>
<b>NET CURRENT ASSETS</b>				
		<u>166,946</u>	<u>-</u>	<u>166,946</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		<u>182,381</u>	<u>-</u>	<u>182,381</u>
		<u>182,381</u>	<u>-</u>	<u>182,381</u>
<b>FUNDS</b>				
Unrestricted funds		127,677	-	127,677
Restricted funds		54,704	-	54,704
		<u>182,381</u>	<u>-</u>	<u>182,381</u>
<b>TOTAL FUNDS</b>				
		<u>182,381</u>	<u>-</u>	<u>182,381</u>

Christian Broadcasting Network (UK)

Reconciliation of Funds  
At 31 March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		19,253	(3,182)	16,071
<b>CURRENT ASSETS</b>				
Debtors		58,124	-	58,124
Cash at bank and in hand		98,216	-	98,216
		<u>156,340</u>	-	<u>156,340</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(21,560)	-	(21,560)
<b>NET CURRENT ASSETS</b>		<u>134,780</u>	-	<u>134,780</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>154,033</u>	<u>(3,182)</u>	<u>150,851</u>
<b>NET ASSETS</b>		<u>154,033</u>	<u>(3,182)</u>	<u>150,851</u>
<b>FUNDS</b>				
Unrestricted funds		103,341	(3,182)	100,159
Restricted funds		50,692	-	50,692
<b>TOTAL FUNDS</b>		<u>154,033</u>	<u>(3,182)</u>	<u>150,851</u>

Christian Broadcasting Network (UK)

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2016

	31.3.16	31.3.15
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	1,094,873	944,344
Gift aid	146,066	73,730
Legacies	-	22,244
	<hr/>	<hr/>
	1,240,939	1,040,318
<b>Other trading activities</b>		
Exchange gains	3,698	-
<b>Investment income</b>		
Deposit account interest	48	41
	<hr/>	<hr/>
<b>Total incoming resources</b>	1,244,685	1,040,359
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages and salaries	376,415	311,284
National insurance contributions	26,871	21,886
Hire of equipment	768	193
Rent re: Licences & other	24,486	28,741
Rates	5,357	6,803
Insurance	2,915	5,720
Light and heat	5,450	6,259
Telephone	19,394	20,340
Postage and stationery	65,764	53,984
Production & satellite fees	28,674	40,828
Sundries	1,392	636
Office expenses and repairs	55,922	45,803
Repairs and maintenance	3,567	1,270
Cast and talent fees	6,080	6,676
Bank charges	20,446	18,074
Exchange losses	-	586
Travelling	36,444	29,042
Contract labour	33,160	43,977
Professional fees	43,631	27,804
Fixtures and fittings	435	492
Computer equipment	7,613	6,478
Loss on sale of tangible fixed assets	1,465	1,479
Grants to institutions	353,311	386,551
	<hr/>	<hr/>
	1,119,560	1,064,906
<b>Support costs</b>		
<b>Governance costs</b>		
Auditors' remuneration	6,852	6,983
	<hr/>	<hr/>
<b>Total resources expended</b>	1,126,412	1,071,889

This page does not form part of the statutory financial statements

Christian Broadcasting Network (UK)

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2016

	31.3.16 £	31.3.15 £
<b>Net income/(expenditure)</b>	<u>118,273</u>	<u>(31,530)</u>

