

Annual Report and Accounts

For the year ended 31 December 2016

Registered Charity No. 1102593

Registered Company No. 5021052

Trustees' Annual Report for year ended 31 December 2016

Constitution

Naval Military & Air Force Bible Society was founded in 1779 and established on 20 January 2004 as a company limited by guarantee (No. 5021052) and a registered charity (No. 1102593) governed by its memorandum and articles of association.

Directors and trustees

The directors of the charitable company ("the Society") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees:

Colonel J Lewis (Chair until 25 February 2016)

Squadron Leader (retired) R A Gallagher MBE RAF (Chair from 25 February 2016)

Mr M Wilson (until 25 February 2016)

The Revd J Pitkin Squadron Leader (retired)

Mr D G Vincent (from 25 February 2016)

The Revd D C Weaver CF (from 25 February 2016)

The Revd S P Springett RN (from 16 May 2016)

Mr J H Budd (from 16 May 2016)

Dr P A Lucas (from 6 October 2016)

Society director and company secretary:

Lieutenant Commander M N Thomas RN

Administrative secretary:

Mr D Donald

Registered office:

Castaway House, 311 Twyford Avenue, Portsmouth PO2 8RN

Independent Examiner:

McKrill & Co, 26 Leverton Avenue, Felpham, West Sussex PO22 7RA

Bankers:

Barclays Bank PLC, Portsmouth, North End Branch

Trustees' Annual Report for year ended 31 December 2016 (Continued)

Aim and purposes

The Society's aim and objectives, as set out in the Company's Memorandum of Association, are:

To advance the Christian religion by distributing, either free of charge, or by sale, copies of the Bible, New Testaments and Psalms and Christian resources to the United Kingdom armed forces personnel and their associates, to the forces of the Commonwealth and other nations, merchant seafarers, United Kingdom police, fire and rescue services and others.

Public Benefit

The Society's beneficiaries are limited to armed forces personnel and their associates and merchant seafarers in whatever geographical area they may be serving. Though our literature is tailored to meet the needs of our beneficiaries, we do not restrict its provision to individuals who are in those categories; neither do we restrict it to those who can afford to donate towards its cost.

The Society's literature addresses the needs of armed forces' personnel and their families faced with bereavement and the effects of combat stress and separation, and merchant seafarers and their families in the current climate of job insecurity, piracy, hostage taking and isolation. It is mainly ordered and distributed through military chaplains and merchant seafarers' missions. It aids the building of good character, education in moral and ethical values and giving spiritual guidance for those of the Christian faith.

The Charity Commission's guidance and principles on public benefit are also reflected in both the planned objectives and the year's activities.

Trustees' Annual Report for year ended 31 December 2016 (continued)

Planned activities for 2016

The following planned activities were agreed for 2016, with core business to remain the distribution of Bibles and New Testaments with useful helps and relevant cover designs for service personnel and merchant seafarers and cadets:

- To reprint 300 copies of “In touch at sea”
- To reprint 1500 copies of “Core values”
- To reprint 870 copies of “The gift of God” (Ang Kaloob)(Tagalog)
- To reprint 2,000 copies of “You are not alone”
- To print 545 copies of “New Testaments and Psalms – Army Cadet Force – NIV” [657]
- To print 765 copies of “New Testaments and Psalms – Army – NIV” [2810]
- To print 515 copies of “New Testaments and Psalms – Badgeless – NIV” [0]
- To print 270 copies of “New Testaments and Psalms – Air Training Corps – NIV” [700]
- To print 330 copies of “New Testaments and Psalms – Parachute Regiment – NIV” [0]
- To print 265 copies of “New Testaments and Psalms – Royal Navy / Sea Cadet Corps – NIV” [720]
- To print 870 copies of “Bibles MTP SB NIV” [2000]
- To print 1,215 copies of “Bibles Seafarers SB NIV” [865]
- Local purchase of pew Bibles in English and foreign languages as required
- Die stamping Presentation Bibles as required

Review of Activities to further the charitable purpose

- Introduction of “Uncover John” [10]
- Introduction of “Cadet’s Prayer Book” [11]
- Introduction of “Inner struggles” [1000]
- Print 1,000 copies of Prayer Cards for the Sea Cadets Corps [500]
- Reprint 1,000 copies of “God’s compass” [1000]
- Reprint 1,000 copies of “MCOs booklet” [1000]
- Reprint 1,000 copies of “Away from home” (Tagalog) [3000]
- Gain licence approval to reprint “Christian?”

Main expenditure on publications in 2016:

- New Testaments and Psalms NIV editions for 16 Air Assault Brigade, ACF, Army, ATC, Parachute Regiment, RAF, RN/SCC (£22738)
- MTP SB Bibles NIV (£9000)
- Seafarers soft back Bibles NIV (£3270) and
- Seafarers soft back New Testament (Tagalog/English) (£1285).

[Numbers actually printed]

Trustees' Annual Report for year ended 31 December 2016 (continued)

Governance

A Board of Trustees, comprising officers representing the three armed forces, military cadet forces and merchant seafarer missions, governs the Society, with advice from serving chaplains to Her Majesty's Forces. The Board meets every four months. An executive director, appointed by the trustees, manages day-to-day activities, assisted by an administrative secretary.

Risk Management

In line with recommended practice, the Board regularly reviews the financial and operational risks to which it may be exposed. The trustees are satisfied that systems are in place to mitigate risk and take action to alleviate such risks where necessary.

Finances

There was a 18% increase in income in 2016 and stock value at year end was up by 22.5%. The Society is dependent for funding on a variety of sources: incoming grants, interest on bank balances, legacies and donations from individuals, churches and Trusts.

Reserves Policy

The Society's policy is to keep reserves to a minimum. Nonetheless, it recognizes the need to have an operating balance sufficient to cover operating costs for one year and aims to maintain a reserve fund of £52,500. The target reserve for 2017 was set at £50,000 in recognition of a shortage of funds at the time that the budget was set, in October 2016, but year end balances have improved significantly.

Trustees' Annual Report for year ended 31 December 2016 (continued)

Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention in accordance with the Statement of Recommended Practice – Accounting and Reporting by the Charities Act 2011 and other appropriate accounting standards.

Incoming resources

Donations and legacies

All income from donations and legacies is accounted for on an accruals basis. This policy is applied to legacy income where the amounts and timing of receipts can be accurately ascertained. Tax credits on Gift Aid donations and on income from legacies have also been recorded on an accruals basis.

Resources expended

Charitable activities

In accordance with the primary objective of the Society, printing and distribution costs are written off to revenue when incurred. These costs represent the direct cost of the Society's charitable activities.

Administration expenses

These are the costs incurred in the management, finance and general administration of the Society's activities. It is not meaningful to apportion these costs by activity, which is a general requirement of SORP 2005, as the Trust has only one principal activity.

Stocks and work in progress

Substantial stocks were on hand as at 31 December 2016, the cost of which, as ascertained by the directors, was £89,045. However, in line with the policy stated above, this amount has not been included in the accounts.

Management & administration costs

These are the costs incurred other than in day-to-day administration of the Society such as legal fees and the fees of the independent examination.

Trustees' Annual Report for year ended 31 December 2016 (continued)

Trustees responsibilities in relation to financial statements

a) For the period ended 31st December 2016, the company was entitled to exemption under section 249A (2).

b) Trustees have not required the company to obtain an audit in accordance with section 249B (2).

c) The trustees acknowledge their responsibility for:

- i) ensuring the company keeps accounting records which comply with section 221 and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss at the end of the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

(d) The accounts have been prepared in accordance with the special provisions of the Companies Act 1985 relating to small companies.

In doing so, the trustees have:

- Selected suitable accounting policies and then applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Prepared financial statements on the going concern basis, it being appropriate to presume that the charity will continue in business;
- Exercised their responsibility for maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006.
- The trustees have also safeguarded the assets of the charity and taken reasonable steps for the prevention of fraud and other irregularities.

The trustees gave their time voluntarily and received no benefit from the charity.

By order of the trustees,

Paddy Gallagher MBE FRGS

Squadron Leader RAF (Retd)

Chairman

10 February 2017

Trustees' Annual Report for year ended 31 December 2016 (continued)

Statement of Financial Activities

	Year ended 31 December 2016		Year ended 31 December 2015	
	£	£	£	£
Incoming Resources				
Donations				
Donors - Regular	11,939		9,652	
Donors - Non-Regular	<u>20,284</u>	32,223	<u>22,361</u>	32,014
Gift Aid Tax Refund		2,481		926
Donations				
MOD	14,867		44,757	
Non-MOD	<u>15,969</u>	30,836	<u>12,471</u>	57,228
Total Donations		65,540		90,168
Trusts & Legacies		55,100		15,850
Other Gifts		9,200		3,986
Interest Receivable		<u>6</u>		<u>122</u>
Total Incoming Resources		<u>£129,846</u>		<u>£110,126</u>
Resources Expended				
Charitable Expenditure				
Distribution Costs				
Purchase of Literature	16,815		80,924	
Storage & Distribution	<u>20,077</u>	36,892	<u>26,204</u>	107,128
Salaries & Pension		36,651		35,534
Travel		946		2,285
Insurance		623		483
Administration Expenses				
Rent and Service Charges	2,149		2,136	
IT Costs	260		115	
Office Expenses	20		262	
Stationery	456		361	
Telephone	614		762	
Postage	486		1,233	

Trustees' Annual Report for year ended 31 December 2016 (continued)

Statement of Financial Activities (continued)

	Year ended 31 December 2016		Year ended 31 December 2015	
Refresh & Entertain	161		54	
Website	72		72	
Other Expenses	732		1,004	
Depreciation	<u>71</u>	5,021	<u>184</u>	6,183
Management & Administration Costs				
Legal fees	13		13	
Accountancy	575		605	
Audit Fees	300	888	<u>240</u>	858
Total Resources Expended		<u>£81,022</u>		<u>£152,471</u>
Net Incoming Resources		£48,824		(42,345)
Total Funds Brought Forward		24,230		66,575
Total Funds Carried Forward		<u><u>73,054</u></u>		<u><u>£24,230</u></u>

Trustees' Annual Report for year ended 31 December 2016 (continued)

Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised.

All furniture and equipment is held as operating assets.

Depreciation is provided for at the following annual rates on a straight-line basis:

- Furniture and equipment between 10% and 20%
- Computers 33%

Naval Military & Air Force Bible Society Balance Sheet as at 31 December 2016

	31 December 2016		31 December 2015	
	£	£	£	£
Fixed assets				
Furniture and equipment: cost	4,130		3,730	
:depreciation	<u>3,726</u>	404	<u>3,726</u>	4
Current assets				
Debtors and prepayments	692		6,937	
Bank accounts	76,826		18,541	
Petty cash	<u>84</u>		<u>67</u>	
	77,602		25,545	
less: Current liabilities				
Creditors and accrued charges	<u>4,952</u>	<u>72,650</u>	<u>1,319</u>	<u>24,226</u>
		<u>£73,054</u>		<u>£24,230</u>
General Fund		<u>73,054</u>		<u>24,230</u>
		<u>£73,054</u>		<u>£24,230</u>

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

I report on the accounts of the company for the year ended 31st December 2016, which are set out on pages 8 to 10.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. I am qualified to undertake the examination being a member of the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes a consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - a. to keep accounting records in accordance with section 386 of the Companies Act 2006 and;
 - b. to prepare accounts which accord with the accounting records, comply with the accounting requirement of section 396 of the Companies Act 2006 and with methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (Revised 2005)

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M. P. McKrill F.C.C.A
McKrill & Co
Chartered Certified Accountants
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Felpham
West Sussex
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