

**TRUSTEES REPORT AND INDEPENDENTLY EXAMINED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER 2016



**RE-ESE ADBARAT ST. MARY OF DEBRE TSION ETHIOPIAN ORTHODOX
TEWAHEDO CHURCH LONDON**

CHARITY NUMBER 1060394

ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

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ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Report of the Trustees For the year ended 31 December 2016

The Trustees have pleasure in presenting their report and the financial statements for the Charitable Trust for the year ended 31 December 2016.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity registration number	1060394
Principal address	PO Box 42200 Queenstown Road London SW8 3WN
Trustees	Archmandrite Aba Girma Kebede Rev Dawit Abebe Worku Rev Abate Gobena Archdeacon Dawit Woldetsadik Senior Choir Mrs Bethlehem Tadesse Mr Nigussie Assress Mr Fasiel Bekle Mr Henok Gebremichael Mr Aschalew Kebede
Independent examiners	Emmanuel Mensah FMAAT MBA (Finance) 204 Baker Street Suite 130 London EN1 3JY
Bankers	NatWest Bank Plc 12 The High Street Notting Hill Gate London W11 3HZ



ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Report of the Trustees Continued For the year ended 31 December 2016

STRUCTRE, GOVERNANCE AND MANAGEMENT:

GOVERING DOCUMENTS

The charitable Trust is governed by the governing document; a Trust Deed signed on 11 June 1992 and constitutes unincorporated Charitable Trust of Ecclesiastical/Canonical Charitable Trust.

Risk Management

The Charitable Trust's Trustees have a duty to identify and review the risk to which the Ecclesiastical/Canonical Charity of the Ethiopian Orthodox Tewahedo Church is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have set aside fund to cover core expenditure of the Trust in the event of unforeseen circumstances that will put the day to day operation at risk. The reserve represents a balance up to twelve months of core expenditures.

The Trust has an appropriate insurance coverage and maintenance plan for its Church and Vicarage buildings.

RESPONSIBLITEIS OF THE TRUSTEES

The Charitable Trust's Trustees are responsible for preparing the charitable Trust Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (Charities SORP) and in line with the canonical laws of the Ethiopian Orthodox Tewahedo Church under the jurisdiction of the mother Church in Ethiopia.

The law applicable to Charitable Trust of Ecclesiastical/Canonical Charity in England and Wales requires the Charitable Trust Trustees' to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Trust and of the incoming resources and application of resources of the Ecclesiastical/Canonical Charity for that period.

In preparing these financial statements the Charitable Trust's Trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP;

Make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Statements comply with the charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. The Charitable Trust Trustees are also responsible for safeguarding the assets of the Ethiopian Orthodox Tewahedo Church Saint Mary London Debre Tsion, operating in the UK under the jurisdiction of the Mother Church in Ethiopia trusted to Ecclesiastical/Canonical Charitable Trustees and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities against the Charitable Trust.

OBJECTIVES AND ACTIVITIES

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

- ❖ Preaching the Gospel of the Lord Jesus Christ and providing spiritual services in accordance with the faith and order of the Ethiopian Orthodox Tewahedo Church in London & Home Counties under the jurisdiction of the Mother Church in Ethiopia.
- ❖ Providing pastoral counselling and encouragement to the community
- ❖ Teaching the young religious and ethical education
- ❖ Promoting understanding and harmony within the society in general



ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Report of the Trustees Continued For the year ended 31 December 2016

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

ACHIEVEMENTS AND PERFORMANCE

The Church has continued providing access to its services to all parishioners for a peaceful worship according to the Canonical law of the Ethiopian Orthodox Church and the Trustees have ensured the Church has delivered its objects proportionately and peacefully to the congregation during the year despite various challenges.

The Church invited Archbishops and Gospel preachers from the mother Church (the Holy Synod, Addis Ababa Ethiopia) to meet the spiritual demand of the parishioners, to promote peace, love and reconciliations among the parishioners and to review and deal with the on-going challenge facing the Church.

The Archbishops have led multiple spiritual events during their stay where all parishioners under the Diocese have attended and received blessings and teachings of the Gospel.

The Trustees have successfully addressed the historic compliance issue of filing Accounts late to the Charity Commission due to various reasons caused primarily by voluntary professionals responsible for the Financial Reporting in the previous years.

The Trustees are working closely with different expertise (Internal Audit, Property Custodian, Health & Safety and others) and maintaining regular monitoring and control over their work and setting benchmarks for performance review.

The Trustees are committed to ensuring regulatory compliances are met by filing accounts and returns within the statutory filing period and monitoring the operation of effective financial and operational controls.

The Trustees have successfully achieved the timetable set to file Accounts and Return shortly after the year end and we are committed to maintaining the improved compliance history of the Trust.

PLANS FOR THE COMING YEARS

Charitable Trust's Trustees have the following plans for the coming years:

- ❖ To continue delivering the Charitable objects of the Trust to the Congregation and ensuring the sustainability of the Trust by advancing the best interest of the Trust's objects and engaging with Congregations for service improvements.
- ❖ To continue the improvement plan in place for transparent and timely Financial Reporting and effective control systems.
- ❖ To increase the number of the Congregation and facilitate mechanisms in advancing the unity, harmony and peace within the parishioners by rectifying challenges and problems.
- ❖ Maintain the Churchyard and refurbish the Church premises.
- ❖ To finalise the ongoing Court case and to bring unity, reconciliation and maintain the continuity of unified congregation and service.
- ❖ On successful completion of both the peaceful reconciliation and Court case on the on-going dispute, the Trustees are committed to conducting an orderly and inclusive election of new Trustees who can serve the congregation in accordance with the objectives of the Trust Deed 1992 under the tenets of the Ethiopian Orthodox Tewahedo Church.

VOLUNTARY SERVICES

As in the previous year the Trust has continued receiving voluntary services from various volunteers on a range of areas and expertise which had paramount importance for the delivery of its services and achievements made during the year under Examination. The Trustees are very grateful for all the volunteers who have served the Trust and we believe the invaluable contribution of volunteers will continue in the years to come.



ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Report of the Trustees Continued
For the year ended 31 December 2016

FINANCIAL REVIEW

The main source of income during the year was voluntary collection from weekly Church Service and religious events organised following Ecclesiastical Calendar. Resources expended during the year were spent wholly and exclusively on the provision of religious services and maintenance of its assets and property. The Trustees are committed to raising more funds in the years to come by organizing religious events and by setting targets for various stream of incoming resources.

There has been magnificent support from volunteers of the Church congregation in raising funds to help finance the on-going legal case.

It was reported in the previous year that the Trustees instructed NatWest Bank to restrict payments from the accounts due to an attempt by unauthorised individuals to alter the mandate and took a legal action & communicated the matter to the Regulator. The balances in the accounts have been paid out to meet a legal claim as instructed by the Court in 2016.

Approved by the Trustees on behalf of the Trust by:

Name: Rev. Dawit Worku

Signature: [Signature]

Date: 10/Feb/17

Name: Reverend Abate GOBENA

Signature: [Signature]

Date: 10/02/2017



ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Independent Examiners Report to the Trustees For the year ended 31 December 2016

I report on the accounts of the Charitable Trust for the year ended 31 December 2016, which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The Charitable Trust's Trustees are responsible for the preparation of the accounts. The Charitable Trust's 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 required.

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 Charitable Trust and a comparison of the accounts presented with those records. It also includes 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:

- to keep accounting records in accordance with Section 130 of the Charities Act; and
- to prepare accounts which accord with the accounting records and comply with the Charities Act

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.



Emmanuel Mensah FMAAT MBA

204 Baker Street
Suite 130
London
EN1 3JY



13/02/2017

ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Statement of Financial Activities For the year ended 31 December 2016

	Notes	Unrestricted funds	Restricted funds	2016	2015
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	41,688	-	41,688	59,112
Charitable activities	3	2,405	-	2,405	2,184
Other trading activities	4	1,455	-	1,455	2,728
Other income		-	80,488	80,488	80,401
Total		45,548	80,488	126,036	144,425
Expenditure on:					
Charitable activities	5/6/7	(42,396)	(101,271)	(143,667)	(139,642)
Other expenditure		(6,378)	(97,610)	(103,988)	(6,372)
Total		(48,774)	(198,881)	(247,655)	(146,014)
Net expenditure		(3,226)	(118,393)	(121,619)	(1,589)
Reconciliation of funds					
Total funds brought forward		133,817	1,835,665	1,969,482	1,971,070
Total funds carried forward		130,591	1,717,272	1,847,863	1,969,481



ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Balance Sheet As at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	1,826,825	1,830,147
		<u>1,826,825</u>	<u>1,830,147</u>
Current assets			
Stocks	12	14,950	14,950
Debtors	13	-	2,450
Cash at bank and in hand		106,165	151,025
		<u>121,115</u>	<u>168,425</u>
Creditors: Amounts falling due within one year	14	(57,056)	(1,320)
Net current assets		<u>64,059</u>	<u>167,105</u>
Total assets less current liabilities		<u>1,890,884</u>	<u>1,997,252</u>
Creditors: Amounts falling due after more than one year	15	(43,021)	(27,771)
Net assets		<u>1,847,863</u>	<u>1,969,481</u>
The funds of the charity			
Restricted income funds	16	1,717,272	1,823,940
Unrestricted income funds	16	130,591	145,541
Total funds		<u>1,847,863</u>	<u>1,969,481</u>

These financial statements were approved and authorised for issue by the Trustees and signed on its behalf by:

Trustee



ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Notes to the Financial Statements For the year ended 31 December 2016

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) "Accounting and Reporting by Charities" - CHARITIES SORP, and the Charities Act 2011.

Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard 1 from including a cash flow statement in the financial statements on the grounds that the Ethiopian Orthodox Tewahdo Church St Mary of Debre Tison London is small.

Funds

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Parish Administration Council for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Incoming resources

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

Donated services and facilities

Donated income is received by way of collections, donations, vows and gifts and is included in full in the statement of Financial Activities when receivable. Donations, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to it.

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Charity to the expenditure:

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and Fittings	20% Reducing balance
Computer equipment	20% Reducing balance

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Irrecoverable VAT

Irrecoverable VAT is included in the Statement of Financial Activities, and is reported as part of the expenditure to which it relates.



ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Notes to the Financial Statements Continued For the year ended 31 December 2016

2. Income from donations and legacies

	2016 £	2015 £
Unrestricted funds		
Donations received	41,688	59,112
	<u>41,688</u>	<u>59,112</u>

3. Income from charitable activities

	2016 £	2015 £
Unrestricted funds		
Church Services & Congregational Activities		
Income from charitable activities	2,405	2,184
	<u>2,405</u>	<u>2,184</u>
	<u>2,405</u>	<u>2,184</u>

4. Income earned from other activities

	2016 £	2015 £
Unrestricted funds		
Shop income	1,455	2,728
	<u>1,455</u>	<u>2,728</u>

5. Costs of charitable activities by fund type

	2016 £	2015 £
Unrestricted funds		
Church Services & Congregational Activities	40,118	49,794
Support costs	958	5,818
	<u>41,076</u>	<u>55,612</u>



ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Notes to the Financial Statements Continued

For the year ended 31 December 2016

6. Costs of charitable activities by activity type

	Activities undertaken directly	Support costs	2016	2015
	£	£	£	£
Church Services & Congregational Activities	40,118	958	41,076	55,612

7. Governance costs

	2016	2015
	£	£
Audit / examiners fees	1,320	1,320
Legal fees	101,271	79,890
Governance Costs	-	2,820
	102,591	84,030

8. Analysis of support costs

	2016	2015
	£	£
Church Services & Congregational Activities		
Supporting All Church Activities	958	5,818
	958	5,818

9. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2016	2015
	£	£
Auditor's fees	1,320	1,320



10. Exceptional items

There has been an on-going third party legal claim where the court ordered the Church to pay the claim of £97,610 from the balance at NatWest Bank which was not accessible to trustees in the last three years.

ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Notes to the Financial Statements Continued

For the year ended 31 December 2016

11. Tangible fixed assets

Cost or valuation	Main Church Building Passonage	Fixtures and Fittings £	Total £
At 01 January 2016	1,812,220	68,633	1,880,853
Additions	-	329	329
At 31 December 2016	<u>1,812,220</u>	<u>68,962</u>	<u>1,881,182</u>
Depreciation			
At 01 January 2016	-	50,706	50,706
Charge for year	-	3,651	3,651
At 31 December 2016	<u>-</u>	<u>54,357</u>	<u>54,357</u>
Net book values			
At 31 December 2016	<u>1,812,220</u>	<u>14,605</u>	<u>1,826,825</u>
At 31 December 2015	<u>1,812,220</u>	<u>17,927</u>	<u>1,830,147</u>

12. Stocks and work in progress

	2016 £	2015 £
Stock	14,950	14,950
	<u>14,950</u>	<u>14,950</u>

13. Debtors

Amounts due within one year:

	2016 £	2015 £
Trade debtors	-	1,750
Prepayments and accrued income	-	700
	<u>-</u>	<u>2,450</u>



14. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	55,736	-
Accruals and deferred income	1,320	1,320
	<u>57,056</u>	<u>1,320</u>

ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON

Notes to the Financial Statements Continued

For the year ended 31 December 2016

15. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Loans and overdrafts	43,021	-
Trade creditors	-	27,771
	<u>43,021</u>	<u>27,771</u>

16. Movement in funds

Unrestricted Funds

	Balance at 01/01/2016	Incoming resources	Outgoing resources	Balance at 31/12/2016
	£	£	£	£
<i>General</i>				
General	133,817	45,548	(48,774)	130,591
	<u>133,817</u>	<u>45,548</u>	<u>(48,774)</u>	<u>130,591</u>

Purpose of Unrestricted Funds

General

The General Funds are used to further all the activities of the Church as directed by the Trustees.

Restricted Funds

	Balance at 01/01/2016	Outgoing resources	Balance at 31/12/2016
	£	£	£
Restricted Funds	1,835,665	(198,881)	1,636,784
	<u>1,835,665</u>	<u>(198,881)</u>	<u>1,636,784</u>



Purpose of restricted funds

Restricted Funds

The Restricted Funds are used only for the specific activities that they are meant for, any change in use requires a prior permission from the respective Donors and Funders.

ETHIOPIAN ORTHODOX TEWAHDO CHURCH ST MARY OF DEBRE TSION LONDON
Notes to the Financial Statements Continued
For the year ended 31 December 2016

17. Analysis of net assets between funds

	Tangible fixed assets	Net current assets / (liabilities)	Creditors > one year	Net Assets
	£	£	£	£
Unrestricted funds				
General				
General	1,826,825	64,059	(43,021)	1,847,863
Restricted funds				
	<u>1,826,825</u>	<u>64,059</u>	<u>(43,021)</u>	<u>1,847,863</u>

