

Christ Embassy

Trustees Report
and Consolidated Financial Statements
for the year ended 31 December 2016

Registered Charity Number 1059247

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CONTENTS

	Page
Charity information	1
Trustees' report	2
Independent auditors' report	7
Consolidated statement of financial activities	8
Charity statement of financial activities	9
Consolidated balance sheet	10
Charity balance sheet	11
Consolidated statement of cash flows	12
Charity statement of cash flows	13
Accounting policies	14
Notes to the financial statements	17

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CHARITY INFORMATION

Trustees

Revd Raymond Okocha (resigned 8th August 2017)
Mr Ikemefuna Oluwarotimi Nwankpele (appointed 12 April 2016)
Mrs Tolulope Moradeke Osuntubo (appointed 12 April 2016)
Mrs Ann Ugonwa Enoyoze (appointed 12 April 2016)
Mr Olatoye Kudehinbu (appointed 12 April 2016)
Mr Akindamola Folaskin Paul Abolade (appointed 12 April 2016)
Pastor Gabriel Adesina (appointed 8th August 2017)
Pastor Ifeoma Onubogu (resigned 12 February 2016)
Pastor Nkem Odiakah (resigned 15 February 2016)

Principal office

45 Thames Road, Barking, London, RG11 0HQ

Registered charity number

1059247

Chief Executive Officer

Reverend Raymond Okocha

Senior Management

Pastor Elizabeth Akinwolemiwa
Pastor Obi Chiemeka
Pastor Chuka Ibeachum
Pastor Tayo Ojo
Pastor Tony Obi
Pastor Linda Okocha

Auditors

Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Bankers

Natwest Bank Plc
Barclays Bank Plc
Lloyds Bank Plc

Solicitors

Furley Page solicitors, 39 St Margaret's Street, Canterbury CT1 2TX

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

TRUSTEES' REPORT

The Trustees present their annual report together with the audited financial statements of Christ Embassy (the ministry and the group) for the year ended 31 December 2016. The Trustees confirm that the annual report and financial statements of the ministry and the charity comply with the current statutory requirements, the requirements of the ministry and the group's governing document and the provisions of the Charities SORP 2015 (FRS102). On 11 August 2014, the Charity Commission used its powers under the Charities Act to appoint RJ Weston of Mazars LLP as Interim Manager of the Charity to the exclusion of the Charity's Trustees as a temporary and protective measure. RJ Weston assumed the responsibilities of the Trustees from that date. New Trustees were appointed on 11 April 2016 and on the same date R J Weston ceased to be the Interim Manager.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Christ Embassy was established by Trust Deed on 23rd October 1996. The ministry was registered as a Charity on 19th November 1996 with registration number 1059247.

Method of appointment or election of Trustees

New Trustees may be appointed by a resolution of the Trustees usually dependent on the skills and experience needed by the Charity. There must be a minimum of three Trustees and a minority of the Trustees may be remunerated if necessary.

Policies adopted for the induction and training of Trustees

The Trustees meet quarterly to review their legal obligations under charity law, the growth of the Ministry and its financial performance. All new Trustees receive an induction and training is provided for all Trustees on an ad hoc basis.

Organisational structure and decision making

The churches are structured into zones with a zonal Pastor heading groups of Churches. The Zones have Zonal Managers who are responsible for the administration of the churches within their Zone and executing decisions made by the Trustees. As an example, invoices are raised and recommended for approval by the pastors and coordinators in charge of each church branch of the Charity. This is then passed to the Zonal Pastors and then to The Trustees, who give final approval before payments are made.

The Board of Trustees oversees all the church chapters and their roles within the guidelines of the Trust Deed. The Charity had an interim manager who served until 11th April 2016. The Board of Trustees are mandated to meet at least twice a year to review the progress of the Charity and set policies and plans for the future. In some instances, at least three of the Trustees meet to take urgent decisions necessary for the smooth running of the Charity.

Subsidiary and related party relationships

The subsidiary ceased trading in November 2016 and procedures for winding up of the company began.

Christ Embassy charity is part of Christ Embassy Worldwide International. The relationship between the two entities is spiritual for guidance purposes.

Arrangements for setting pay

Remuneration of key management personnel is proposed by zonal pastors, based on local remuneration levels for similar roles, and approved by the trustees.

Risk management

The major activities and issues of the Ministry are subject to review at the Trustees' meetings. The Ministry faces various risks to which the Trustees have systems in place to mitigate:

- There is a risk that without due governance the Ministry may not meet its charitable objectives. To mitigate this risk, we have ensured that our Trustees have the relevant experience and competence to supervise all aspects of the Ministry's work;
- There is a risk of potential conflicts of interest. To mitigate this a Conflicts of Interest Policy has been implemented enabling Trustees and staff to be aware of potential conflicts of interest and avoid situations where such a conflict might arise;
- There are various financial risks faced by the Charity. These are mitigated by the operation of stringent financial controls and procedures.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

The objectives of the Trust are:

- To advance the Christian faith in accordance with the Ministry's Statement of Faith in England and Wales and in such other parts of the United Kingdom and the world as the Trustees may from time to time think fit.
- To relieve members or others who are in conditions of need or hardship or who are aged or sick and to relieve the distress caused thereby in England and Wales and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit.
- To advance education in accordance with Christian principles in England and Wales and in such other parts of the United Kingdom and the world as the Trustees may from time to time think fit.
- To promote and fulfill such other charitable purposes beneficial to the community in England and Wales and in such other parts of the United Kingdom and the world as the Trustees may from time to time think fit.
- To establish and provide places of worship for fellowship of evangelical Christians and a base from which they can advance the Christian faith through proclaiming the good news of salvation through Jesus Christ, to their surrounding area and throughout the whole world via the support of the Loveworld Television Ministry.

The Ministry has the general aim of contributing to the quality of life of the people of the England and Wales and other parts of the United Kingdom and the rest of the world according to the Christian faith as specified in its statement of beliefs.

Strategies for achieving objectives

The strategies employed to achieve the Ministry's objectives in line with public benefit are as follows:

- Holding weekly services on Sundays and mid-week services on either Wednesday or Thursday in all church chapters. Each service is used as a medium for the spiritual development of each member and also as an avenue to reach out to members of the public for the Kingdom of God.
- Holding smaller weekly services in homes of members, restaurants and community centres ensuring that brethren are encouraged and supported. Guests are welcomed at these meetings and any member of the public can attend.
- Provide ministry materials such as books, audio tapes and DVDs which are a source of healing, encouragement and blessing to all. These are made available at tube stations, hospitals, prisons, detention centres, hotels and many other public places.
- Reach out to inmates in prisons, encouraging them with the good news of salvation and helping them to stabilize in society after their release.
- Reach out to the whole world by sponsoring the ministry's uplifting programs on satellite television where millions are being reached with the gospel of our Lord Jesus Christ.
- Reach out to the sick and needy people with the free distribution of the daily devotional 'Rhapsody of Realities'. Gift items including food and clothing are also sent to homeless units periodically churches are involved in regular projects for the homeless.

Activities in furtherance of objectives and for public benefit

All chapters were involved in holding special outreach activities in their locations. Through these activities, more people joined the Ministry and thus the ability to enhance the work of building a better world continued to increase throughout the year. The Ministry continued to render help to people in diverse kinds of hardship and kept to its earlier adopted grant making policy which includes the following:

- Contributing financially towards the Ministry's missionary activities in the United Kingdom and around the world.
- Rendering assistance to members of the Charity faced with financial difficulty
- Providing Ministry Materials in public places such as underground stations and hospitals, thereby making available spiritual upliftment for members of the public.
- Supporting other sister charities who share similar objectives with the Charity.

Our short term objectives is success in bringing enlightenment of the gospel to many, reaching more communities both in and outside of the United Kingdom, growing our established churches and providing more services/rendering help to the community with various initiatives like day of service.

Our Long-term objectives to see to the Christianization of the society at large with an increased uptake of Christian values, evidenced by many more people coming to the knowledge of Christ and attending church services.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

TRUSTEES' REPORT

The Trustees confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit when planning their objectives and activities.

Criteria/Measures to assess success

Some of the measures to assess our success are new contacts made, souls that received Christ, materials distributed, increased participation in all existing churches resulting in the birth of new churches.

Grant making policies

A grant making policy is in place and covers two streams (Ministry in Britain Grant Stream and Ministry Overseas Grant Stream). The Grant committee is currently made up of the Trustees and grants are reviewed by the Trustees periodically to ensure that they adequately meet the objectives of the OCharity.

A number of grants payable in the year 2016 were given in support of the Ministry's missionary campaigns held around the world, and also offering pastoral care to members in various chapters within the Charity. In addition spiritual guidance and counsel were given where such needs arose.

Volunteers

The Ministry relies heavily on unpaid voluntary workers to undertake a wide range of its activities. These activities include pastoring, church maintenance, running the book/tape stands, organising special programs, and assisting in administrative duties amongst many others. All unpaid volunteers are members of Christ Embassy. Each volunteer works an average of 10 hours per week.

ACHIEVEMENTS AND PERFORMANCE

Weekly meetings were held in all the chapters of the Charity thus providing a conducive atmosphere for members to grow spiritually whilst also offering the opportunity to invite first timers and encourage them to become members. Counselling sessions were available for members of the ministry thereby catering for members' spiritual and emotional stability. Special teaching programs were placed on air through the use of television slots on Loveworld Television. These further exposed the activities of the Charity to the general public and helped tremendously in recruiting more members for the work of the ministry. The objective of the Charity to reach maximum numbers of people within the United Kingdom and the rest of the world was hugely achieved via the television medium. The free distribution of ministry materials such as books, tapes and the daily devotional titled Rhapsody of Realities to prisons, hospitals, hotels, underground stations and communities where the Charity operates took place throughout the year under review. These helped further advance the Christian faith as enunciated in the trust deed of the Charity. Through the Inner City Missions, visits and crusades were held in prisons to meet the needs of the inmates. Gifts of food and clothing were also sent to hostels and the homeless.

Worship and Communion Service

The Charity held a major outreach on Sunday 5th June 2016. This is a special outreach program that helps in furtherance of our objective to bring awareness of the gospel and gain new members.

We had hundreds of volunteers and staff working in different departments to include ushering, first aid, choir, counselors, bookshop and others.

We had over 13,000 people in attendance and there were several hundreds of people who received the gospel and committed their lives to God at the program. Faith was stirred up in the hearts of many and hope was restored with the message of the gospel. Over 300 people received salvation, about 350 received healing thereby, bringing joy to attendees who came from all over the UK to attend this program.

Fundraising activities/Income generation

All the funds required for the support of all the activities of the Charity were raised through the principles of prayer and direct giving of members. Fund raising was exclusively carried out by special committees who are members of the Ministry on a non-remuneration basis and no external consultant or body was employed for the purpose of fund raising throughout 2016.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

TRUSTEES' REPORT

FINANCIAL REVIEW

Total incoming resources for the group, comprising Christ Embassy and its subsidiary Christ Embassy Limited, amounted to £3,399,786 with the charity's income totalling £2,332,803. Total expenditure for the group was £7,532,546 with the charity's expenditure totalling £6,385,353 giving net expenditure of £4,132,760 and £4,052,550 respectively before gains on revaluations of investment property.

Impact of significant events

Since the balance sheet date a valuation was obtained for the charity's investment property, which gave rise to a gain of £1,075,000, which has been retained within a revaluation reserve.

During the year under review the charity organised the Worship and Communion Service, a major Christian conference, costing approximately £1.34m.

Following the cessation of activities of the subsidiary Christ Embassy Limited a cost for irrecoverable debts of approximately £400K was recognised and has been reported in the consolidated results.

Reserves policy

The charity's policy is to build and maintain sufficient reserves to cover 3-4 months of recurrent expenditure considered to be approximately £1.45m.

At the balance sheet date the group's reserves, having taken into account restricted funds, fixed assets and the revaluation reserve were a deficit of £4,976,742.

In order to recover the deficit on reserves the trustees are considering the use and disposal of fixed assets, in particular buildings, together with the use of restricted funds for the purposes they have been received.

PLANS FOR THE FUTURE

As part of our objectives to advance the Christian faith, we are planning to have new churches/outreach fellowships established in new localities like Wigan, Kent, Rochdale and Bedfordshire to name a few. Establishing in these new locations will help to fulfill our long-term goal of Christianizing our community.

We will be using various online platforms to reach many more people particularly those in locations outside of the borders of the United Kingdom. One of such platforms is to have virtual churches where people from all around the world can participate in our church services and teachings.

Our Messenger angel, Rhapsody of Realities has been of great blessings to many all around the world and we will be sponsoring e-copies of the Rhapsodies to be made available for free download in strategic countries to aid the propagation of the gospel of Christ.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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.

CHRIST EMBASSY

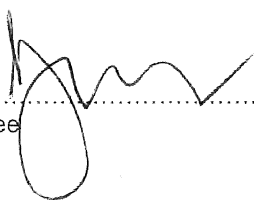
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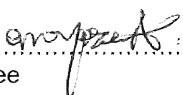
TRUSTEES' REPORT

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Trustees on 14 June 2018 and signed on their behalf by:


.....
Trustee


.....
Trustee

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHRIST EMBASSY

We have audited the financial statements of Christ Embassy for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows, the Charity Statement of Cash Flows and the related notes. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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.

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 group's and parent charity'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 Trustees' Report 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 group's and the parent charity's affairs as at 31 December 2016, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Emphasis of matter

The charity has prepared these financial statements on a going concern basis. This is based on the charity's continued ability to generate income through its ongoing charitable activities and benefit from the proceeds on sale of vacant buildings as commented in the reserves policy and the accounting policies.

Additionally management and the trustees have reviewed the allocation and classification of income and expenditure within the financial statements which led to reclassifications within the current year and restatements of the accounts for years ending 31 December 2015 and 31 December 2014. An explanation of these reclassifications and restatements can be found in the accounting policies and note 23.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Blue Spire Limited

Blue Spire Limited, Statutory Auditor

Date

15 June 2017

Chichester

Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	1,972,486	143,705	2,116,191	3,235,602
Other trading activities	2	1,077,903	-	1,077,903	1,334,733
Investments	3	34,045	-	34,045	27,981
Charitable activities	4	17,724	-	17,724	83,588
Other - provisions no longer required		153,923	-	153,923	-
Total		3,256,081	143,705	3,399,786	4,681,904
EXPENDITURE ON:					
Raising funds	5	1,306,978	-	1,306,978	1,517,018
Charitable activities	6	5,399,010	826,558	6,225,568	8,398,482
Total		6,705,988	826,558	7,532,546	9,915,500
Net Income/(expenditure)		(3,449,907)	(682,853)	(4,132,760)	(5,233,596)
Transfers between funds	18	448,103	(448,103)	-	-
		(3,001,804)	(1,130,956)	(4,132,760)	(5,233,596)
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets and investment property		1,075,000	-	1,075,000	-
Net movement in funds		(1,926,804)	(1,130,956)	(3,057,760)	(5,233,596)
RECONCILIATION OF FUNDS					
Total funds brought forward	18	11,063,320	8,477,868	19,541,188	24,774,784
Total funds carried forward	18	9,136,516	7,346,912	16,483,428	19,541,188

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.
All of the above results are derived from continuing activities.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	1,972,486	143,705	2,116,191	3,235,602
Other trading activities	2	10,920	-	10,920	-
Investments	3	34,045	-	34,045	27,981
Charitable activities	4	17,724	-	17,724	83,588
Other - provisions no longer required		153,923	-	153,923	-
Total		2,189,098	143,705	2,332,803	3,347,171
EXPENDITURE ON:					
Raising funds	5	159,785	-	159,785	255,770
Charitable activities	6	5,399,010	826,558	6,225,568	8,398,482
Total		5,558,795	826,558	6,385,353	8,654,252
Net Income/(expenditure)		(3,369,697)	(682,853)	(4,052,550)	(5,307,081)
Transfers between funds	18	448,103	(448,103)	-	-
		(2,921,594)	(1,130,956)	(4,052,550)	(5,307,081)
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets and investment property		1,075,000	-	1,075,000	-
Net movement in funds		(1,846,594)	(1,130,956)	(2,977,550)	(5,307,081)
RECONCILIATION OF FUNDS					
Total funds brought forward	18	9,308,814	8,477,868	17,786,682	23,093,763
Total funds carried forward	18	7,462,220	7,346,912	14,809,132	17,786,682

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.
All of the above results are derived from continuing activities.

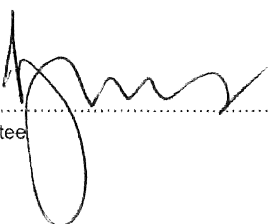
CHRIST EMBASSY

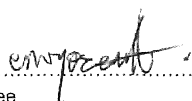
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	11	11,376,128	9,379,221
Investment property	12	<u>2,500,000</u>	<u>1,425,000</u>
		13,876,128	10,804,221
CURRENT ASSETS			
Assets held for sale	13	733,410	5,280,571
Debtors	14	16,167	113,101
Cash at hand and in bank		<u>7,427,833</u>	<u>10,088,321</u>
Total current assets		<u>8,177,410</u>	<u>15,481,993</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	15	<u>3,124,618</u>	<u>3,864,454</u>
Net current assets/(liabilities)		5,052,792	11,617,539
Total assets less current liabilities		<u>18,928,920</u>	<u>22,421,760</u>
Creditors: amounts falling due after more than one year	16	(2,445,492)	(2,880,572)
Net assets/(liabilities)		<u><u>16,483,428</u></u>	<u><u>19,541,188</u></u>
THE FUNDS OF THE CHARITY			
Restricted funds	18	7,346,912	8,477,868
Unrestricted funds	18	9,136,516	11,063,320
Total charity funds		<u><u>16,483,428</u></u>	<u><u>19,541,188</u></u>

The financial statements on pages 17 to 24 were approved and authorised for issue by the trustees on 14 June 2018 and signed on their behalf by:


Trustee


Trustee

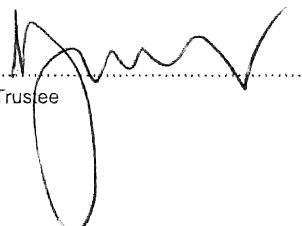
CHRIST EMBASSY

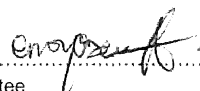
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	£	2016	£	£	2015	£
FIXED ASSETS							
Tangible assets	11	11,363,962			9,366,635		
Investment property	12	<u>2,500,000</u>			<u>1,425,000</u>		
			13,863,962			10,791,635	
CURRENT ASSETS							
Assets held for sale	13	-			4,547,161		
Debtors	14	16,167			93,397		
Cash at hand and in bank		<u>7,385,916</u>			<u>9,926,169</u>		
Total current assets		<u>7,402,083</u>			<u>14,566,727</u>		
CURRENT LIABILITIES							
Creditors: amounts falling due within one year	15	<u>4,011,421</u>			<u>4,691,108</u>		
Net current assets/(liabilities)				3,390,662			9,875,619
Total assets less current liabilities				<u>17,254,624</u>			<u>20,667,254</u>
Creditors: amounts falling due after more than one year	16			(2,445,492)			(2,880,572)
Net assets/(liabilities)				<u>14,809,132</u>			<u>17,786,682</u>
THE FUNDS OF THE CHARITY							
Restricted funds	18			7,346,912			8,477,868
Unrestricted funds	18			7,462,220			9,308,814
Total charity funds				<u>14,809,132</u>			<u>17,786,682</u>

The financial statements on pages 17 to 24 were approved and authorised for issue by the trustees on 14 June 2018 and signed on their behalf by:


Trustee


Trustee

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2016		2015	
		£	£	£	£
Net cash flow from operating activities (see below)			(4,846,910)		(4,715,744)
Cash flow from investing activities					
Interest received		34,045		27,981	
Proceeds from sale of fixed assets		480		195,119	
Proceeds from sale of assets held for sale		2,600,000		-	
Purchase of fixed assets		(448,103)		(98,624)	
Net cash flow from investing activities			2,186,422		124,476
Net increase/(decrease) in cash and cash equivalents			(2,660,488)		(4,591,268)
Cash and cash equivalents at 31 December 2015			10,088,321		14,679,589
Cash and cash equivalents at 31 December 2016			<u>7,427,833</u>		<u>10,088,321</u>
Cash and cash equivalents consist of:					
Cash at bank and in hand			7,427,833		10,088,321
Cash and cash equivalents at 31 December 2016			<u>7,427,833</u>		<u>10,088,321</u>
Reconciliation of net income to net cash flow from operating activities					
		2016		2015	
		£	£	£	£
Net income for the year			(4,132,760)		(5,233,596)
Adjusted for:					
Interest and dividends		(34,045)		(27,981)	
Depreciation and impairment of tangible fixed assets		398,357		627,241	
Profit on disposal of fixed assets		(480)		(93,212)	
Impairment of asset held for sale		-		569,184	
Decrease/(increase) in debtors		96,934		60,089	
Increase/(decrease) in creditors		(1,174,916)		(617,469)	
			(714,150)		517,852
			<u>(4,846,910)</u>		<u>(4,715,744)</u>

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CHARITY STATEMENT OF CASH FLOWS

	Note	2016		2015	
		£	£	£	£
Net cash flow from operating activities (see below)			(4,726,675)		(4,587,999)
Cash flow from investing activities					
Interest received		34,045		27,981	
Proceeds from sale of fixed assets		480		195,119	
Proceeds from sale of assets held for sale		2,600,000		-	
Purchase of fixed assets		(448,103)		(98,624)	
Net cash flow from investing activities			2,186,422		124,476
Net increase/(decrease) in cash and cash equivalents			(2,540,253)		(4,463,523)
Cash and cash equivalents at 31 December 2015			9,926,169		14,389,692
Cash and cash equivalents at 31 December 2016			<u>7,385,916</u>		<u>9,926,169</u>
Cash and cash equivalents consist of:					
Cash at bank and in hand			7,385,916		9,926,169
Cash and cash equivalents at 31 December 2016			<u>7,385,916</u>		<u>9,926,169</u>
Reconciliation of net income to net cash flow from operating activities					
		2016		2015	
		£	£	£	£
Net income for the year			(4,052,550)		(5,307,081)
Adjusted for:					
Interest and dividends		(34,045)		(27,981)	
Depreciation and impairment of tangible fixed assets		397,937		621,354	
Profit on disposal of fixed assets		(480)		(93,212)	
Impairment of asset held for sale		-		569,184	
Decrease/(increase) in debtors		77,230		280,146	
Increase/(decrease) in creditors		(1,114,767)		(630,409)	
			(674,125)		719,082
			<u>(4,726,675)</u>		<u>(4,587,999)</u>

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

Christ Embassy is an unincorporated charity, registered in England, and established under a Trust Deed. The address of the principal office is given in the reference and administrative details section and the nature of the charity's operations and principal activities are given in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Reclassification and restatement

During the year under review management and the trustees reviewed the allocation of income and expenditure together with the composition of opening balances and historic balances within the financial statements and the accounting records. The result of which was to reclassify some expenditure of the comparative year within note 6. There was no alteration to the results of the comparative year following the reclassification. Additionally intercompany balances between the charity and its subsidiary in the comparative year have now been included as a single line within creditors. As part of review of historic balances it was concluded a balance arising in 2013 was irrecoverable and has been written back as shown in note 23.

Consolidation

Throughout the year under review the charity had a subsidiary undertaking, Christ Embassy Limited (incorporated in England with company number 05862298). Control exists through the holding 100% of the voting power.

The results of the charity's subsidiary are consolidated on a line by line basis with any intragroup balances and transactions eliminated in full.

For the year ending 31 December 2016 the subsidiary was not audited due to the cessation of trade during the year. The subsidiary company is currently subject to a voluntary members' liquidation.

The charity and its subsidiary have a uniform reporting date and reporting period. Where necessary, appropriate adjustments are made to the subsidiary's financial statements for differences in accounting policies as part of the consolidation process.

The subsidiary's registered office is Bridge House, London Bridge, London, SE1 9QR. The subsidiary is a company limited by guarantee with Christ Embassy having dominant influence over Christ Embassy Limited.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTING POLICIES

Incoming resources (continued)

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes staff and other costs of raising the charity's profile and investment management fees; and
- Expenditure on charitable activities includes staff and other costs of delivery the charity's objects together with support and governance

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	2% straight line
Leasehold improvements	2% straight line
Office equipment	33.3% straight line
Computer equipment	20% straight line
Motor vehicles	25% straight line

At each balance sheet date the charity's management and trustees consider whether there is any indications the assets are impaired. Where indications of impairment exist the assets is written down to its recoverable amount.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Assets held for sale

Assets held for sale comprise assets available for immediate sale, which are being actively marketed at a market rate. These assets are reported at net present value less costs to sell.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand and cash balances within the investment portfolio available for investment transaction purposes.

Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable and allocated to funds on a basis in line with the allocation of expenditure.

Redundancy and termination payments are recorded as an expense in the financial statements as they fall due with any amounts unpaid at the balance sheet date accrued.

VAT

The Charity is not registered for VAT and cannot recover VAT incurred on costs. These are therefore stated inclusive of any VAT element.

Tax

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

Fund accounting

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

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern and can be supplemented through the sale of vacant buildings.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Tithes and offerings	1,972,486	143,705	2,116,191	2,731,776	503,826	3,235,602
	<u>1,972,486</u>	<u>143,705</u>	<u>2,116,191</u>	<u>2,731,776</u>	<u>503,826</u>	<u>3,235,602</u>

2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Rental income	10,920	-	10,920	-	-	-
Charity other trading activities	10,920	-	10,920	-	-	-
Income from Christ Embassy Limited	1,066,983	-	1,066,983	-	1,334,733	1,334,733
Group other trading activities	<u>1,077,903</u>	<u>-</u>	<u>1,077,903</u>	<u>-</u>	<u>1,334,733</u>	<u>1,334,733</u>

3. Investments

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Bank interest	34,045	-	34,045	27,981	-	27,981
	<u>34,045</u>	<u>-</u>	<u>34,045</u>	<u>27,981</u>	<u>-</u>	<u>27,981</u>

4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Ministry bookshop	17,724	-	17,724	83,588	-	83,588
	<u>17,724</u>	<u>-</u>	<u>17,724</u>	<u>83,588</u>	<u>-</u>	<u>83,588</u>

5. Raising funds

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Voluntary income staff costs - security	159,785	-	159,785	255,770	-	255,770
Charity only costs of raising funds	159,785	-	159,785	255,770	-	255,770
Costs of Christ Embassy Limited	1,147,193	-	1,147,193	1,261,248	-	1,261,248
Consolidated costs of raising funds	<u>1,306,978</u>	<u>-</u>	<u>1,306,978</u>	<u>1,517,018</u>	<u>-</u>	<u>1,517,018</u>

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Grants to individuals	42,012	-	42,012	24,373	-	24,373
Rent and rates	1,087,029	-	1,087,029	1,331,228	-	1,331,228
Event costs	1,465,189	119,812	1,585,001	293,616	346	293,962
Television programme	28,467	46,640	75,107	13,227	-	13,227
Advertising	112,444	26,640	139,084	50,398	110,000	160,398
Motor and travel expenses	334,135	81,932	416,067	405,480	78,143	483,623
Repairs and maintenance	28,686	125,778	154,464	46,020	-	46,020
Wages and salaries	834,015	-	834,015	1,096,770	-	1,096,770
Books, music and audio	71,771	425,056	496,827	240,250	1,125,093	1,365,343
Depreciation	397,937	-	397,937	621,354	-	621,354
Impairment of asset held for sale	-	-	-	569,185	-	569,185
Support and governance costs (note 7)	997,325	700	998,025	2,392,951	48	2,392,999
	<u>5,399,010</u>	<u>826,558</u>	<u>6,225,568</u>	<u>7,084,852</u>	<u>1,313,630</u>	<u>8,398,482</u>

7. Support and governance costs

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Light and heat	182,841	-	182,841	157,009	-	157,009
Printing postage and stationery	103,883	700	104,583	105,677	48	105,725
Telephone and internet	33,022	-	33,022	29,313	-	29,313
Sundry expenses	29,721	-	29,721	106,382	-	106,382
Insurance	62,502	-	62,502	500,285	-	500,285
Bank interest payable	63,137	-	63,137	122,927	-	122,927
Bank charges	5,806	-	5,806	3,133	-	3,133
Legal and professional fees	182,610	-	182,610	305,059	-	305,059
Interim Manager fees	132,622	-	132,622	938,367	-	938,367
Accountancy fees	181,261	-	181,261	183,011	-	183,011
Corporation tax	-	-	-	-	-	-
Auditors remuneration	20,400	-	20,400	35,000	-	35,000
Loss/(profit) on disposal of fixed assets	(480)	-	(480)	(93,212)	-	(93,212)
	<u>997,325</u>	<u>700</u>	<u>998,025</u>	<u>2,392,951</u>	<u>48</u>	<u>2,392,999</u>

8. Auditors remuneration

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Auditors remuneration - audit	20,400	-	20,400	35,000	-	35,000
Auditors remuneration - overprovision	(10,100)	-	(10,100)	-	-	-
Auditors remuneration - accountancy	14,400	-	14,400	-	-	-

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

9. Wages and salary cost

	2016 Total Funds £	2015 Total Funds £
Gross wages	773,699	1,016,366
Employer's national insurance costs	75,892	98,612
Employer's pension contributions	4,768	-
Other staff costs	-	-
Termination payments*	-	62,117
	<u>854,359</u>	<u>1,177,095</u>

*During the comparative year £62,117 was paid in termination benefits to one of the trustees, Reverend Anita Oyakhilome.

There were no employees with employee benefits (excluding employer pension costs) totalling more than £60,000 in the current or the comparative year.

	2016	2015
Staff numbers:		
Average head count	<u>28</u>	<u>33</u>

The charity operated a defined contribution pension scheme for its employees. The contributions shown above are recorded as an expense within the Statement of Financial Activities with no amounts outstanding at the balance sheet date.

10. Related party transactions

The following trustees were remunerated for their full time roles as Pastors, being a minority of the total number of trustees and thus allowed under the Trust Deed. The amounts payable during the for the period in which they were trustees was as follows:

	2016 £	2015 £
Reverend Anita Oyakhilome	-	23,333
Reverend Ray Okocha	19,457	-
Pastor Nkem Odiakah	-	34,177
Pastor Uche Onubogu	-	6,523
	<u>19,457</u>	<u>64,033</u>

The following key management personnel received employee benefits during the year under review as follows:

	2016 £	2015 £
Pastor Chuka Ibeachum	37,864	-
Pastor Kitayo Ojo	36,506	-
Pastor Elizabeth Akinwolemiwa	46,309	-
	<u>120,679</u>	<u>-</u>

None of the trustees, listed on page 1, were reimbursed or had expenses paid on their behalf during the year under review or the comparative year.

During the year £117,566 (2015: £938,367) was charged by the interim manager, RJ Weston of Mazars LLP, with £nil (2015: £215,914) outstanding at 31 December 2016.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

11. Tangible fixed assets - group

	Freehold property £	Leasehold improvements £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 1 January 2016	9,355,867	658,618	727,257	2,649,087	30,640	13,421,469
Additions	2,395,264	-	-	-	-	2,395,264
Disposals	-	-	-	-	-	-
At 31 December 2016	<u>11,751,131</u>	<u>658,618</u>	<u>727,257</u>	<u>2,649,087</u>	<u>30,640</u>	<u>15,816,733</u>
<i>Depreciation</i>						
Accumulated at 1 January 2016	816,524	64,726	706,299	2,435,345	19,354	4,042,248
Charge for the year	226,061	13,172	11,942	145,393	1,789	398,357
On disposals	-	-	-	-	-	-
At 31 December 2016	<u>1,042,585</u>	<u>77,898</u>	<u>718,241</u>	<u>2,580,738</u>	<u>21,143</u>	<u>4,440,605</u>
Net book value at 31 December 2016	<u>10,708,546</u>	<u>580,720</u>	<u>9,016</u>	<u>68,349</u>	<u>9,497</u>	<u>11,376,128</u>
Net book value at 31 December 2015	<u>8,539,343</u>	<u>593,892</u>	<u>20,958</u>	<u>213,742</u>	<u>11,286</u>	<u>9,379,221</u>

11. Tangible fixed assets - charity

	Freehold property £	Leasehold improvements £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 1 January 2016	9,355,867	658,618	704,538	2,645,228	15,145	13,379,396
Additions	2,395,264	-	-	-	-	2,395,264
Disposals	-	-	-	-	-	-
At 31 December 2016	<u>11,751,131</u>	<u>658,618</u>	<u>704,538</u>	<u>2,645,228</u>	<u>15,145</u>	<u>15,774,660</u>
<i>Depreciation</i>						
Accumulated at 1 January 2016	816,524	64,726	686,249	2,431,486	13,776	4,012,761
Charge for the year	226,061	13,172	11,942	145,393	1,369	397,937
On disposals	-	-	-	-	-	-
At 31 December 2016	<u>1,042,585</u>	<u>77,898</u>	<u>698,191</u>	<u>2,576,879</u>	<u>15,145</u>	<u>4,410,698</u>
Net book value at 31 December 2016	<u>10,708,546</u>	<u>580,720</u>	<u>6,347</u>	<u>68,349</u>	<u>-</u>	<u>11,363,962</u>
Net book value at 31 December 2015	<u>8,539,343</u>	<u>593,892</u>	<u>18,289</u>	<u>213,742</u>	<u>1,369</u>	<u>9,366,635</u>

12. Investment property

	Group		Charity	
	2016 Total Funds £	2015 Total Funds £	2016 Total Funds £	2015 Total Funds £
Carrying (market) value brought forward	1,425,000	2,158,410	1,425,000	1,425,000
Transfers to assets held for sale	-	(733,410)	-	-
Revaluation adjustments	1,075,000	-	1,075,000	-
Carrying (market) value carried forward	<u>2,500,000</u>	<u>1,425,000</u>	<u>2,500,000</u>	<u>1,425,000</u>

The property were valued in 2017 by Glenny LLP, Chartered Surveyors, on an open market value for existing use basis.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

13. Assets held for sale

	Group		Charity	
	2016 Total Funds £	2015 Total Funds £	2016 Total Funds £	2015 Total Funds £
Carrying value brought forward	5,280,571	-	4,547,161	-
Transfers from fixed assets	-	5,116,345	-	5,116,345
Transfers from investment properties	-	733,410	-	-
Transfers to fixed assets	(1,947,161)	-	(1,947,161)	-
Receipts	(2,600,000)	-	(2,600,000)	-
Impairment	-	(569,184)	-	(569,184)
	<u>733,410</u>	<u>5,280,571</u>	<u>-</u>	<u>4,547,161</u>

14. Debtors

	Group		Charity	
	2016 Total Funds £	2015 Total Funds £	2016 Total Funds £	2015 Total Funds £
Other debtors	-	105,846	-	86,142
Prepayments and accrued income	16,167	7,255	16,167	7,255
	<u>16,167</u>	<u>113,101</u>	<u>16,167</u>	<u>93,397</u>

15. Creditors: amounts falling due within one year

	Group		Charity	
	2016 Total Funds £	2015 Total Funds £	2016 Total Funds £	2015 Total Funds £
Bank loans and overdrafts	189,770	237,865	189,770	237,865
Other loans	232,203	232,203	232,203	232,203
Trade creditors	417,357	345,285	417,357	292,386
Amounts owed to group undertakings	-	-	906,361	906,361
Corporation tax	19,558	672,958	-	653,400
Other creditors	2,125,769	1,535,935	2,125,769	1,535,935
Accruals and deferred income	139,961	840,208	139,961	832,958
	<u>3,124,618</u>	<u>3,864,454</u>	<u>4,011,421</u>	<u>4,691,108</u>

16. Creditors: due after more than one year

	Group		Charity	
	2016 Total Funds £	2015 Total Funds £	2016 Total Funds £	2015 Total Funds £
Bank loans payable between one and two years	187,461	225,582	187,461	225,582
Bank loans payable between two and five years	765,000	721,790	765,000	721,790
Bank loans payable in more than five years	1,493,031	1,933,200	1,493,031	1,933,200
	<u>2,445,492</u>	<u>2,880,572</u>	<u>2,445,492</u>	<u>2,880,572</u>

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

17. Analysis of net assets between funds - Group

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
Tangible fixed assets	11,376,128	-	11,376,128	9,379,221
Investment property	2,500,000	-	2,500,000	1,425,000
Current assets	8,177,410	-	8,177,410	15,481,993
Current liabilities	(3,124,618)	-	(3,124,618)	(3,864,454)
Non-current liabilities	(2,445,492)	-	(2,445,492)	(2,880,572)
	<u>16,483,428</u>	<u>-</u>	<u>16,483,428</u>	<u>19,541,188</u>

17. Analysis of net assets between funds - Charity

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
Tangible fixed assets	11,363,962	-	11,363,962	9,366,635
Investment property	2,500,000	-	2,500,000	1,425,000
Current assets	55,171	7,346,912	7,402,083	14,566,727
Current liabilities	(4,011,421)	-	(4,011,421)	(4,691,108)
Non-current liabilities	(2,445,492)	-	(2,445,492)	(2,880,572)
	<u>7,462,220</u>	<u>7,346,912</u>	<u>14,809,132</u>	<u>17,786,682</u>

18. Analysis of net movement in funds - Group and Charity

	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Gains/(losses) on fixed assets & investments £	Total funds carried forward £
<i>Restricted funds</i>						
Partnership	6,898,815	143,705	(700,780)	-	-	6,341,740
Ministry	279,374	-	-	-	-	279,374
Pastoral	52,593	-	-	-	-	52,593
Building	1,247,086	-	(125,778)	(448,103)	-	673,205
<i>Total restricted funds</i>	<u>8,477,868</u>	<u>143,705</u>	<u>(826,558)</u>	<u>(448,103)</u>	<u>-</u>	<u>7,346,912</u>
<i>Unrestricted funds</i>						
Designated funds						-
Fixed asset reserve	9,366,635	-	(397,937)	2,395,264	-	11,363,962
Revaluation reserve	-	-	-	-	1,075,000	1,075,000
Total designated funds	<u>9,366,635</u>	<u>-</u>	<u>(397,937)</u>	<u>2,395,264</u>	<u>1,075,000</u>	<u>12,438,962</u>
General fund	(57,821)	2,189,098	(5,160,858)	(1,947,161)	-	(4,976,742)
Total charity unrestricted funds	<u>9,308,814</u>	<u>2,189,098</u>	<u>(5,558,795)</u>	<u>448,103</u>	<u>1,075,000</u>	<u>7,462,220</u>
Christ Embassy Limited	1,754,506	1,066,983	(1,147,193)	-	-	1,674,296
<i>Total group unrestricted funds</i>	<u>11,063,320</u>	<u>3,256,081</u>	<u>(6,705,988)</u>	<u>448,103</u>	<u>1,075,000</u>	<u>9,136,516</u>
Total funds	<u>19,541,188</u>	<u>3,399,786</u>	<u>(7,532,546)</u>	<u>-</u>	<u>1,075,000</u>	<u>16,483,428</u>

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

19. Description of restricted funds

Partnership	Funds for other arms of the Ministry; namely Rhapsody of Realities, Healing School, Loveworld Television, Innercity Mission, Cyber Ministry and International School of Ministry.
Ministry	Funds to support missionary projects.
Pastoral	Funds to assist a small group of fellowship within the ministry congregation
Building	Funds for the acquisition of a bigger venue or expansion of existing venues to accommodate the fast growing membership of the Church.

20. Christ Embassy Limited

	2016 Total Funds £	2015 Total Funds £
Turnover	1,066,983	1,334,733
Cost of Sales	(672,761)	(1,168,264)
Gross profit	394,222	166,469
Administrative expenses	(474,432)	(73,426)
Operating profit(loss)	(80,210)	93,043
Interest receivable and similar income	-	-
Interest payable and similar expenses	-	-
Net profit/(loss) before gift aid and taxarion	(80,210)	93,043
Corporation tax	-	(19,558)
Gift aid donation to parent charity	-	-
Net profit/(loss) after gift aid	(80,210)	73,485
Reserves brought forward	1,754,506	1,681,021
Reserves carried forward	1,674,296	1,754,506
Total capital and reserves	1,674,296	1,754,506

21. Contingent asset

At the balance sheet date gift aid recoverable on donations received amounted to £184,893.

CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

22. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	Group		Charity	
	2016 Total Funds £	2015 Total Funds £	2016 Total Funds £	2015 Total Funds £
<i>Financial assets</i>				
Debt instruments measured at amortised cost:				
Other debtors (note 14)	-	105,846	-	86,142
	<u>-</u>	<u>105,846</u>	<u>-</u>	<u>86,142</u>
<i>Financial liabilities</i>				
Measured at amortised cost:				
Trade creditors (note 15)	417,357	345,285	417,357	292,386
Bank loan (notes 15 and 16)	2,635,262	3,118,437	2,635,262	3,118,437
Other loans (note 15)	232,203	232,203	232,203	232,203
Other creditors (note 15)	2,125,769	1,535,935	2,125,769	1,535,935
Amounts owed to group undertakings (note 15)	-	-	906,361	906,361
	<u>5,410,591</u>	<u>5,231,860</u>	<u>6,316,952</u>	<u>6,085,322</u>

23. Prior year adjustment - Charity

The charity's management and trustees underwent a review of the charity's expenditure during the year under review and considered the allocation of expenditure for the comparative year and its preceding year. As a result of this review some reclassifications were made for accounting periods already reported.

The impact of these reclassifications are shown below:

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Opening reserves as previously stated	6,850,884	11,115,516	17,966,400
Expenditure in 2015 now correctly classified to Partnership Funds	1,313,630	(1,313,630)	-
Expenditure in 2014 now correctly classified to Partnership Funds	1,144,300	(1,144,300)	-
Irrecoverable debtor written off in 2014	-	(179,718)	(179,718)
Opening reserves following reclassification	<u>9,308,814</u>	<u>8,477,868</u>	<u>17,786,682</u>
	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Opening reserves as previously stated	12,661,791	10,611,690	23,273,481
Expenditure in 2014 now correctly classified to Partnership Funds	1,144,300	(1,144,300)	-
Irrecoverable debtor written off in 2014	-	(179,718)	(179,718)
Opening reserves following reclassification	<u>13,806,091</u>	<u>9,287,672</u>	<u>23,093,763</u>
	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Movement in comparative year following reclassification:			
Effect of reclassification expenditure	(1,313,630)	1,313,630	-
	<u>(1,313,630)</u>	<u>1,313,630</u>	<u>-</u>