

**THE GIDEONS INTERNATIONAL
IN THE BRITISH ISLES**

**ANNUAL REPORT
AND FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2017

**REGISTERED CHARITY IN ENGLAND AND WALES (221605)
and in SCOTLAND (SC039224)**



THE GIDEONS INTERNATIONAL IN THE BRITISH ISLES
ANNUAL REPORT AND FINANCIAL STATEMENTS for 2017

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NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of the members of The Gideons International in the British Isles will be held, God willing, on Friday 4 May 2018 at 2.00pm at the Hilton Birmingham Metropole Hotel.

1. To receive the Report of the Trustees and the audited financial statements for the year ended 31 December 2017.
2. To deal with any competent business, including consideration of any motions of which due notice shall have been given and circulated to members.
3. To elect a President, Vice President, Treasurer, Chaplain and to fill any other Trustee vacancies that may arise.

In order to save time at the AGM would members who wish to raise questions of detail on the report and accounts please write to me and I will reply direct to the member concerned. Only questions of principle, which are matters of concern to the membership as a whole, may be raised from the floor at the AGM.

The minutes of the 2017 AGM can be downloaded from the members' area of the website www.gideons.org.uk under 'Resources', or obtained from National Office. Approval of these minutes will be asked for at the AGM.

By order of the National Cabinet



IAIN J MAIR
National Secretary

1 March 2018

TRUSTEES' REPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution and bye-laws, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102, applicable in the UK and Republic of Ireland published on 16 July 2014.

i. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

The Gideons International in the British Isles

Registered with the Charity Commission for England and Wales, number 221605, and with the Office of the Scottish Charity Regulator (OSCR), number SC039224.

Registered Office and National Office

Western House
24 George Street
Lutterworth
Leicestershire
LE17 4EE

Telephone: 01455 554241
Fax: 01455 206978
E-mail: hq@gideons.org.uk
Website: www.gideons.org.uk

The National Cabinet and Trustees

The Trustees who have served during the year and since the year end were as follows:

President	Andrew R Knight
Vice President	W (Bill) E G Thomas
Treasurer	David J Killer
Chaplain	Graham A Sparkes
Zone 1	David W Andrew
Zone 2	Philip S Bunting
Zone 3	John Coldwell
Zone 4	Michael J Hodges
Zone 5	Neil H T Bourne
Zone 6	Reginald (Reg) E R Harris
Zone 7	Graham J Beckett
Zone 8	Donovan J Gardner
Zone 9	Alan D Lansdown
Zone 10	G Wesley Coulter

The Trustees who retired from the National Cabinet at the close of the National Convention on 2 May 2017 were:

President	Fred Kershaw
Zone 2 Trustee	Stephen Waring

At 31 December 2017 the following also served on the National Cabinet but were not Trustees of the Association:

International Trustee	Geoff A Mann
National Secretary and Executive Director	Iain J Mair

The Executive Director reports to the Trustees. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 18 and 19 to the accounts. Trustees are required to disclose all relevant interests and register them with the Executive Director and in accordance with the Association's policy withdraw from decisions where a conflict of interest arises.

Auditor

UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

ii. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Instrument and Constitution

The Gideons International in the British Isles ('the Association') is governed by its Constitution and Byelaws, as amended in April 2011. It is an unincorporated association, registered with the Charity Commission for England and Wales, number 221605, and with the Office of the Scottish Charity Regulator (OSCR), number SC039224.

Appointment of Trustees

Trustees are elected by the members of the Association at its Annual General Meeting (AGM). The President, Vice President, Treasurer and Chaplain are elected for a term of one year and may serve for a maximum of three consecutive terms. All other Trustees are elected for a term of three years and may serve for a maximum of two consecutive terms.

Induction and Training of Trustees

Following appointment, each newly elected Trustee and re-elected Zone Trustee receives Induction Training at National Office under the supervision of the Executive Director. The 2017 Induction Training was held on 8 November. As required, further training is provided in the form of Briefing Notes, Charity Legislation publications and training sessions as necessary.

Management

The British Isles is a self-governing National Association within The Gideons International, the management of which is vested in the National Cabinet, consisting of President, Vice President, Treasurer, Chaplain and ten Zone Trustees. The International Trustee and the Executive Director are also members of National Cabinet with a right to speak but not to vote. The Executive Director has operational responsibility to ensure the decisions taken by Cabinet are carried out.

Zones/Branches

The Association is organised into geographical 'Branches' and 'Zones'. Members meet regularly at branch level for Christian fellowship, for prayer and to plan and prepare for the many Scripture placements and presentations they undertake throughout the year. Members also visit many churches to present a missionary report on the work locally, nationally and internationally.

Key management personnel remuneration

The pay of the senior management personnel is reviewed annually and normally increased in accordance with average earnings and set at market rates.

Constitution and Bye-laws

In August 2015 the Charity Commission approached the Association in order to ascertain, with reference to the Equality Act 2010, why membership of The Gideons International in the British Isles is restricted to men. The Trustees took legal advice on this matter.

Following much prayer in order to seek God's will for the way forward the Trustees advised the Charity Commission of their commitment to ensuring that the Association complies with the requirements of the Equality Act 2010 and that the Constitution and Bye-laws of the Association would be amended to allow full membership of the Association in the British Isles to be open to women.

In addition the National Cabinet put in place a *Structure Review Working Group* in order to review the management and governance of the Association and make recommendations where it was identified that changes should be made. A proposed new management and governance structure was presented to members in the 2016 Autumn membership mailing and, following feedback and further consideration by Cabinet, a revised structure was presented in a membership mailing in December 2016.

A proposed amended Constitution was presented at the 2016 AGM and a copy sent to all members following the AGM for voting on at the following AGM in 2017. Proposed new Bye-laws were sent to members in December 2016. In order to change the Constitution approval must first be given by the International Cabinet. As approval was not given prior to the 2017 AGM the amended Constitution was not

presented for voting on at that time but was deferred until 2018. Dialogue continues with the International Cabinet in order to seek a resolution to this situation and enable the required changes to the Constitution and Bye-laws to be implemented.

iii. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Charitable Objects

The object of the Association, as stated in its Constitution, is to win others for the Lord Jesus Christ through:

- the association of Christian business and professional men for service;
- personal testimony and personal work by individual Gideons;
- placing the Bible - God's Holy Word - or portions thereof in hotels, hospitals, schools, institutions, and also through the distribution of same for personal use.

Activities

The Association is heavily dependent on its members in the branches, who, acting in a voluntary capacity, visit the various institutions into which Gideon Scriptures are taken. Members take responsibility for all the administration expenses at National and Local level through a proportion of their giving and through the payment of an annual subscription. Donations from Friends of The Gideons and churches are used for the purchase (including delivery) of Scriptures unless it is directed by the donor that they may be used for the administration and/or development of the ministry.

All Scripture funds may be retained by the Association for use in the British Isles or be sent as financial contributions to the International Outreach Fund. This fund is administered by the parent organisation known as The Gideons International, which is based in Nashville, Tennessee, USA. The British Isles Association is financially and legally independent of the parent association.

Identifiable Benefits, related to the aims of the charity

Through the distribution of Bibles and/or Testaments in many different walks of life – Schools, Hotels, Hospitals, Universities, Colleges, Prisons, to name just a few examples – The Gideons provide a Book that provides an ethical and moral code for society, which gives guidance in life, offers comfort in times of sorrow and loss, inspiration, and deals with many of the issues that people of all ages, nationalities, ethnic and social backgrounds face on a day to day basis.

In placing and presenting Bibles and/or Testaments, the achievement of the object of the Association, as stated in its Constitution, which is to win men, women and young people for the Lord Jesus Christ, is often demonstrated through the many letters, emails, and telephone calls of testimony received by National Office, by individual Gideon and Auxiliary members and by branches. Many of these testimonies are regularly printed in *Gideon News*, the official publication of The Gideons International in the British Isles and posted on the Association's website www.gideons.org.uk, Blog, Facebook Page and Twitter Account.

The Trustees consider that they have complied with their duties under section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

iv. ACHIEVEMENTS AND PERFORMANCE

The aim of The Gideons International is as stated under the 'Charitable Objects' paragraph set out above.

Letters, emails and telephone calls received at National Office on a regular basis prove that people in all walks of life benefit from the work of The Gideons. Many such accounts are regularly printed in *Gideon News*, the official publication of The Gideons International in the British Isles, and/or posted on the Association's website www.gideons.org.uk, Blog, Facebook Page and Twitter Account. This is an important measure of the effectiveness of the Association.

Other key measures are obtained:

- By collecting and analysing statistics on Scriptures ordered, membership recruitment/retention, church presentations and financial performance.
- By monitoring the activity of branches through visits made by a network of 'Area Coordinators', themselves members of the Association.

Membership Summary

During 2017, 128 Gideon members (176 in 2016) and 49 Auxiliary members (66 in 2016) were recruited, bringing the total membership to 3,096 Gideon members (3,225 in 2016) and 1,673 Auxiliary members (1,834 in 2016), respectively.

Scripture Orders Summary (from the inception of the work in the British Isles)

	1950-2014	2015	2016	2017	Grand Total
Bibles	2,976,325	65,633	42,574	47,889	3,132,421
New Testaments:					
Hospital	1,591,837	26,220	28,260	25,260	1,671,577
Medical	1,013,154	19,300	21,900	15,700	1,070,054
Youth	32,656,033	420,600	429,400	385,900	33,891,933
College	871,664	80,700	76,500	60,500	1,089,364
Services and Prisons	976,078	39,201	44,805	55,081	1,115,165
Camouflage	103,188	47,993	24,928	23,452	199,561
Personal Worker	1,496,199	99,450	133,758	156,695	1,886,102
Large Print	608,601	22,608	24,111	18,443	673,763
Total Testaments	39,316,754	756,072	783,662	741,031	41,597,519
Total Scriptures	42,293,079	821,705	826,236	788,920	44,729,940

v. FINANCIAL REVIEW

Financial Position

We give God thanks that through the generosity of members, Friends and Churches we have been able to fund our Scripture distribution in the British Isles and send £1,445,011 to the International Outreach Fund. We continue to experience challenges with funding to our General Fund.

Investment Powers

The Association maintains its funds in such banking and deposit accounts as are approved by the National Cabinet, in accordance with Bye-law 5(d) of its Constitution and Byelaws. Activities are organised in various funds which are described in the accounts.

Review of Reserves and Reserves Policy

The reserves of the Association are held in the various funds as detailed in the Financial Statements beginning at page 15. The Association's reserves policy and the level of reserves within each fund are reviewed each year having regard to the Charity Commission publication CC19, 'Charity Reserves: building resilience' (published January 2016), and a forecast of income and expenditure is prepared for the following year. Transfers are made to or from the General Fund to maintain the other unrestricted reserves within the desired limits. Contractual commitments as disclosed in note 13 on page 23 have not been deducted from available reserves as these items will be funded from the Scripture Fund in subsequent periods.

The total amount of funds at 31 December 2017 was £1,224,917, which includes £184,915 in a restricted fund, the Scripture Fund. For an explanation of restricted and unrestricted funds please see note 1(g) on page 19. A total of £659,518 is held in four designated funds as described in note 14 on page 23. Branch Administration Funds and Zone Administration Funds are the aggregated balances of the unrestricted funds belonging to The Gideons but held locally by 250 branches, the ten Zone Cabinets and the London Scripture Focus Steering Group, to be used for local administration purposes.

The Trustees consider that a reserve equivalent to between four and six months of National Office expenditure should be held in the General Fund. They endeavour to maintain it at this level by adjusting the subscription rates and/or varying, with members' approval, the percentage allocated to the Fund from members' gifts. Surplus funds are transferred to the International Outreach Fund. At 31 December 2017 the balance retained in the General Fund was £257,552, which represents approximately four months of budgeted expenditure.

Risk Management

The Trustees regularly undertake a review of the risks to which the Association is exposed and ensure that systems are in place to mitigate their impact. A detailed Risk Assessment Review is undertaken at each meeting of the Executive Committee and of the National Cabinet covering (1) Governance (2) Operational (3) Financial (4) Environmental, External Factors, Reputation, and (5) Compliance (law and regulations).

Key risks for the charity include (1) potential impact on the use of the Gideon name/emblem in the UK resulting from the refusal of the International Cabinet to approve the changes to the Constitution and Bye-laws in order for compliance with the Equality Act 2010 to be achieved (2) the cessation/slowdown of fundraising (3) the loss of key management.

The measures that have been undertaken to address these risks are (1) appropriate legal advice has and will continue to be obtained and dialogue is continuing with the International Cabinet (2) to ensure we have a broad range of areas from which we raise funds – these include members, Friends of The Gideons, churches and more recently, in order to supplement fundraising from these traditional areas of giving, we have started making applications to Grant Making Trusts; (3) the systems/processes

that are in place are known by other members of staff to ensure many tasks could be quickly undertaken without handover training, if such a situation arose.

vi. PLANS FOR FUTURE PERIODS

Strategic Operational Objectives

During 2012, the National Cabinet finalised a National Strategic Plan for 2012 to 2020, following the setting of Zone Strategic Plans by the respective Zone Trustees. Targets were agreed for Membership, Church Relations, Scripture Funds and Scriptures Distributed. This plan continues to be reviewed as required.

vii. CONCLUSION

In conclusion, the 14 Trustees of the National Cabinet record their deep and sincere thanks to all members, Friends of The Gideons, donors and churches for their faithful prayers and giving during 2017. Through that support many lives have been transformed, to the glory of God.

**‘Not by might nor by power, but by my Spirit,’ says the Lord Almighty.
Zechariah 4:6**

On behalf of the National Cabinet

A handwritten signature in black ink, appearing to read 'Andrew R Knight', with a stylized flourish at the end.

ANDREW R KNIGHT
National President

1 March 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales and Scotland 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.

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 Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution and bye-laws. 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.

On behalf of the Trustees,



ANDREW R KNIGHT
National President



DAVID J KILLER
National Treasurer

1 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE GIDEONS INTERNATIONAL IN THE BRITISH ISLES

Opinion

We have audited the financial statements of The Gideons International in the British Isles (the 'charity') for the year ended 31st December 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under section 154 of the Charities Act 2011 and with regulations made under the Charities and Trustee Investment (Scotland) Act 2005.

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

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

UHY Hacker Young

Statutory Auditor
14 Park Row
Nottingham
NG1 6GR

1 March 2018

UHY Hacker Young is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE GIDEONS INTERNATIONAL IN THE BRITISH ISLES

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2017

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Income from:					
Donations and legacies	3	1,065,770	2,043,651	3,109,421	3,143,402
Charitable activities:					
Sales of member supplies		142,788	-	142,788	161,716
National Convention income		12,014	-	12,014	13,223
Investment income		913	2,925	3,838	4,494
Total Income		1,221,485	2,046,576	3,268,061	3,322,835
Expenditure on:					
Charitable activities:					
Scripture distribution	5	884,669	2,322,797	3,207,466	3,295,077
Member supplies	6	263,117	-	263,117	267,183
Total expenditure		1,147,786	2,322,797	3,470,583	3,562,260
Net income/(expenditure)		73,699	(276,221)	(202,522)	(239,425)
Transfers between funds		-	-	-	-
Net movement in funds		73,699	(276,221)	(202,522)	(239,425)
Reconciliation of funds:					
Total funds brought forward at 1 January 2017		966,303	461,136	1,427,439	1,666,864
Total funds carried forward at 31 December 2017		1,040,002	184,915	1,224,917	1,427,439

There were no recognised gains or losses during the year other than as shown above.
All activities are continuing.

THE GIDEONS INTERNATIONAL in the BRITISH ISLES

BALANCE SHEET at 31 December 2017


	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible fixed assets	10	605,881		623,886	
Current assets					
Stocks		32,578		35,224	
Debtors	11	117,376		307,144	
Cash at bank and in hand		591,502		625,332	
		<u>741,456</u>		<u>967,700</u>	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(122,420)</u>		<u>(164,147)</u>	
Net current assets		619,036		803,553	
Net assets	16	<u>1,224,917</u>		<u>1,427,439</u>	
The funds of the charity					
Restricted income funds	15	184,915		461,136	
Unrestricted income funds	14	1,040,002		966,303	
		<u>1,224,917</u>		<u>1,427,439</u>	

The accounts were approved and authorised for issue by the National Cabinet on 1 March 2018

On behalf of the National Cabinet



ANDREW KNIGHT
National President



DAVID J KILLER
National Treasurer

THE GIDEONS INTERNATIONAL IN THE BRITISH ISLES

STATEMENT OF CASHFLOWS for the year ended 31 December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	17	<u>19,334</u>	<u>(172,447)</u>
Cash flows from investing activities			
Income received from investments (bank deposit interest)		3,838	4,494
Proceeds from the sale of fixed assets		-	2,182
Purchase of fixed assets	10	(57,002)	(56,489)
Proceeds from maturing bank deposits (see below)		400,000	250,000
Cash paid into bank deposit accounts		(250,000)	(400,000)
Net cash (used in) / provided by investing activities		<u>96,836</u>	<u>(199,813)</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year		116,170	(372,260)
Cash and cash equivalents brought forward at 1 January		225,332	597,592
Cash and cash equivalents at 31 December		<u>341,502</u>	<u>225,332</u>
Analysis of cash and cash equivalents			
Cash and bank deposits repayable on demand		341,502	225,332
Notice deposits (less than 3 months)		-	-
Total cash and cash equivalents at 31 December		<u>341,502</u>	<u>225,332</u>

Reconciliation to cash at bank and in hand shown on the Balance Sheet

Fixed term bank deposits and notice deposits greater than 3 months:		
Balances at 1 January	400,000	250,000
Matured or withdrawn in the year	(400,000)	(250,000)
New or renewed deposits during the year	250,000	400,000
Total at 31 December	<u>250,000</u>	<u>400,000</u>
Total cash and cash equivalents at 31 December (see section above)	341,502	225,332
Total cash at bank and in hand	<u>591,502</u>	<u>625,332</u>

NOTES ON THE ACCOUNTS for the year ended 31 December 2017

1 Accounting policies

a Basis of preparation and going concern

The financial statements are prepared under the historical cost convention, and include the results of the Association's operations in fulfilling its charitable objectives, all of which are continuing. The financial statements have been prepared in accordance with *Accounting and Reporting by Charities: The 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* ("the SORP (FRS102)"), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and any applicable regulations and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view, and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view' by following the SORP (FRS102), rather than the former SORP: *Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005* (which has since been withdrawn).

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b Income

Income is recognised when the charity has entitlement to the funds, when any performance conditions attached to the item(s) of income have been met, when it is probable that the income will be received and when the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see Note 4).

Membership subscriptions are recognised in full as voluntary income on the date of receipt, on the basis that the separable cost to the Association of fulfilling its related obligations in future periods is relatively small.

Tax refunds receivable under Gift Aid are recognised as part of the same source of income as the gift out of which they arise.

Sales of member supplies are recognised when the goods are dispatched.

Investment income (bank deposit interest) is shared between restricted and unrestricted funds in proportion to the average bank balances held in each fund.

In accordance with the Association's Bye-law 5, donations and legacies received from members of the Association are split between the General Fund and Scripture Fund unless designated for the General Fund alone.

c Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to an obligation to make a transfer of value to a third party as a result of past transactions or events. Irrecoverable VAT is charged against the expenditure heading in relation to which it was incurred.

NOTES ON THE ACCOUNTS for the year ended 31 December 2017

1 Accounting policies (continued)

Expenditure on Scriptures is recognised when the Scriptures are received. Scriptures printed but not received are included as a contractual commitment.

The costs of individual charitable activities, as reported in Notes 5 and 6, are those expenditures directly attributable to the activities described, together with an appropriate apportionment of central support costs. Support costs are allocated on the basis of estimated amounts of staff time devoted to each activity.

d Zones and Branches

An account is maintained at National Office for every Branch in respect of Scripture Fund income, expenditure and balances. These accounts form part of the restricted fund balance shown in the Statement of Financial Activities and on the Balance Sheet.

In addition, each Zone and most Branches operate a local administration fund. These funds have a 30 June year end and are incorporated into the Association's accounts for the year ending the following 31 December.

e Stock

Stocks of Scriptures and literature are valued at the lower of cost and net realisable value. In respect of Scriptures intended for branch distributions, realisable value is taken to be the amount that will be deducted from the branch's Scripture Account balance (see 1(d) above) when they are ordered by, and dispatched to, a particular branch. No such stock of Scriptures was held at the year end.

f Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000, including major computer software applications, are capitalised and included at cost. No depreciation is provided on the freehold property on the basis that its residual value is believed to be not materially less than the current book value; this is subject to an annual impairment review. Depreciation is provided on other fixed assets at rates calculated to write off the cost less estimated residual value over their expected useful lives as follows:

Freehold land and buildings	not depreciated
Office furnishings and fittings	10%
Office equipment	25%
Computer software	25%

g Funds structure

The funds held by the charity are held in one of the following three types of fund:

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds are funds set aside by the Trustees out of unrestricted general funds for some specified future purpose.

Restricted funds are funds that can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or implied by the charity's methods of operation.

h Pension costs

Pension contributions invested separately from the Association's assets are charged to the Statement of Financial Activities as they are incurred.

2 Taxation

The Association is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

NOTES ON THE ACCOUNTS for the year ended 31 December 2017

3 Donations	2017	2016
	£	£
<u>Scripture Fund - analysis of donations by source:</u>		
Members (see footnote below)	554,750	532,846
Friends	692,565	765,924
Churches	267,905	276,881
Bible Giving Cards	70,919	60,949
Legacies (see Note 4)	457,512	505,167
	<u>2,043,651</u>	<u>2,141,767</u>

General donations from members are allocated between the Scripture Fund and the General Fund in accordance with Bye-law 5 of the Association's Constitution and Bye-laws. The percentage allocated to the General Fund has been 20% from May 2011 to date.

<u>Unrestricted funds</u>		
Allocation from members' giving under Bye-law 5	116,739	107,994
Grants and other donations to the General Fund	152,131	130,763
London Schools Fund	31,350	-
Special Projects Fund	37,750	10,000
Legacies (see Note 4)	96,418	134,216
Members' subscriptions	512,222	505,138
Zone administration funds	35,962	28,250
Branch administration funds	83,198	85,274
	<u>1,065,770</u>	<u>1,001,635</u>

4 Legacies	2017	2016
	£	£
<u>Unrestricted funds</u>		
Legacies given expressly for General purposes	15,523	14,097
Unrestricted legacies allocated to the General Fund		
in accordance with Bye-law 5 (see below, and Note 14)	49,584	107,087
% allocation from members' legacies, under Bye-law 5	31,311	13,032
	<u>96,418</u>	<u>134,216</u>
<u>Restricted funds</u>		
Legacies restricted for Scripture Funds	<u>457,512</u>	<u>505,167</u>

The Association's Bye-law 5 provides that all legacies from members and Friends of The Gideons will be assumed to be restricted Scripture Funds unless the donor has instructed otherwise. Legacies from individuals who are not either members or Friends, and whose terms include no directions about their use either for general purposes or for Scriptures, are unrestricted funds but the Association's policy is that they will be given to the International Outreach Fund to enable the distribution of more Scriptures around the world, provided the Association's requirements for reserves are met (see Note 14).

At 31 December 2017 the Association had been advised of entitlement to a number of legacies that had not yet been received, or had been received in part. Five of these, amounting to £54,521 not yet received (2016: nine estates, amounting to £237,740) have been recognised as income in these accounts, in accordance with the criteria set out in the SORP (FRS102), and included in Debtors (see Note 11).

There are a further sixteen (2016: eighteen) estates in which entitlement has been notified but the amount receivable by the Association was not known with sufficient certainty to be recognised at this stage. Based on the limited information available, the aggregate amount to be received from these estates is estimated to be between £130,000 and £210,000 (2016: between £200,000 and £250,000).

In addition, the Association has also been notified of six bequests to it which are currently subject to a life-tenancy interest. In one of these estates the interest has recently been estimated at around £500,000, although this is not expected to become receivable for a number of years; the other five are believed to amount to between £60,000 and £100,000 in total. These amounts have also not been recognised as income because they do not satisfy the SORP (FRS102) income recognition rules.

NOTES ON THE ACCOUNTS for the year ended 31 December 2017

Costs of charitable activities (Notes 5 and 6):

5 Scripture Distribution	2017	2016
	£	£
<i>Payments from the Scripture Fund (restricted income fund):</i>		
Scriptures used in British Isles - printers' charges	877,786	829,582
Gifts to The Gideons International for International Outreach	1,445,011	1,562,836
	2,322,797	2,392,418
<i>Payments from the General Fund (unrestricted funds):</i>		
Gifts to The Gideons International for International Outreach	-	-
Apportionment of Support Costs - see Note 7 (90%)	884,669	902,659
	3,207,466	3,295,077

The total amount given to the International Outreach Fund for the year is £1,445,011 (2016: £1,562,836).

6 Member Supplies	2017	2016
	£	£
Direct cost of sales	141,006	143,360
Directly attributed staff costs	23,814	23,528
Apportionment of Support Costs - see Note 7 (10%)	98,297	100,295
	263,117	267,183

7 Support Costs	2017	2016
	£	£
Staff costs (see Note 8)	456,864	484,339
Less: staff costs allocated to charitable activities (see Note 6)	(23,814)	(23,528)
Staff travel and accommodation expenses	43,769	47,073
Rates, services and insurance	15,722	16,289
Repairs and renewals	14,962	20,935
National Convention	48,081	44,366
Recruitment, training and development	25,206	34,514
Schools development project (London)	40,686	35,781
Postage & telephone	25,999	29,077
Printing and stationery	17,719	15,824
Software and website costs	47,638	28,851
General office expenses	9,116	7,180
Consultancy and IT support	19,215	19,323
Legal expenses	7,790	14,546
Cabinet meetings and expenses	19,652	19,546
Extraordinary General Meeting	-	8,447
Auditors' remuneration	10,044	9,942
Bank charges	12,574	11,430
Depreciation of owned fixed assets	75,007	72,356
Less: (profit) on disposal of fixed assets	-	(1,090)
	866,230	895,201
Zones' administration expenses	35,976	24,242
Branches' administration expenses	80,760	83,511
TOTAL SUPPORT COSTS	982,966	1,002,954
Divided between the following charitable activities:		
Scripture Purchasing and Distribution - 90%	884,669	902,659
Member Supplies - 10%	98,297	100,295
	982,966	1,002,954

NOTES ON THE ACCOUNTS for the year ended 31 December 2017

7 Support Costs (continued)

The auditors' remuneration amounts to an audit fee of £8,130 (2016: £7,900) and other services of £nil (2016: £nil). The amounts recognised as an expense within support costs also include disbursements and irrecoverable VAT.

The support costs listed above cannot be specifically allocated as costs directly related to any particular activity. They include central management and administration costs as well as certain running expenses that arise from the nature of the Association as a membership organisation. These costs are therefore absorbed between all the charitable activities (see Notes 5 and 6) as support costs, in proportion to the estimated amounts of staff time devoted to each activity.

8 Total staff costs	2017 £	2016 £
Wages and salaries	389,363	414,287
Employer's National Insurance costs	32,419	35,486
Contributions to a defined contribution pension scheme	31,395	30,848
Other employment costs: death-in-service benefit	3,687	3,718
	<u>456,864</u>	<u>484,339</u>

The average number of employees during the year was 13 (2016: 14) and the average full-time equivalent number was 12 (2016: 13). There was one employee receiving employee benefits between £70,001 and £80,000 (2016: one employee receiving employee benefits between £60,001 and £70,000) during the year.

The figure stated as wages and salaries includes the following for termination payments on redundancy: 2017: £nil, (2016: £21,887). There were no amounts relating to this outstanding at the end of either year.

Although the Trustees have overall responsibility for the governance and management of the Association, day-to-day management of its activities is delegated to a management team of five, including the Executive Director who reports directly to the Trustees. The total employee benefits (including the National Insurance costs) received by the management team amounted to £241,180 (2016: £224,831) with employer's pension contributions of £17,662 (2016: £16,504).

9 Pensions and post-retirement benefits

The Association operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £31,395 (2016: £30,848).

10 Tangible fixed assets	Freehold land and buildings £	Furnishings & fittings £	Office equipment £	Computer software £	Total £
Cost					
At 1 January 2017	500,000	38,585	67,111	323,733	929,429
Additions	-	-	8,704	48,298	57,002
Disposals	-	-	(2,566)	-	(2,566)
At 31 December 2017	<u>500,000</u>	<u>38,585</u>	<u>73,249</u>	<u>372,031</u>	<u>983,865</u>
Depreciation					
At 1 January 2017	-	29,649	64,625	211,269	305,543
Charge for the year	-	2,047	3,005	69,955	75,007
Eliminated on disposals	-	-	(2,566)	-	(2,566)
At 31 December 2017	<u>-</u>	<u>31,696</u>	<u>65,064</u>	<u>281,224</u>	<u>377,984</u>
Net book values					
At 31 December 2017	<u>500,000</u>	<u>6,889</u>	<u>8,185</u>	<u>90,807</u>	<u>605,881</u>
At 31 December 2016	<u>500,000</u>	<u>8,936</u>	<u>2,486</u>	<u>112,464</u>	<u>623,886</u>

NOTES ON THE ACCOUNTS for the year ended 31 December 2017**10 Tangible fixed assets (continued)**

All fixed assets are used for the management and administration of the Association.

The freehold property is carried at cost within the terms of the SORP (FRS102). The most recent professional valuation was carried out on 1 November 2012 in accordance with the RICS Valuation Standards - Global and UK (7th Edition), by Roger Chisnall MRICS, RICS Registered Valuer, who is not connected with the charity. He valued the property at a market value of £500,000 on that date. The Trustees are not aware of any material changes in value since that date.

11 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Sundry debtors	7,277	13,690
Prepayments	22,651	24,661
Income Tax recoverable	31,872	29,050
Accrued legacy income	54,521	237,740
Other accrued income	1,055	2,003
	<u>117,376</u>	<u>307,144</u>

12 Creditors	2017	2016
	£	£
Amounts falling due within one year:		
Scripture printing creditors	81,135	88,130
International Outreach Fund	-	29,040
Taxation and social security	10,469	9,711
Sundry creditors	19,716	25,638
Accruals	11,100	11,628
	<u>122,420</u>	<u>164,147</u>

13 Contractual commitments	2017	2016
	£	£
For Scriptures printed but not invoiced to the Association by 31 December	<u>827,731</u>	<u>828,373</u>
Capital commitments	<u>-</u>	<u>-</u>

The above commitments are all due within one year.

14 Unrestricted funds	Balance	Incoming	Resources	Gains,	Balance
	1 January	resources	used in	losses &	at 31
	£	£	the year	transfers	December
			£	£	£
Premises Fund (designated fund)	500,000	-	-	-	500,000
Capital Equipment					
Fund (designated fund)	123,886	-	-	(18,005)	105,881
Unrestricted Legacies (designated fund)	-	49,584	-	(49,584)	-
London Schools Fund (designated fund)	28,491	31,350	(40,686)	-	19,155
Special Projects Fund (designated fund)	10,000	37,750	(13,268)	-	34,482
General Fund	183,418	983,641	(977,096)	67,589	257,552
Zone administration funds	16,096	35,962	(35,976)	-	16,082
Branch administration funds	104,412	83,198	(80,760)	-	106,850
	<u>966,303</u>	<u>1,221,485</u>	<u>(1,147,786)</u>	<u>-</u>	<u>1,040,002</u>

NOTES ON THE ACCOUNTS for the year ended 31 December 2017**14 Unrestricted funds (continued)**

The Premises Fund and the Capital Equipment Fund are designated funds set aside out of the General Fund to reflect the possible cost of replacing the Association's fixed assets. The purpose of this is to ensure that the balance on the General Fund is represented by available liquid resources. The balances on these two funds are represented by the fixed assets and could only be realised and spent if those assets were sold for their net book values. In 2017, the sum of £18,005 has been transferred back into the General Fund to reflect the reduction in the net book value of the relevant fixed assets.

As described in Note 4, unrestricted legacies amounting to £49,584 have been received and have been treated as a designated fund in accordance with the Association's policy. At 31 December 2017, the level of reserves required for the year ahead was not sufficient to permit giving this sum to the International Outreach Fund. The whole amount received was transferred into the General Fund to restore the free reserves to the level determined by the Association's reserves policy set out on page 9.

The London Schools Fund represents an amount set aside to fund a project making contact and meeting with schools that have not invited The Gideons to make a presentation to their pupils, in some cases for many years. This has been funded using donations from interested members.

The Special Projects Fund was established in 2016 to facilitate projects, to enhance the effectiveness of the ministry of The Gideons, which cannot be provided for by the regular budgeted income. Amounts will be allocated to this fund based on donations received with a particular expression of interest in supporting these projects, as well as at the Trustees' discretion as support becomes available from members' giving.

15 Restricted fund

	Balance 1 January £	Incoming resources for year £	Resources used in the year £	Gains, losses & transfers £	Balance at 31 December £
Scripture Fund	<u>461,136</u>	<u>2,046,576</u>	<u>(2,322,797)</u>	<u>-</u>	<u>184,915</u>

The Scripture Fund represents money received by the Association to be used for Scripture purchases (including delivery), either by branches in the British Isles or internationally. The cost of Scripture distributions reported in the Statement of Financial Activities also includes a reasonable allocation of support costs which are paid out of unrestricted income funds.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	605,881	-	605,881
Stocks	32,578	-	32,578
Debtors	80,832	36,544	117,376
Cash at bank	361,996	229,506	591,502
Creditors falling due within one year	(41,285)	(81,135)	(122,420)
	<u>1,040,002</u>	<u>184,915</u>	<u>1,224,917</u>

NOTES ON THE ACCOUNTS for the year ended 31 December 2017

17 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2017 £	2016 £
Net (expenditure)/income for the year as reported on page 15	(202,522)	(239,425)
Adjusted for:		
Depreciation charges	75,007	72,356
Income received from investments	(3,838)	(4,494)
(Profit) / loss on the sale of fixed assets	-	(1,090)
Decrease/(increase) in stocks	2,646	1,177
Decrease in debtors	189,768	337,626
(Decrease) in creditors	(41,727)	(338,597)
Net cash (used in) / provided by operating activities	<u>19,334</u>	<u>(172,447)</u>

18 Transactions with related parties

Payments of staff travel and accommodation expenses during the year included a payment of £508 to Travel Agency Services, a business in which Mr John Coldwell, one of the Trustees, has a controlling interest. This was a payment in the ordinary course of business in relation to the purchase of air travel for a representative of the Association in connection with his duties. (During 2016 payments amounting to £2,691 were made to the same company in relation to travel for another member of the Association in connection with his duties).

The aggregate amount of donations received from Trustees and persons connected with them amounted to £142,734 (2016: £98,773).

19 Trustee remuneration and expenses

None of the Trustees, nor any persons connected with them, received any remuneration from the Association during the year. Trustees may claim reimbursement of their expenses in connection with National Cabinet meetings at Gideons National Office and certain other functions where they represent the Association. In 2017, 11 Trustees received a total of £11,443 (2016: 10 Trustees received a total of £8,662) for their travel, subsistence and accommodation expenses in this connection.

20 Trustee indemnity insurance

The Association, having obtained approval from the Charity Commission in 2003, has purchased 'Trustee Indemnity Insurance' to indemnify its Trustees, officers and employees against claims arising from any act committed in the course of the Association's activities. The cost of this insurance in 2017 was £452 (2016: £354).