

GideonsUK

(formerly The Gideons International in the British Isles)

**ANNUAL REPORT
AND FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2018

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



GideonsUK

ANNUAL REPORT AND FINANCIAL STATEMENTS for 2018

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NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of the members of GideonsUK will be held, God willing, on Friday 3 May 2019 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 2018.
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, Ladies' President, Vice President, Ladies' Vice President, Treasurer, Pastoral Support and Ladies' Pastoral Support.

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 2018 AGM can be downloaded from the members' area of the website www.gideonsuk.com 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
Executive Director

28 February 2019

TRUSTEES' ANNUAL REPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2018. 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, 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 (as amended by Update Bulletin 1 published on 2 February 2016).

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

GideonsUK

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
E-mail: info@gideonsuk.com
Website: www.gideonsuk.com

The Cabinet and Trustees

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

President	Andrew R Knight
Ladies' President	M Annabel Howes
Vice President	W (Bill) E G Thomas
Ladies' Vice President	Catherine F Erbetta
Treasurer	Graham J Beckett
Pastoral Support	Graham A Sparkes
Ladies' Pastoral Support	Rhoda M Bourne
Region 1 Director	David W Andrew
Region 2 Director	Philip S Bunting
Region 3 Director	Chris N Axelby
Region 4 Director	David F Patterson
Region 5 Director	Neil H T Bourne
Region 6 Director	Handley C D Hammond
Region 7 Director	Iain L S Gray
Region 8 Director	Richard (Rick) J Hillard
Region 9 Director	Alan D Lansdown
Region 10 Director	T J Ivan Johnston

The Trustees who retired from the Cabinet at the close of the National Convention on 7 May 2018 were:

Treasurer	David J Killer
Zone 3	John Coldwell
Zone 4	Michael J Hodges
Zone 6	Reginald (Reg) E R Harris
Zone 8	Donovan J Gardner
Zone 10	G Wesley Coulter

At 31 December 2018 the following also served on the Cabinet but was not a Trustee of the Association:

Executive Director	Iain J Mair
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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

GideonsUK (formerly The Gideons International in the British Isles) ('the Association') is governed by its Constitution, as amended in May 2018. 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

National Officer Trustees (President, Ladies' President, Vice President, Ladies' Vice President, Treasurer, Pastoral Support and Ladies' Pastoral Support) are elected by the members of the Association at its Annual General Meeting (AGM). They are elected for a term of one year and may serve for a maximum of three consecutive terms.

All other Trustees (Regional Directors) are elected by the members of their respective Regions at their Regional Annual General Meetings 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 receives Induction Training at National Office under the supervision of the Executive Director. As required, further training is provided in the form of Briefing Notes, Charity Legislation publications, invitations to external trustee training events, and other training sessions as necessary. A Leadership Development Conference for Trustees was held in November.

Management

The management of GideonsUK is vested in the Cabinet, consisting of President, Ladies' President, Vice President, Ladies' Vice President, Treasurer, Pastoral Support, Ladies' Pastoral Support and ten Regional Directors. The Executive Director is also a member of 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.

Regions/Branches

The Association is organised into geographical 'Branches' and 'Regions'. 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

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 was 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.

A new Constitution was adopted by members at the 2018 AGM. This resulted in the Association being separated from the international Gideon Association by a decision of the International Cabinet, whose stated desire is to remain an Association for men.

iii. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Charitable Objects

The objective of GideonsUK, as stated in its Constitution, is to introduce others to the Lord Jesus Christ by:

- Placing, presenting and/or distributing the Holy Bible, or portions of the Holy Bible, in various areas of everyday life.
- Engaging in personal witnessing.
- Associating together for service and encouragement.

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 GideonsUK and churches are generally raised from church presentations and making the needs known to Friends and other supporters. These donations 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. The Association does not employ a professional fundraiser.

All Scripture funds may be retained by the Association for use in the British Isles or be sent as financial contributions for the purchase of Scriptures around the world. At the November 2018 Cabinet meeting the Trustees authorised the Executive Committee to continue discussions with Gideons Canada/ShareWord Global, in order to agree terms of partnership for the purpose of distributing Scriptures around the world, that others be introduced to the Lord Jesus Christ.

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 – GideonsUK 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 objective of the Association, as stated in its Constitution, which is to introduce others to 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 GideonsUK and posted on the Association's website www.gideonsuk.com, 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 GideonsUK 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 GideonsUK. Many such accounts are regularly shared as stated under 'Identifiable Benefits, related to the aims of the charity'. 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 members of the Regional Cabinets.

Membership Summary

During 2018, 198 members were recruited, bringing the total membership to 4,798. 177 members were recruited in 2017.

Scripture Orders Summary

	2017	2018
Bibles	47,889	33,439
New Testaments:		
Hospital	25,260	24,010
Medical	15,700	17,100
Youth	385,900	356,000
College	60,500	64,400
Services and Prisons	55,081	60,892
Camouflage	23,452	13,123
Personal Worker	156,695	158,872
Large Print	18,443	21,249
Total Testaments	741,031	715,646
Total Scriptures	788,920	749,085

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 provide £735,025 for the purchase of Scriptures around the world.

Investment Powers

The Association maintains its funds in such banking and deposit accounts as are approved by the Cabinet, in accordance with Article 8 of its Constitution. 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 2018 was £1,903,291 which includes £582,111 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 £747,905 is held in five designated funds as described in note 14 on page 23. Branch Administration Funds and Region Administration Funds are the aggregated balances of the unrestricted funds belonging to GideonsUK but held locally by 251 branches, the ten Regional 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. At 31 December 2018 the balance retained in the General Fund was £438,515, which represents approximately six 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 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 separation of GideonsUK from the international Gideon Association (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, including support from a Trademark Attorney in relation to registering GideonsUK as a trademark (2) to ensure we have a broad range of areas from which we raise funds – these include members, Friends of GideonsUK, 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

At the November 2018 Cabinet meeting, the Cabinet agreed Strategic Actions covering International Outreach, Relationships with churches, Membership Development, Personal Witnessing, Fundraising, Schools work, Branch meetings/development and Friends. These actions will be reviewed as required.

vii. CONCLUSION

In conclusion, the 17 Trustees of the Cabinet record their deep and sincere thanks to all members, Friends of GideonsUK, donors and churches for their faithful prayers and giving during 2018. 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 Cabinet

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

ANDREW R KNIGHT
President

28 February 2019

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
President



GRAHAM J BECKETT
Treasurer

28 February 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GIDEONSUK

Opinion

We have audited the financial statements of GideonsUK (the 'charity') for the year ended 31st December 2018 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2018, 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.

Use of our report

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.

UHY Hacker Young

Statutory Auditor

14 Park Row
Nottingham
NG1 6GR

7 March 2019

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

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	3	1,242,792	1,950,723	3,193,515	3,109,421
Charitable activities:					
Sales of member supplies		121,838	-	121,838	142,788
National Convention income		14,794	-	14,794	12,014
Investment income		1,388	1,639	3,027	3,838
Total Income		<u>1,380,812</u>	<u>1,952,362</u>	<u>3,333,174</u>	<u>3,268,061</u>
Expenditure on:					
Charitable activities:					
Scripture distribution	5	856,734	1,555,166	2,411,900	3,207,466
Member supplies	6	242,900	-	242,900	263,117
Total expenditure		<u>1,099,634</u>	<u>1,555,166</u>	<u>2,654,800</u>	<u>3,470,583</u>
Net income/(expenditure)		281,178	397,196	678,374	(202,522)
Transfers between funds		-	-	-	-
Net movement in funds		<u>281,178</u>	<u>397,196</u>	<u>678,374</u>	<u>(202,522)</u>
Reconciliation of funds:					
Total funds brought forward at 1 January		1,040,002	184,915	1,224,917	1,427,439
Total funds carried forward at 31 December		<u>1,321,180</u>	<u>582,111</u>	<u>1,903,291</u>	<u>1,224,917</u>

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

BALANCE SHEET at 31 December 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible fixed assets	10		548,926		605,881
Current assets					
Stocks		26,425		32,578	
Debtors	11	64,741		117,376	
Cash at bank and in hand		1,353,756		591,502	
		<u>1,444,922</u>		<u>741,456</u>	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(90,557)</u>		<u>(122,420)</u>	
Net current assets			1,354,365		619,036
Net assets	16		<u>1,903,291</u>		<u>1,224,917</u>
The funds of the charity					
Restricted income funds	15	582,111		184,915	
Unrestricted income funds	14	1,321,180		1,040,002	
		<u>1,903,291</u>		<u>1,224,917</u>	

The accounts were approved and authorised for issue by the Cabinet on 28 February 2019

On behalf of the Cabinet



ANDREW R KNIGHT
President



GRAHAM J BECKETT
Treasurer

STATEMENT OF CASHFLOWS for the year ended 31 December 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	17	<u>761,027</u>	<u>19,334</u>
Cash flows from investing activities			
Income received from investments (bank deposit interest)		3,027	3,838
Proceeds from the sale of fixed assets		-	-
Purchase of fixed assets	10	(1,800)	(57,002)
Proceeds from maturing bank deposits (see below)		250,000	400,000
Cash paid into bank deposit accounts		(351,350)	(250,000)
Net cash (used in) / provided by investing activities		<u>(100,123)</u>	<u>96,836</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year		660,904	116,170
Cash and cash equivalents brought forward at 1 January		341,502	225,332
Cash and cash equivalents at 31 December		<u>1,002,406</u>	<u>341,502</u>
Analysis of cash and cash equivalents			
Cash and bank deposits repayable on demand		1,002,406	341,502
Notice deposits (less than 3 months)		-	-
Total cash and cash equivalents at 31 December		<u>1,002,406</u>	<u>341,502</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		250,000	400,000
Matured or withdrawn in the year		(250,000)	(400,000)
New or renewed deposits during the year		351,350	250,000
Total at 31 December		<u>351,350</u>	<u>250,000</u>
Total cash and cash equivalents at 31 December (see section above)		1,002,406	341,502
Total cash at bank and in hand		<u>1,353,756</u>	<u>591,502</u>

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, as amended by *Update Bulletin 1* published on 2 February 2016 ("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.

The financial statements are presented in UK £ sterling, which is the functional currency of the charity.

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 Article 8 of the Association's Constitution, 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.

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 Regions 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 Region 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 material stock of such 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 2018

3 Donations	2018	2017
	£	£
<u>Scripture Fund - analysis of donations by source:</u>		
Members (see footnote below)	493,764	554,750
Friends	725,271	692,565
Churches	324,111	267,905
Bible Giving Cards	52,090	70,919
Legacies (see Note 4)	355,487	457,512
	<u>1,950,723</u>	<u>2,043,651</u>

General donations from members are allocated between the Scripture Fund and the General Fund in accordance with Article 8 of the Association's Constitution. The percentage allocated to the General Fund has been 20% from May 2011 to date.

Unrestricted funds

Members' subscriptions	469,154	512,222
Allocation from members' giving under Article 8	101,745	116,739
Grants and other donations to the General Fund	164,687	152,131
London Schools Fund	31,250	31,350
Special Projects Fund	9,370	37,750
Legacies (see Note 4)	346,984	96,418
Regions' administration funds	34,430	35,962
Branches' administration funds	85,172	83,198
	<u>1,242,792</u>	<u>1,065,770</u>

4 Legacies	2018	2017
	£	£
<u>Unrestricted funds</u>		
Legacies given expressly for General purposes	73,778	15,523
Unrestricted legacies allocated to the General Fund in accordance with Article 8 (see below, and Note 14)	244,419	49,584
% allocation from members' legacies, under Article 8	28,787	31,311
	<u>346,984</u>	<u>96,418</u>
<u>Restricted funds</u>		
Legacies restricted for Scripture Funds	<u>355,487</u>	<u>457,512</u>

Article 8 of the Association's Constitution provides for how legacies from members and Friends of GideonsUK are allocated between Scripture Funds and General Funds, unless the donor instructs otherwise. Legacies from individuals who are not either members or Friends, and whose terms include no directions about their use, are unrestricted funds but the Association's policy is that they will be used for the distribution of more Scriptures around the world, provided the Association's requirements for reserves are met (see Note 14).

At 31 December 2018 the Association had been advised of entitlement to a number of legacies that had not yet been received, or had been received in part. Four of these, amounting to £9,213 not yet received (2017: five estates, amounting to £54,521) 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 (2017: sixteen) 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 £160,000 and £200,000 (2017: between £130,000 and £210,000).

In addition, the Association has also been notified of four 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 three are believed to amount to between £40,000 and £50,000 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 2018

Costs of charitable activities (Notes 5 and 6):

5 Scripture Distribution	2018	2017
	£	£
<i>Payments from the Scripture Fund (restricted income fund):</i>		
Scriptures used in British Isles - printers' charges	820,141	877,786
Gifts to The Gideons International for International Outreach	603,324	1,445,011
Gifts to ShareWord Global for international Scripture outreach	131,701	-
	1,555,166	2,322,797
<i>Payments from the General Fund (unrestricted funds):</i>		
Apportionment of Support Costs - see Note 7 (90%)	856,734	887,171
	2,411,900	3,209,968

The total amount given to international outreach in the year is £735,025 (2017: £1,445,011).

6 Member Supplies	2018	2017
	£	£
Direct cost of sales	123,378	141,006
Directly attributed staff costs	24,329	23,814
Apportionment of Support Costs - see Note 7 (10%)	95,193	98,575
	242,900	263,395

7 Support Costs	2018	2017
	£	£
Staff costs (see Note 8)	444,298	456,864
Less: staff costs allocated to charitable activities (see Note 6)	(24,329)	(23,814)
Staff travel and accommodation expenses	35,480	43,769
Rates, services and insurance	16,678	15,722
Repairs and renewals	20,037	14,962
National Convention and Church Leaders Appreciation Dinner	48,056	50,861
Recruitment, training and development	14,978	25,206
Schools development project (London)	32,344	40,686
Postage & telephone	25,158	25,999
Printing and stationery	13,074	17,719
Software and website costs	64,597	47,638
General office expenses	9,213	9,116
Consultancy and IT support	17,505	19,215
Legal expenses	11,631	7,790
Cabinet meetings and expenses	34,502	19,652
Auditors' remuneration (see also Note 19)	11,244	10,044
Bank charges	10,932	12,574
Depreciation of owned fixed assets	58,755	75,007
Less: (profit) on disposal of fixed assets	-	-
	844,153	869,010
Regions' administration expenses	32,168	35,976
Branches' administration expenses	75,606	80,760
TOTAL SUPPORT COSTS	951,927	985,746
Divided between the following charitable activities:		
Scripture Purchasing and Distribution - 90%	856,734	887,171
Member Supplies - 10%	95,193	98,575
	951,927	985,746

7 Support Costs (continued)

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	2018 £	2017 £
Wages and salaries	376,673	389,363
Employer's National Insurance costs	34,405	32,419
Contributions to a defined contribution pension scheme	28,640	31,395
Other employment costs: death-in-service benefit	4,580	3,687
	<u>444,298</u>	<u>456,864</u>

The average number of employees during the year was 12 (2017: 13) and the average full-time equivalent number was 11 (2017: 12). There was one employee (2017: one) receiving employee benefits between £70,001 and £80,000 during the 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, comprising five people during 2017 and up to May 2018 and four people from May 2018 to date, 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 £229,518 (2017: £241,180) with employer's pension contributions of £16,299 (2017: £17,662).

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 £28,640 (2017: £31,395).

10 Tangible fixed assets	Freehold land and buildings £	Furnishings & fittings £	Office equipment £	Computer software £	Total £
Cost					
At 1 January 2018	500,000	38,585	73,249	372,031	983,865
Additions	-	-	1,800	-	1,800
Disposals	-	-	(15,612)	-	(15,612)
At 31 December 2018	<u>500,000</u>	<u>38,585</u>	<u>59,437</u>	<u>372,031</u>	<u>970,053</u>
Depreciation					
At 1 January 2018	-	31,696	65,064	281,224	377,984
Charge for the year	-	1,936	3,454	53,365	58,755
Eliminated on disposals	-	-	(15,612)	-	(15,612)
At 31 December 2018	<u>-</u>	<u>33,632</u>	<u>52,906</u>	<u>334,589</u>	<u>421,127</u>
Net book values					
At 31 December 2018	<u>500,000</u>	<u>4,953</u>	<u>6,531</u>	<u>37,442</u>	<u>548,926</u>
At 31 December 2017	<u>500,000</u>	<u>6,889</u>	<u>8,185</u>	<u>90,807</u>	<u>605,881</u>

NOTES ON THE ACCOUNTS for the year ended 31 December 2018

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	2018	2017
	£	£
Amounts falling due within one year:		
Sundry debtors	14,777	7,277
Prepayments	18,192	22,651
Income Tax recoverable	21,658	31,872
Accrued legacy income	9,213	54,521
Other accrued income	901	1,055
	64,741	117,376

12 Creditors	2018	2017
	£	£
Amounts falling due within one year:		
Scripture printing creditors	49,201	81,135
Taxation and social security	11,713	10,469
Sundry creditors	16,393	19,716
Accruals	13,250	11,100
	90,557	122,420

13 Contractual commitments	2018	2017
	£	£
For Scriptures printed but not invoiced to the Association by 31 December	764,779	827,731
Capital commitments	-	-

The above commitments are all due within one year.

14 Unrestricted funds	Balance	Incoming resources	Resources used in	Gains, losses & transfers	Balance at 31
	1 January	for year	the year		December
	£	£	£	£	£
Premises Fund (designated fund)	500,000	-	-	-	500,000
Capital Equipment Fund					
(designated fund)	105,881	-	-	-	105,881
Unrestricted Legacies (designated fund)	-	244,419	-	(244,419)	-
London Schools Fund (designated fund)	19,155	31,250	(32,344)	-	18,061
Special Projects Fund (designated fund)	34,482	9,370	(19,889)	-	23,963
Schools Ministry Fund (designated fund)	-	-	-	100,000	100,000
General Fund	257,552	976,171	(939,627)	144,419	438,515
Region administration funds	16,082	34,430	(32,168)	-	18,344
Branch administration funds	106,850	85,172	(75,606)	-	116,416
	1,040,002	1,380,812	(1,099,634)	-	1,321,180

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 normally represented by fixed assets only and could only be realised and spent if those assets were sold for their net book values. In 2018, the net book value of the relevant fixed assets has reduced but it is anticipated that it will increase again in 2019 due to substantial expenditure on new Finance software. In view of this, no transfer has been made back into the General Fund at this time.

As described in Note 4, unrestricted legacies amounting to £244,419 have been received and have been treated as a designated fund in accordance with the Association's policy. At 31 December 2018, the trustees decided to retain all of this balance in order to increase the level of reserves to approximately the equivalent of six months of National Office expenditure, as indicated by the Association's reserves policy set out on page 9. The whole amount received has been transferred into the General Fund at the year end.

The London Schools Fund represents an amount set aside to fund a project making contact and meeting with schools that have not invited GideonsUK 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 which cannot be provided for by the regular budgeted income to enhance the effectiveness of the ministry of GideonsUK. 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.

The Schools Ministry Fund is a new fund established in 2018 to set aside resources towards the training and equipping of Gideons for school assemblies and lessons, and towards generally increasing the impact and effectiveness of the Association's work with schools, in order to reverse the decline in accepting of Scriptures by young people.

15 Restricted fund

	Balance 1 January £	Incoming resources for year £	Resources used in the year £	Gains, losses & transfers £	Balance at 31 December £
Scripture Fund	184,915	1,952,362	(1,555,166)	-	582,111

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	548,926	-	548,926
Stocks	26,425	-	26,425
Debtors	46,185	18,556	64,741
Cash at bank	741,000	612,756	1,353,756
Creditors falling due within one year	(41,356)	(49,201)	(90,557)
	1,321,180	582,111	1,903,291

17 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2018 £	2017 £
Net income/(expenditure) for the year as reported on page 15	678,374	(202,522)
Adjusted for:		
Depreciation charges	58,755	75,007
Income received from investments	(3,027)	(3,838)
(Profit) / loss on the sale of fixed assets	-	-
Decrease in stocks	6,153	2,646
Decrease in debtors	52,635	189,768
(Decrease) in creditors	(31,863)	(41,727)
Net cash (used in) / provided by operating activities	<u>761,027</u>	<u>19,334</u>

18 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 GideonsUK National Office and certain other functions where they represent the Association. In 2018, 13 Trustees received a total of £7,757 (2017: 11 Trustees received a total of £11,443) for their travel, subsistence and accommodation expenses in this connection.

19 Auditors' remuneration

The auditors' remuneration amounts to an audit fee of £8,700 (2017: £8,130) and other services of £nil (2017: £nil). The amounts recognised as an expense within support costs (see Note 7) also include disbursements and irrecoverable VAT.

20 Transactions with related parties

Other than as described in Note 18 above, there were no payments to any related parties during the year. In 2017, a payment of £508 was made to Travel Agency Services, a business in which Mr John Coldwell, one of the Trustees at the time, 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.

The aggregate amount of donations received from Trustees and persons connected with them amounted to £113,508 (2017: £142,734).

21 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 2018 was £452 (2017: £452).

22 Operating lease

During the year, a lease agreement was signed in relation to new office equipment. The amount recognised as an expense in the year in relation to lease payments was £482 (2017: nil) including irrecoverable VAT. The cost of lease payments due within one year after the balance sheet date is £1,214. The cost of lease payments due between one year and five years after the balance sheet date is £4,552. The lease and associated payments are expected to run for five years and end during 2023.

