

Christ Embassy

**Trustees Report**  
**and Consolidated Financial Statements**  
for the year ended 31 December 2018

**Registered Charity Number 1059247**

# **CHRIST EMBASSY**

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## CHARITY INFORMATION

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<b>Trustees</b>	Pastor Gabriel Adesina Mr Ikemefuna Oluwarotimi Nwankpele Mrs Tolulope Moradeke Osuntubo Mrs Ann Ugonwa Enoyoze Mr Akindamola Folaskin Paul Abolade
<b>Principal office</b>	45 Thames Road, Barking, London, IG11 0HQ
<b>Registered charity number</b>	1059247
<b>Chairman of the board of Trustees</b>	Pastor Gabriel Adesina
<b>Senior Management</b>	Pastor Elizabeth Akinwolemiwa Pastor Obi Chiemeka Pastor Chuka Ibeachum Pastor Tayo Ojo Pastor Kemi Adesina
<b>Auditors</b>	Blue Spire Limited Cawley Priory South Pallant Chichester West Sussex PO19 1SY
<b>Bankers</b>	HSBC Bank Plc Barclays Bank Plc Lloyds Bank Plc
<b>Solicitors</b>	Palmers Solicitors Ascension Chambers, Fleming Road Chafford Hundred Grays RM16 6HH

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## TRUSTEES' REPORT

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The Trustees present their annual report together with the audited financial statements of Christ Embassy (the ministry and the group) for the year ended 31 December 2018. The Trustees confirm that the annual report and financial statements of the ministry and the charity comply with the current statutory requirements, the requirements of the ministry and the group's governing document and the provisions of the Charities SORP 2015 (FRS102).

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Constitution

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

### Method of appointment or election of Trustees

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

### Policies adopted for the induction and training of Trustees

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

### Organisational structure and decision making

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

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

### Subsidiary and related party relationships

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

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

### Arrangements for setting pay

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

### Risk management

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

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

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## TRUSTEES' REPORT

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### OBJECTIVES AND ACTIVITIES

The objectives of the Trust are:

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

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

#### Strategies for achieving objectives

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

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

#### Activities in furtherance of objectives and for public benefit

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

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

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

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

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

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## TRUSTEES' REPORT

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### Criteria/Measures to assess success

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

### Grant making policies

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

A number of grants payable in the year 2018 were given in support of the Ministry's missionary campaigns held around the world, and also offering pastoral care to members in various chapters within the Charity. In addition, spiritual guidance and counsel were given where such needs arose.

### Volunteers

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

## ACHIEVEMENTS AND PERFORMANCE

Weekly meetings were held in all the chapters of the Charity thus providing a conducive atmosphere for members to grow spiritually whilst also offering the opportunity to invite first timers and encourage them to become members. Counselling sessions were available for members of the ministry thereby catering for members' spiritual and emotional stability. Special teaching programs were placed on air through the use of television slots on Loveworld Television. These further exposed the activities of the Charity to the general public and helped tremendously in recruiting more members for the work of the ministry. The objective of the Charity to reach maximum numbers of people within the United Kingdom and the rest of the world was hugely achieved via the television medium. The free distribution of ministry materials such as books, tapes and the daily devotional titled Rhapsody of Realities to prisons, hospitals, hotels, underground stations and communities where the Charity operates took place throughout the year under review. The Charity sponsored about 1.0 million e-copies and hard copies of Rhapsody of Realities, a daily devotional for free download and free distribution. These helped to further advance the Christian faith as enunciated in the trust deed of the Charity. Through the Inner-City Missions, visits and crusades were held in prisons to meet the needs of the inmates. Gifts of food and clothing were also sent to hostels and the homeless.

The charity planted several additional home cell groups and outreach fellowships. The planting of new home cell groups and outreach fellowships enables the charity to fulfil its objective of providing places of worship for fellowship of evangelical Christians and a base from which they can advance the Christian faith by proclaiming the good news of salvation of Jesus Christ, to their surrounding areas and beyond.

### Leaders & Partners Conference

The Charity held a major outreach from Saturday 14<sup>th</sup> July to Sunday 15<sup>th</sup> July 2018. This is a special training and outreach program for all Leaders and Partners of the Ministry designed to build and equip everyone in carrying out the work of the Ministry and achieving our goals.

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

We had over 16,000 people in attendance over the two days and there were several hundreds of people who received the gospel and committed their lives to God at the program. Faith was stirred up in the hearts of many and hope was restored with the message of the gospel.

### Fundraising activities/Income generation

All the funds required for the support of all the activities of the Charity were raised through the principles of prayer and direct giving of members. Fund raising was exclusively carried out by special committees who are members of the Ministry on a non-remuneration basis and no external consultant or body was employed for the purpose of fund raising throughout 2018.

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## TRUSTEES' REPORT

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### FINANCIAL REVIEW

Total incoming resources for the group, comprising Christ Embassy and Christ Embassy Limited amounted to £4,853,156. The charity's subsidiary Christ Embassy Limited did not trade during 2018. Total expenditure for the charity and group was £5,874,036.

#### Impact of significant events

During the year under review the charity organised the Leaders and Partners' a major training & development conference, which cost approximately £629,306.

#### Reserves policy

The charity's policy is to build and maintain sufficient reserves to cover 3-4 months of recurrent expenditure considered to be approximately £1.1m.

At the balance sheet date the group's reserves, having taken into account restricted funds, fixed assets and the revaluation reserve were a deficit of £4,419,865.

In order to recover the deficit on reserves the trustees are considering the use and disposal of fixed assets, in particular buildings not in current use, together with the use of restricted funds for the purposes they have been received.

### PLANS FOR THE FUTURE

As part of our objectives of advancing the Christian faith in the UK and around the world. We are planning to strengthen our existing churches and outreach fellowships. This will be done by the establishing of Home cell groups and regular trainings for leaders through seminars and conferences

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

The daily devotional, 'Rhapsody of Realities' has been of great blessings to many all around the world and we will be sponsoring both hard copies and e-copies of the Rhapsodies. The E-Copies will be made available for free download in strategic countries to aid the propagation of the gospel of Christ.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

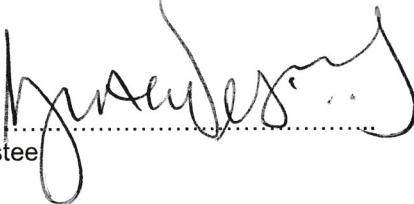
## TRUSTEES' REPORT

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

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

This report was approved by the Trustees on 31 October 2019 and signed on their behalf by:

  
.....  
Trustee



# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHRIST EMBASSY

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### Opinion

We have audited the financial statements of Christ Embassy (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2018 which comprise the consolidated and parent charity Statement of Financial Activities, Balance Sheets, Statement of Cash Flows 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 group's and parent charity's affairs as at 31 December 2018, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### 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 group and parent 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 group's or parent 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.

### Emphasis of matter

The charity has prepared these financial statements on a going concern basis. This is based on the charity's continued ability to generate income through its ongoing charitable activities and benefit from the proceeds on sale of vacant buildings as commented in the reserves policy and the accounting policies. Our opinion is not modified in this respect.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHRIST EMBASSY

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### 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 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 parent charity's 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, 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 group's and parent 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 group or the parent 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 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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](http://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. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Blue Spire Limited, Statutory Auditor

Date 31 October 2019

Cawley Priors  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

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

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	1	3,638,052	1,058,454	4,696,506	3,038,670
Other trading activities	2	146,191	-	146,191	170,974
Investments	3	448	-	448	107
Charitable activities	4	10,011	-	10,011	11,375
Other - provisions no longer required		-	-	-	-
<b>Total</b>		<u>3,794,702</u>	<u>1,058,454</u>	<u>4,853,156</u>	<u>3,221,126</u>
<b>EXPENDITURE ON:</b>					
Raising funds	5	15,433	-	15,433	85,137
Charitable activities	6	3,904,235	1,954,368	5,858,603	8,141,087
<b>Total</b>		<u>3,919,668</u>	<u>1,954,368</u>	<u>5,874,036</u>	<u>8,226,224</u>
<b>Net Income/(expenditure)</b>		(124,966)	(895,914)	(1,020,880)	(5,005,098)
<b>Transfers between funds</b>	18	-	-	-	-
		<u>(124,966)</u>	<u>(895,914)</u>	<u>(1,020,880)</u>	<u>(5,005,098)</u>
<b>Other recognised gains/(losses)</b>					
Gains/(losses) on revaluation of fixed assets and investment property		-	-	-	-
<b>Net movement in funds</b>		<u>(124,966)</u>	<u>(895,914)</u>	<u>(1,020,880)</u>	<u>(5,005,098)</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	18	7,594,998	3,883,332	11,478,330	16,563,637
<b>Total funds carried forward</b>	18	<u><u>7,470,032</u></u>	<u><u>2,987,418</u></u>	<u><u>10,457,450</u></u>	<u><u>11,558,539</u></u>

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

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	1	3,638,052	1,058,454	4,696,506	3,038,670
Subsidiary assets released		927,267	-	927,267	-
Other trading activities	2	146,191	-	146,191	170,974
Investments	3	448	-	448	107
Charitable activities	4	10,011	-	10,011	11,375
Other - provisions no longer required		-	-	-	-
<b>Total</b>		<u>4,721,969</u>	<u>1,058,454</u>	<u>5,780,423</u>	<u>3,221,126</u>
<b>EXPENDITURE ON:</b>					
Raising funds	5	15,433	-	15,433	71,518
Charitable activities	6	3,904,235	1,954,368	5,858,603	8,141,087
<b>Total</b>		<u>3,919,668</u>	<u>1,954,368</u>	<u>5,874,036</u>	<u>8,212,605</u>
<b>Net Income/(expenditure)</b>		802,301	(895,914)	(93,613)	(4,991,479)
<b>Transfers between funds</b>	18	-	-	-	-
		<u>802,301</u>	<u>(895,914)</u>	<u>(93,613)</u>	<u>(4,991,479)</u>
<b>Other recognised gains/(losses)</b>					
Gains/(losses) on revaluation of fixed assets and investment property		-	-	-	-
<b>Net movement in funds</b>		<u>802,301</u>	<u>(895,914)</u>	<u>(93,613)</u>	<u>(4,991,479)</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	18	5,934,321	3,883,332	9,817,653	14,809,132
<b>Total funds carried forward</b>	18	<u>6,736,622</u>	<u>2,987,418</u>	<u>9,724,040</u>	<u>9,817,653</u>

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

All of the above results are derived from continuing activities.

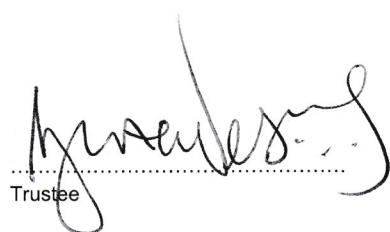
# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018		2017	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11	10,814,897		11,105,189	
Investment property	12	<u>2,500,000</u>		<u>2,500,000</u>	
			13,314,897		13,605,189
<b>CURRENT ASSETS</b>					
Assets held for sale	13	733,410		733,410	
Debtors	14	24,921		26,460	
Cash at hand and in bank		<u>583,874</u>		<u>1,297,958</u>	
<b>Total current assets</b>		<u>1,342,205</u>		<u>2,057,828</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	<u>2,109,079</u>		<u>1,920,690</u>	
<b>Net current assets/(liabilities)</b>			(766,874)		137,138
<b>Total assets less current liabilities</b>			<u>12,548,023</u>		<u>13,742,327</u>
Creditors: amounts falling due after more than one year	16		(2,090,573)		(2,263,997)
<b>Net assets/(liabilities)</b>			<u><u>10,457,450</u></u>		<u><u>11,478,330</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Restricted funds</b>	18		2,987,418		3,883,332
<b>Unrestricted funds</b>	18		7,470,032		7,594,998
<b>Total charity funds</b>			<u><u>10,457,450</u></u>		<u><u>11,478,330</u></u>

The financial statements on pages 18 to 25 were approved and authorised for issue by the trustees on 31 October 2019 and signed on their behalf by:

  
.....  
Trustee

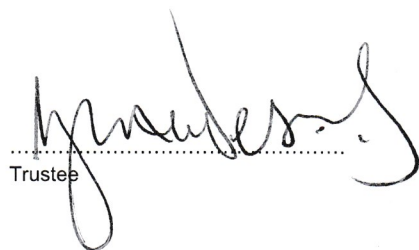
# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## CHARITY BALANCE SHEET AS AT 31 DECEMBER 2018

		2018		2017	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11	10,814,897		11,093,023	
Investment property	12	<u>2,500,000</u>		<u>2,500,000</u>	
			13,314,897		13,593,023
<b>CURRENT ASSETS</b>					
Assets held for sale	13	-		-	
Debtors	14	24,921		26,460	
Cash at hand and in bank		<u>583,874</u>		<u>1,289,218</u>	
<b>Total current assets</b>		<u>608,795</u>		<u>1,315,678</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	<u>2,109,079</u>		<u>2,827,051</u>	
<b>Net current assets/(liabilities)</b>			(1,500,284)		(1,511,373)
<b>Total assets less current liabilities</b>			<u>11,814,613</u>		<u>12,081,650</u>
Creditors: amounts falling due after more than one year	16		(2,090,573)		(2,263,997)
<b>Net assets/(liabilities)</b>			<u><u>9,724,040</u></u>		<u><u>9,817,653</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
Restricted funds	18		2,987,418		3,883,332
Unrestricted funds	18		6,736,622		5,934,321
<b>Total charity funds</b>			<u><u>9,724,040</u></u>		<u><u>9,817,653</u></u>

The financial statements on pages 18 to 25 were approved and authorised for issue by the trustees on 31 October 2019 and signed on their behalf by:

  
.....  
Trustee

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	£	2018	£	£	2017	£
<b>Net cash flow from operating activities (see below)</b>				(714,532)		(6,083,123)	
<b>Cash flow from investing activities</b>							
Interest received		448			107		
Proceeds from sale of fixed assets		-			-		
Proceeds from sale of assets held for sale		-			-		
Purchase of fixed assets		-			(46,859)		
<b>Net cash flow from investing activities</b>				448		(46,752)	
<b>Net increase/(decrease) in cash and cash equivalents</b>				(714,084)		(6,129,875)	
<b>Cash and cash equivalents at 31 December 2017</b>				1,297,958		7,427,833	
<b>Cash and cash equivalents at 31 December 2018</b>				<u>583,874</u>		<u>1,297,958</u>	
<b>Cash and cash equivalents consist of:</b>							
Cash at bank and in hand				583,874		1,297,958	
<b>Cash and cash equivalents at 31 December 2018</b>				<u>583,874</u>		<u>1,297,958</u>	
<b>Reconciliation of net income to net cash flow from operating activities</b>							
		£	2018	£	£	2017	£
Net income for the year				(1,020,880)		(5,005,098)	
Adjusted for:							
Interest and dividends		(448)			(107)		
Depreciation and impairment of tangible fixed assets		278,126			317,798		
Loss/(Profit) on disposal of fixed assets		12,166			-		
Decrease/(increase) in debtors		1,539			(10,293)		
Increase/(decrease) in creditors		14,965			(1,385,423)		
				306,348		(1,078,025)	
				<u>(714,532)</u>		<u>(6,083,123)</u>	

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## CHARITY STATEMENT OF CASH FLOWS

	Note	2018	2017
		£	£
<b>Net cash flow from operating activities (see below)</b>		(705,792)	(6,049,946)
<b>Cash flow from investing activities</b>			
Interest received		448	107
Proceeds from sale of fixed assets		-	-
Proceeds from sale of assets held for sale		-	-
Purchase of fixed assets		-	(46,859)
<b>Net cash flow from investing activities</b>		448	(46,752)
<b>Net increase/(decrease) in cash and cash equivalents</b>		(705,344)	(6,096,698)
<b>Cash and cash equivalents at 31 December 2017</b>		1,289,218	7,385,916
<b>Cash and cash equivalents at 31 December 2018</b>		583,874	1,289,218
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		583,874	1,289,218
<b>Cash and cash equivalents at 31 December 2018</b>		583,874	1,289,218
<b>Reconciliation of net income to net cash flow from operating activities</b>			
		£	£
Net income for the year		(93,613)	(4,991,479)
Adjusted for:			
Interest and dividends		(448)	(107)
Depreciation and impairment of tangible fixed assets		278,126	317,798
Profit on disposal of fixed assets		-	-
Decrease/(increase) in debtors		1,539	(10,293)
Increase/(decrease) in creditors		(891,396)	(1,365,865)
		(612,179)	(1,058,467)
		(705,792)	(6,049,946)



# CHRIST EMBASSY

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### ACCOUNTING POLICIES

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#### General information, scope and basis of the financial statements

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

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

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

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

#### Consolidation

Throughout the year under review the charity had a subsidiary undertaking, Christ Embassy Limited (incorporated in England with company number 05862298). Control exists through the holding 100% of the voting power. The results of the charity's subsidiary are consolidated on a line by line basis with any intragroup balances and transactions eliminated in full.

For the years ending 31 December 2017 and 31 December 2018 the subsidiary was not audited due to the cessation of trade during 2016. The subsidiary company is currently subject to a voluntary members' liquidation.

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

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

#### Incoming resources

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

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

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

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

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

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

# CHRIST EMBASSY

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### ACCOUNTING POLICIES

---

#### Resources expended

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

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

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

#### Support costs allocation

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

#### Fixed assets

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

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

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

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

#### Fixed asset investments

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

#### Stock

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

#### Debtors receivable and creditors payable within one year

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

#### Assets held for sale

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

#### Cash and cash equivalents

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

#### Leases

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

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## ACCOUNTING POLICIES

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### Employee benefits

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

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

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

### VAT

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

### Tax

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

### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### Going concern

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

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Tithes and offerings	3,638,052	1,058,454	4,696,506	2,793,360	245,310	3,038,670
	<u>3,638,052</u>	<u>1,058,454</u>	<u>4,696,506</u>	<u>2,793,360</u>	<u>245,310</u>	<u>3,038,670</u>

### 2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Rental income	146,191	-	146,191	170,974	-	170,974
Charity other trading activities	146,191	-	146,191	170,974	-	170,974
Income from Christ Embassy Limited	-	-	-	-	-	-
Group other trading activities	<u>146,191</u>	<u>-</u>	<u>146,191</u>	<u>170,974</u>	<u>-</u>	<u>170,974</u>

### 3. Investments

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Bank interest	448	-	448	107	-	107
	<u>448</u>	<u>-</u>	<u>448</u>	<u>107</u>	<u>-</u>	<u>107</u>

### 4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Ministry bookshop	10,011	-	10,011	11,375	-	11,375
	<u>10,011</u>	<u>-</u>	<u>10,011</u>	<u>11,375</u>	<u>-</u>	<u>11,375</u>

### 5. Raising funds

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Voluntary income staff costs - security	15,433	-	15,433	71,518	-	71,518
Charity only costs of raising funds	15,433	-	15,433	71,518	-	71,518
Christ Embassy Limited costs (note 20)	-	-	-	13,619	-	13,619
Consolidated costs of raising funds	<u>15,433</u>	<u>-</u>	<u>15,433</u>	<u>85,137</u>	<u>-</u>	<u>85,137</u>

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Grants to institutions (see note 6a.)	-	124,768	124,768	-	-	-
Missionary work	15,735	710,250	725,985	26,759	187,710	214,469
Rent and rates	804,493	-	804,493	737,143	-	737,143
Event costs	855,226	12,029	867,255	1,074,449	81,312	1,155,761
Television programme	28,022	464,059	492,081	110,314	315,990	426,304
Advertising	33,975	-	33,975	110,700	-	110,700
Motor and travel expenses	315,920	129,398	445,318	497,212	100,000	597,212
Repairs and maintenance	68,049	-	68,049	54,048	-	54,048
Wages and salaries	1,055,275	-	1,055,275	1,032,753	-	1,032,753
Books, music and audio	24,453	513,864	538,317	63,936	2,958,878	3,022,814
Depreciation	278,126	-	278,126	317,798	-	317,798
Impairment of asset held for sale	-	-	-	-	-	-
Support and governance costs (note 7)	424,961	-	424,961	472,085	-	472,085
	<u>3,904,235</u>	<u>1,954,368</u>	<u>5,858,603</u>	<u>4,497,197</u>	<u>3,643,890</u>	<u>8,141,087</u>

### 6a. Grants to institutions

	2018 £	2017 £
Healing School - Canada	51,000	-
Healing School - South Africa	67,268	-
Trauma Care International - Nigeria	6,500	-
	<u>124,768</u>	<u>-</u>

### 7. Support and governance costs

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Light and heat	99,750	-	99,750	76,010	-	76,010
Printing postage and stationery	51,926	-	51,926	40,081	-	40,081
Telephone and internet	26,625	-	26,625	33,377	-	33,377
Sundry expenses	71,047	-	71,047	64,842	-	64,842
Insurance	30,776	-	30,776	24,100	-	24,100
Bank interest payable	93,231	-	93,231	94,079	-	94,079
Bank charges	9,743	-	9,743	6,443	-	6,443
Legal and professional fees	22,775	-	22,775	93,994	-	93,994
Interim Manager fees	-	-	-	-	-	-
Accountancy fees	6,788	-	6,788	24,759	-	24,759
Auditors remuneration	12,300	-	12,300	14,400	-	14,400
Loss/(profit) on disposal of fixed assets	-	-	-	-	-	-
	<u>424,961</u>	<u>-</u>	<u>424,961</u>	<u>472,085</u>	<u>-</u>	<u>472,085</u>

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Auditors remuneration

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Auditors remuneration - audit	12,300	-	12,300	14,400	-	14,400
Auditors remuneration - accountancy	2,820	-	2,820	1,800	-	1,800

### 9. Wages and salary cost

	2018 Total Funds £	2017 Total Funds £
Gross wages	926,730	920,949
Employer's national insurance costs	91,037	89,894
Employer's pension contributions	13,302	6,819
	<u>1,031,069</u>	<u>1,017,662</u>

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

	2018	2017
Staff numbers:		
Average head count	<u>30</u>	<u>31</u>

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

### 10. Related party transactions

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

	2018 £	2017 £
Reverend Ray Okocha	-	43,787
Pastor Gabriel Adesina	65,576	14,603
	<u>65,576</u>	<u>58,390</u>

During the year under review the charity's three (2017: three) additional members key management personnel received employee benefits totalling £127,952 (2017: 152,550).

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

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Tangible fixed assets - group

	Freehold property £	Leasehold improvements £	Office equipment £	Church equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 1 January 2018	11,751,131	658,618	777,975	2,645,228	30,640	15,863,592
Additions	-	-	-	-	-	-
Disposals	-	-	(26,578)	-	(15,495)	(42,073)
At 31 December 2018	<u>11,751,131</u>	<u>658,618</u>	<u>751,397</u>	<u>2,645,228</u>	<u>15,145</u>	<u>15,821,519</u>
<i>Depreciation</i>						
Accumulated at 1 January 2018	1,277,607	91,070	742,228	2,626,355	21,143	4,758,403
Charge for the year	235,023	13,172	14,444	15,487	-	278,126
On disposals	-	-	(23,909)	-	(5,998)	(29,907)
At 31 December 2018	<u>1,512,630</u>	<u>104,242</u>	<u>732,763</u>	<u>2,641,842</u>	<u>15,145</u>	<u>5,006,622</u>
Net book value at 31 December 2018	<u>10,238,501</u>	<u>554,376</u>	<u>18,634</u>	<u>3,386</u>	<u>-</u>	<u>10,814,897</u>
Net book value at 31 December 2017	<u>10,473,524</u>	<u>567,548</u>	<u>35,747</u>	<u>18,873</u>	<u>9,497</u>	<u>11,105,189</u>

### 11. Tangible fixed assets - charity

	Freehold property £	Leasehold improvements £	Office equipment £	Church equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 1 January 2018	11,751,131	658,618	751,397	2,645,228	15,145	15,821,519
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2018	<u>11,751,131</u>	<u>658,618</u>	<u>751,397</u>	<u>2,645,228</u>	<u>15,145</u>	<u>15,821,519</u>
<i>Depreciation</i>						
Accumulated at 1 January 2018	1,277,607	91,070	718,319	2,626,355	15,145	4,728,496
Charge for the year	235,023	13,172	14,444	15,487	-	278,126
On disposals	-	-	-	-	-	-
At 31 December 2018	<u>1,512,630</u>	<u>104,242</u>	<u>732,763</u>	<u>2,641,842</u>	<u>15,145</u>	<u>5,006,622</u>
Net book value at 31 December 2018	<u>10,238,501</u>	<u>554,376</u>	<u>18,634</u>	<u>3,386</u>	<u>-</u>	<u>10,814,897</u>
Net book value at 31 December 2017	<u>10,473,524</u>	<u>567,548</u>	<u>33,078</u>	<u>18,873</u>	<u>-</u>	<u>11,093,023</u>

### 12. Investment property

	Group		Charity	
	2018 Total Funds £	2017 Total Funds £	2018 Total Funds £	2017 Total Funds £
Carrying (market) value brought forward	2,500,000	2,500,000	2,500,000	2,500,000
Transfers to assets held for sale	-	-	-	-
Revaluation adjustments	-	-	-	-
Carrying (market) value carried forward	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

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

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 13. Assets held for sale

	Group		Charity	
	2018	2017	2018	2017
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Carrying value brought forward	733,410	733,410	-	-
Transfers to fixed assets	-	-	-	-
Receipts	-	-	-	-
	<u>733,410</u>	<u>733,410</u>	<u>-</u>	<u>-</u>

### 14. Debtors

	Group		Charity	
	2018	2017	2018	2017
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Prepayments and accrued income	24,921	26,460	24,921	26,460
	<u>24,921</u>	<u>26,460</u>	<u>24,921</u>	<u>26,460</u>

### 15. Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Bank loans and overdrafts	188,979	182,980	188,979	182,980
Other loans	232,203	232,203	232,203	232,203
Trade creditors	547,007	350,672	547,007	350,672
Amounts owed to group undertakings	-	-	-	906,361
Corporation tax	-	-	-	-
Other creditors	1,125,770	1,125,769	1,125,770	1,125,769
Accruals and deferred income	15,120	29,066	15,120	29,066
	<u>2,109,079</u>	<u>1,920,690</u>	<u>2,109,079</u>	<u>2,827,051</u>

### 16. Creditors: due after more than one year

	Group		Charity	
	2018	2017	2018	2017
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Bank loans payable between one and two years	195,544	189,313	195,544	189,313
Bank loans payable between two and five years	717,726	728,573	717,726	728,573
Bank loans payable in more than five years	1,177,303	1,346,111	1,177,303	1,346,111
	<u>2,090,573</u>	<u>2,263,997</u>	<u>2,090,573</u>	<u>2,263,997</u>



# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 17. Analysis of net assets between funds - Group

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Tangible fixed assets	10,814,897	-	10,814,897	11,105,189
Investment property	2,500,000	-	2,500,000	2,500,000
Current assets	1,342,205	-	1,342,205	2,057,828
Current liabilities	(2,109,079)	-	(2,109,079)	(1,920,690)
Non-current liabilities	(2,090,573)	-	(2,090,573)	(2,263,997)
	<u>10,457,450</u>	<u>-</u>	<u>10,457,450</u>	<u>11,478,330</u>

### 17. Analysis of net assets between funds - Charity

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Tangible fixed assets	10,814,897	-	10,814,897	11,093,023
Investment property	2,500,000	-	2,500,000	2,500,000
Current assets	(2,378,623)	2,987,418	608,795	1,315,678
Current liabilities	(2,109,079)	-	(2,109,079)	(2,827,051)
Non-current liabilities	(2,090,573)	-	(2,090,573)	(2,263,997)
	<u>6,736,622</u>	<u>2,987,418</u>	<u>9,724,040</u>	<u>9,817,653</u>

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

	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Gains/(losses) on fixed assets & investments £	Total funds carried forward £
<i>Restricted funds</i>						
Partnership	2,844,961	1,005,605	(1,954,368)	-	-	1,896,198
Ministry	304,527	43,654	-	-	-	348,181
Pastoral	52,593	-	-	-	-	52,593
Building	681,251	9,195	-	-	-	690,446
<i>Total restricted funds</i>	<u>3,883,332</u>	<u>1,058,454</u>	<u>(1,954,368)</u>	<u>-</u>	<u>-</u>	<u>2,987,418</u>
<i>Unrestricted funds</i>						
Designated funds						
Fixed asset reserve	11,093,023	-	(278,126)	-	-	10,814,897
Revaluation reserve	1,075,000	-	-	-	-	1,075,000
Total designated funds	12,168,023	-	(278,126)	-	-	11,889,897
General fund	(6,233,702)	4,721,969	(3,641,542)	-	-	(5,153,275)
Total charity unrestricted funds	5,934,321	4,721,969	(3,919,668)	-	-	6,736,622
Christ Embassy Limited	1,660,677	-	(927,267)	-	-	733,410
<i>Total group unrestricted funds</i>	<u>7,594,998</u>	<u>4,721,969</u>	<u>(4,846,935)</u>	<u>-</u>	<u>-</u>	<u>7,470,032</u>
Total funds	<u>11,478,330</u>	<u>5,780,423</u>	<u>(6,801,303)</u>	<u>-</u>	<u>-</u>	<u>10,457,450</u>

Included in the General fund income of the charity and expenditure of Christ Embassy Limited in the note above is the amount £927,267 in respect of assets and balances paid over to the charity. Whilst they are shown gross in the note above they have been eliminated in the consolidated Statement of Financial Activities.

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Description of restricted funds

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

### 20. Christ Embassy Limited

	2018 Total Funds £	2017 Total Funds £
Turnover	-	-
Cost of Sales	-	-
Gross profit	-	-
Administrative expenses	-	(13,619)
Operating profit(loss)	-	(13,619)
Interest receivable and similar income	-	-
Interest payable and similar expenses	-	-
Net profit/(loss) before gift aid and taxarion	-	(13,619)
Corporation tax	-	-
transfer of assets to parent charity	(927,267)	-
Net profit/(loss) after gift aid	(927,267)	(13,619)
Reserves brought forward	1,660,677	1,674,296
Reserves carried forward	733,410	1,660,677
Total capital and reserves	733,410	1,660,677

### 21. Contingent asset

At the balance sheet date gift aid recoverable on donations received amounted to £240,000 (2017: £530,000).

### 22. Financial instruments

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

	Group		Charity	
	2018 Total Funds £	2017 Total Funds £	2018 Total Funds £	2017 Total Funds £
<i>Financial liabilities</i>				
Measured at amortised cost:				
Trade creditors (note 15)	547,007	350,672	547,007	350,672
Bank loan (notes 15 and 16)	2,279,552	2,446,977	2,279,552	2,446,977
Other loans (note 15)	232,203	232,203	232,203	232,203
Other creditors (note 15)	1,125,770	1,125,769	1,125,770	1,125,769
Amounts owed to group undertakings (note 15)	-	-	-	906,361
	4,184,532	4,155,621	4,184,532	5,061,982

# CHRIST EMBASSY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Prior year adjustments

	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £
Opening balances as previously stated	5,739,321	4,078,332	9,817,653	7,462,220	7,346,912	14,809,132
Costs incorrectly recorded in 2016	65,000	(65,000)	-	65,000	(65,000)	-
Costs incorrectly recorded in 2017	130,000	(130,000)	-	-	-	-
Opening balances as restated	<u>5,934,321</u>	<u>3,883,332</u>	<u>9,817,653</u>	<u>7,527,220</u>	<u>7,281,912</u>	<u>14,809,132</u>

During the year under review the charity's management considered how an agreement between the charity on one of its tenants, which provides services to the charity was reported in the accounts. The income and costs under the agreement had been incorrectly netted off within the general fund, whereas the costs should have been reported as a cost of restricted funds. There is no overall impact on the charity's net income nor overall funds.