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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL  
CONNECTIONS**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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<b>General Overseer</b>	Pastor E A Adeboye
<b>Trustees</b>	Mrs R Bella Dr F Oladimeji Pastor (Dr) D O Oludoyi, Pastor in Charge Mr S Akpan Mrs M Bello
<b>Associate Trustee</b>	Mr Afolabi Ajisafe
<b>Pastor in Charge</b>	Dr David Olusola Oludoyi
<b>Charity registered number</b>	1084771
<b>Principal office</b>	199 Freemason Road Canning Town East London London E16 3PG
<b>Independent auditors</b>	Stephen Michael Associates Chartered Certified Accountants Statutory Auditors 1st Floor 3 More London Riverside London SE1 2RE
<b>Bankers</b>	Barclays Bank plc Medium Business Team P O Box 35721 London E14 4WA

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## REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The Trustees present their annual report and the audited financial statements of Redeemed Christian Church of God ('RCCG') Royal Connections (the charity) for the year ended 31 December 2018. The Trustees confirm that the annual report and financial statements of the charity have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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 published on 16 July 2014.

The charity also operates under the name RCCG Royal Connections.

#### Objectives and Activities

##### a. Policies and objectives

The charity's objects are:

- The advancement of the Christian religion worldwide; and
- The relief of poverty worldwide.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and in the decision making policy in allocating funds for the year. In carrying out this review the Trustees have considered the Charity Commission's supplementary public guidance on the advancement of religion for the public benefit.

The Charity pursues its objects by the operation of a centre for Christian worship at Monier Road, Bow, London, and by a programme of events aimed at reaching out to the unchurched. It also embarks on wide range charitable events aimed at engaging with hard to reach groups and to the disadvantaged in the community.

The charity's main objectives for the year were:

- Setting up new church parishes, small groups and community centres.
- Organising conferences, seminars, celebrations, small group meetings and exhibitions.
- Setting up of community based social enterprises.
- Exploring various project works on Europe Region 3 mission work to advance Christian religion.
- Collaborating with businesses in the community to undertake project works that will build bridges.
- Examining other ways of generating income for the Charity.
- Setting up of Hot Meal Club to reach out to the homeless, alcoholics, drug addicts and other less privileged in the community.
- Attending the Mayoral events and surgeries to find out emerging issues in the Borough and to foster good relationships
- Attending the Councillors' surgeries to find out how RC can assist the Borough in alleviating poverty and meeting the needs of the community.

##### b. Strategies for achieving objectives

The charity's strategies for achieving these objectives were:

- Putting together adequate administrative and financial support for the establishment of new church parishes.
- Identifying suitable personnel to establish these parishes.
- Building a wider network of relationships within the local community to enable the community's involvement in the charity's conferences, workshops and other such events.
- Putting together a project team to manage our community outreach events.
- Coordinating Europe Region 3 Mission Work and prepare for Leadership Retreat in Helsinki, Good Women Conference in Antwerp, Stockholm Prays! In Stockholm and Summer Gospel Singing Workshop in Stockholm.
- Attending relevant events/meetings run by the London Borough of Tower Hamlets.

**c. Activities for achieving objectives**

The benefits of the Charity's work are the lifetime changes in people's lives, building bridges with our communities, collaborative working with businesses in Fish Island, and the advancement of the Christian faith in the borough. The Trustees are pleased that the achievements and performance of the Charity, as set out below, demonstrate tangible outcome. The significant activities that contributed to the achievement of these objectives were:

- **Standing Advisory Council on Religious Education (SACRE)** – We are well represented at meetings and we are part of the key stakeholders of this organisation. We have been involved in the Q&A process of some of their publications.
- **Scotland Yard's Metropolitan Police Christian Faith Forum** – Contributed to the draft strategy for Churches Coming Together in the London Boroughs.
- **Positive East Pastors Forum** – Positive East is London's leading HIV community based charity, providing services for people living with or affected by HIV. The Charity has been well represented at meetings and workshops and is committed in helping the organisation to make the pastors and leaders aware of their roles in providing support to those who are affected or living with HIV. We have given talks at their annual conferences and we are on their Steering Group Committee.
- **Dining with Christ Conference** – An annual event held in January organised for the ladies to celebrate Christ and the beginning of a new year. This is becoming a major influence in bringing together ladies from various backgrounds to come and share the joy of knowing Jesus Christ.
- **Winds of Change Conference** – A flagship event held annually to equip, empower and engage the workforce and delegates who attended. The conference has year in year out set the tone of direction for the Charity in achieving its objectives. This year's event brought in a cross mix of delegates from various walks of life.
- **Help is Here Prayer meetings** – A non-denominational monthly prayer meeting held first Tuesday of the month. It attracts people from different faith who gather together to pray about their personal issues and also pray for United Kingdom and the community. This has now become one of our major events and is streamed live via all social media across the world.
- **Woman on a Mission Conference** – An annual event held to promote and advance the cause of women in the community. Some aspects of the event are inclusive to men. This is another major life changing event that has advanced the cause of the Charity.
- **Children's Week** - An annual event dedicated to showcase the spiritual growth of children in our community. We had a massive turn out of children from the community this year. Major highlight of the week is the Fun Fair on Saturday with Bouncing Castle, Games and Barbeque.
- **Youth Week (Ages 13 – 19)** – A celebration event for youths to express and demonstrate their potentials and to also train and groom them for life in the outside world. The programmes held are life changing and it has become hugely popular in the community as it has helped take some of the handful youths off the streets.
- **Millennials Week (Ages 20 – 35)** – An event marking the outstanding contributions the younger generation is making to advance the cause of the Christian faith and showcasing potential talents for leadership roles in the Charity and their outside world.
- **Grandparents Day** – A special day set aside to celebrate our Senior Citizens who have contributed immensely to the achievement of the Charity. The Group have consistently supported the vision of the Charity with their time, resources and prayers over the years.
- **Mother's Day** – A special event celebrating motherhood – ran competitions in the local newspaper and magazine for the "Best Mother" award. The competition is open to mothers who live in the community and it is one of our ways of showing the love of Christ to the outside world.
- **Father's Day** – A special event celebrating fatherhood – also ran competitions in the local newspaper and magazine for the "Best Father" award. Same as with Mother's Day, competition open to fathers who live in the community. The winner was announced by ballot.
- **Cell Church** – A monthly non-denominational Bible Study held at various centres within the community to help understand and advance the Christian faith in a small group setting. The centres are growing and there are over 40 within easy reach of most of the church members. Review meetings are held regularly to assess the impact this is making in the community.
- **Worship HIS Majesty** – An annual musical event celebrating and honouring Jesus Christ to advance the Christian faith and to showcase the wealth of talents in the Charity. The event usually attracts Gospel Artistes from across the globe and members of the community have also been in attendance.

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- **Believer's and Baptismal Classes** – A series of courses put together for new converts to the Christian faith to help them understand and grow in their daily life. The classes have gradually become one of our gateways in attracting the newly converts to Christ including members of the community.
- **March for Jesus** – An annual March/Walk event organised to advance the cause of the Christian Faith. It's our own way of celebrating the London Carnival held in August Bank Holiday. Activities involved singing and dancing round the streets in Tower Hamlets as well as giving out leaflets about Christ to people. We also give out complimentary gifts such as pens and notepads to people to demonstrate the love of Christ. The event has helped promote the activities of the charity and creates an awareness of our Christian faith. We also host the Community Fun Fair in the park with lots of activities including games, sporting activities and refreshments served.
- **Multi Cultural Day** – A flagship and an annual event organised to celebrate and honour different nationalities in the world and in Tower Hamlets. It is usually held on the last Sunday of August and members of the community and church members are requested to adopt a nation and come dressed up in a national attire and research key information about their adopted country. Prayers are rendered on behalf of all the nations for the love of Christ, peace and good governance to reign all over the world.
- **Setting up a new church** – A new church was set up by the Charity – Revive Connections in Woodford Green in London as part of the Charity's ongoing mission to advance the cause of the gospel.
- **Hot Meal Club** – This is now a bi monthly outreach event to help alleviate poverty within the disadvantaged groups and hard to reach in the community by providing them hot meals, clothing, toiletries, facilities to wash themselves, cut, trim and wash their hair, and free advice surgeries on health, housing and career. We have also added manicure, pedicure and complete make over to our services. As part of our commitment to healthy eating, we have started serving low calorie meals to our guests.
- **Christmas Carol and Christmas Service** – These are annual series of programmes put together to remember and celebrate the birth of Jesus Christ and showcase the impact it has made on Christian faith. These services are open to members of the community to attend.
- **Festive Feast** – This is an annual event organised to celebrate the birth of Jesus Christ to the hard to reach community. The Charity demonstrates the joy that the season brings by treating the community to a free three course meal as well as giving them hampers to show that we love and care for them.
- **African Caribbean Leukaemia Trust (ACLT)** – The Charity continues to support ACLT in its awareness programmes and fundraising events. The Senior Pastor is still committed in his role as an Ambassador for the organisation to help champion and encourage the African community to donate blood.
- **Integration and Careers Advisory Surgeries (ICAT)** – The Charity's ongoing monthly advice surgeries for the community is gaining wide publicity in Tower Hamlets. We run advice surgeries twice a month for the community on how to integrate well in the environment, developing and signposting people on how to gain employment and advice on immigration and housing issues. The surgeries are run free of charge by our team of professionals who have dedicated their time to advance the cause of the Christian faith. Received testimonies from some members of the community of how they were able to gain employment after attending our surgeries.
- **Congregational Health Check Surgeries** – These are monthly health surgeries run by our team of doctors, nurses and health professionals free of charge to members of the community. Health checks offered include, blood pressure, dental care, blood sugar level and much more.
- **RC Learning Centre** – Our academies continue to upskill, improve, and create career/business progression and opportunities for members and the local community. Courses/Seminars ran includes Writing a Successful CV, Preparing for Job Interviews and Writing an Award-Winning Business Proposal and so on. Another topic - How To Maintain and Retain Employment in the Workplace was recently added to the curriculum.
- **Mission Work** – The Charity is involved in ongoing extensive mission work in Europe, Uganda, South Africa and other parts of Africa.
- **Stockholm Prays!** – An annual event held to pray specifically for Sweden. It's always a night of praises, prayers and prophetic declaration. Powerful prayers were rendered for homes, families, leadership, the peace and prosperity of Sweden. The event is usually attended by Christians from various denominations in Stockholm and other parts of the country. It helped demonstrate why prayer is essential for the people and the leadership of a nation.
- **Millennial Service** – The service has gradually helped attract the younger generation between

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ages 21 to 35 and the matured singles to church. The Charity is experiencing growth in attendance at services and this has enabled this generation to have a deeper understanding of the Christian faith and help advance its cause. Plans are in the process to host the first of its kind Millennial Conference next year. The aim is to showcase progress made in this service and to attract new members to join the church.

- **Special Needs Awareness Seminar** – A follow up workshop was organised to update members and the local community on the myths and facts about children with special needs like Down's Syndrome, epilepsy, autism, and others. A seasoned key-note speaker was invited to give a talk on some of these issues. There was a Q&A session and it was well attended.
- **Compassion UK** – This remains one of the key organisations that The Charity has consistently supported to make positive change in the lives of children from troubled zones of the world. Presently, members of The Charity are supporting over 250 children across the globe.

### d. Agreement For Common Purposes

Under the Agreement for Common Purposes (see Connected Charities below), Royal Connections parish has agreed to make an annual contribution to RCCG (UK). In addition, the church supports missionary organisations such as the Festival of Life and the World Evangelism Mission, African Mission, Uganda Educational fund, and other missions and projects within and Outside the UK. The church also provides support to members of the congregation (at the discretion of the trustees) who are in need.

### e. Volunteers

The church is grateful for the commitment and unstinting efforts of its volunteers who are involved in services provision. The Church has over 250 volunteers committed to working in various departments within the church. It is estimated that over 40,000 volunteer hours were provided during the year. If this is conservatively valued at £10.00 an hour the volunteer efforts amount to over £400,000. The church continues to dispense the service of heads of departments and Ministers to ensure that the best value is derived from the sterling efforts of the volunteers.

## Achievements and performance

### a. Key financial performance indicators

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

### b. Review of activities

The benefits of the Charity's work are the ability to make a difference in people's situation through the various activities it runs in the course of the year. The Trustees are pleased that the achievements and performance of the Charity, a few of them set out below, demonstrate a tangible progress.

### Reaching out to the Community:

#### Integration and Career Advisory Surgeries:

1. Organised monthly advice surgeries to members' on how to progress in their careers.
2. Many career professionals have been invited to talk on ways members can improve their knowledge and skills in gaining and retaining employment.
3. Organised monthly surgeries for members and non-members to inform them of their legal, housing and immigration rights in the UK.
4. Run careers and business workshops and seminars.

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5. Organised small group meetings to provide information on how members new to the UK can integrate well in the society.

### **Smile of a Woman:**

1. This is a scheme run by the Royal Women's Ministry which has continue to reach out to the less privileged people in the community as a result of the economic recession. Donated toiletries to women in need in Tower Hamlets.

### **Congregational Health Checks:**

1. Ongoing free health checks is open and accessible to members of the community and is run by our team of health professionals. Evaluation of the health checks showed that those who attended the sessions were made to feel at ease by the team members. Also, the ability for them to be able to discuss their health issues or concerns with the team are key achievements of this service.

### **Hot Meal Club:**

1. Due to popular demand, the Charity now runs this event twice a month. It has become one of the Charity's flagship events as attendance from the community has increased on a month by month basis due to various activities planned and the fact that it is free. It has also inspired some of the members of the community to offer their time and resources to join our volunteers to serve others. The average attendance at this event is over 80. Increasingly, we have had people from some of the neighbouring boroughs in attendance.

### **Festive Feast:**

1. Another free community event run by the Charity to celebrate Christmas. Over the years, the event has been well attended by members of the public namely the homeless, unemployed and those suffering from some form of addiction.

### **Visits to Residential Homes in Hackney and Tower Hamlets:**

1. The Charity's ongoing commitment to support the Senior Citizens in the community is reinforced by the monthly visits of our natural groups (i.e. children, youths and the younger generation) to a couple of homes where they read, write and socialise with them in a relaxed atmosphere.
2. Visited the Homes during Christmas and gave out Christmas presents to all the residents.

### **Other activities undertaken to reach out to the Community:**

1. The Charity was able to pay the school fees for 150 students in Uganda as part of its commitment to support the cause of orphans in Africa.
2. The Charity does a collection of various items on a regular basis and contributes considerably to Mission to Africa, sending clothing and provisions to people in Uganda and Nigeria.
3. Operation 'Christmas Child'. Aimed at reaching out to the less privileged children in different parts of the world with our gifts and hope that through our generosity they can feel the true love of God.
4. Made charitable donations to charity organisations
5. The Charity has ongoing engagement with the Tower Hamlets African Families Service. A forum set up to educate and share good practices on safeguarding children in the African community.

### **Collaborative Working:**

The Charity has engaged with a number of local, voluntary and state bodies in Tower Hamlets and outside the borough as set out below:

1. We are actively engaged with the Hackney Wick Fish Island (Cultural Interest Group). A forum set up to protect the interest of the Fish Island businesses in the wake of developers acquiring premises and converting them to apartments. We are committed to this Group and have hosted them a couple of times. We offered our support to the businesses in Fish Island in ensuring businesses do not suffer losses or total disruption to their operations during the extensive building work taking place in the island.
2. We are actively involved in the activities of the Tower Hamlets Standing Advisory Council on Religious Education (SACRE). We are the leading Charity that has supported SACRE in reviewing their functions and policies for schools and other educational groups.



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3. We have ongoing commitment of working with the Metropolitan Police Faith Forum organised by the Metropolitan Police Commander on Community Engagement. We are still the only church representing Tower Hamlets and membership is from across all the London Boroughs.

### **c. Investment policy and performance**

The Trustees have decided that at present, funds should be retained in Banks and Building Societies. Any change in such banking arrangements should be agreed by the board. As far as possible, funds will be retained in interest bearing accounts.

### **Financial review**

#### **a. Financial Review**

The Church managed to spend within its resources during the year and is financially stable.

#### **Reserve Policy**

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the church should be 3 months of annual expenditure. At this level, the Trustees feel that they would be able to continue the current activities of the church in the event of a significant drop in funding.

The balance held as unrestricted funds at 31 December was £2,813,602 (2017 - £2,962,330), of which £400,841 (2017 - £352,395) are regarded as free reserves, after allowing for funds tied up in tangible fixed assets.

#### **b. Principal funding**

The Charity's principal funding is through members contribution and donations from supporters and well-wishers of the church.

### **Structure, governance and management**

#### **a. Constitution**

The Church is constituted under a Trust deed dated 21 November 2000 and is registered with charity number 1084771.

#### **b. Method of appointment or election of Trustees**

New trustees are elected on the basis of the contribution that they will make to the governance of the organization and the skills that they will contribute. They are provided with copies of the Charity Commission's guidance to trustees and given an introduction to the activities of the charity by the existing board.

#### **c. Policies adopted for the induction and training of Trustees**

Existing trustees are provided with training as and when required.

**d. Pay policy for senior staff**

Our goal is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and deliver the charity's aims. It is consistent with our aims and we recognise that we are able to attract senior executives with lower pay than public or private sector market rates.

1. The Trustees are responsible for setting remuneration levels for the church's pastors and most senior staff.
2. Pay and rewards are set making informed judgments and following the charity's governance and constitutional arrangements.

In deciding top levels of pay and rewards, trustees consider some or all of the following:

1. The purposes, aims and values of the charity, and its beneficiaries' needs including whether a lower rate of pay compared to similar roles in other sectors is appropriate
2. The Charity's current business plan and how implementing it may affect the number of senior staff the charity needs to employ or recruit, and the nature of these roles
3. The Charity's ability to pay, including:
  - the benefit to the charity that such positions will bring
  - the cost to the charity of increasing remuneration levels
  - how increasing pay, particularly at senior levels, would be perceived by employees, donors and beneficiaries
  - whether it's affordable
  - the appropriateness of the pay in the context of the charity and its beneficiaries' needs
4. Our assessment of the charity's and senior staff's performance against expectations, both short and long term
5. The wider 'employment offer' they can make to potential employees
6. The Charity's track record in attracting and retaining committed and motivated employees
7. The likely impact on, and views of, beneficiaries, donors, funders, and current and potential volunteers
8. The relationship between policy and practice for pay of senior staff and that of the Charity's whole workforce.

**e. Organisational structure and decision making**

The church is organised so that the trustees meet regularly to manage its affairs. An Executive Pastor manages the day to day administration of the church.

**f. Connected charities**

Royal Connections is a parish of the Redeemed Christian Church of God a network comprised of churches all over the world. There is an agreement for common purposes entered into by Royal Connections with the Redeemed Christian Church of God which documents this relationship.

**g. Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances.

The Trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

**Plans for future periods**

**a. Future developments**

**RC Learning Centre:**

1. This centre was set up by the Charity to help upskill, improve, and create career/business opportunities for members and the community. Presently, some aspects of the centre is now up and running and the future plan is to roll out more courses/training that will be beneficiary to all interested individuals or groups.

**English Language and Citizenship Project:**

2. The Charity is setting up this project to help in teaching and improving spoken English amongst members and the community at large. This is an outreach project and the Charity believes it will help improve the rate of Adult Literacy in the community.

**Positive East Pastors Forum:**

3. Due to The Charity's active engagement with this organisation, we have been invited for the second time to be one of the Key-Note Speaker at their annual East London Community Faith Symposium next year.

**Change of Premises:**

4. The Charity's 10-year lease at its current premises - 90 Monier Road runs out in December 2018. To this end, Taylor Wimpey became the new owners of the premises after acquiring it from our previous landlord in early 2018 with the aim of building flats on the land once we move out. Effectively, The Charity began the rigorous task of searching for a new premises as efforts to negotiate extension fell through.

**Other future developments include:**

- Planting more parishes within 5minute drive of residential apartments in line with the RCCG worldwide mandate. There is one or two in the pipeline next year.
- Planning more activities to further open up the premises to engage the community.
- Setting up small scale social enterprises, helping members of the community develop business opportunities, supporting the young people with their education and helping ensure they are employable when they leave school.

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### Trustees' responsibilities statement

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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 are sufficient to show and explain the charity's transactions and 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:

**Pastor (Dr) D O Oludoyi, Pastor in Charge**  
Trustee

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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#### Opinion

We have audited the financial statements of Redeemed Christian Church of God ('RCCG') Royal Connections (the 'charity') for the year ended 31 December 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

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

#### 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

#### 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 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.

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## REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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#### **Auditors' responsibilities for the audit of the financial statements**

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 Auditors' 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 Auditors' 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 Auditors' 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 its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Stephen Michael Associates**

Chartered Certified Accountants  
Statutory Auditors

1st Floor  
3 More London Riverside  
London  
SE1 2RE  
31 October 2019

Stephen Michael Associates are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Note</b>	<b>Restricted funds 2018 £</b>	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
<b>Income from:</b>					
Donations and legacies	2	3,006	941,314	944,320	1,041,629
Charitable activities	3	-	63,888	63,888	103,997
Investments	4	-	150,394	150,394	150,109
<b>Total income</b>		<b>3,006</b>	<b>1,155,596</b>	<b>1,158,602</b>	<b>1,295,735</b>
<b>Expenditure on:</b>					
Charitable activities		4,157	1,304,324	1,308,481	1,304,523
<b>Total expenditure</b>	8	<b>4,157</b>	<b>1,304,324</b>	<b>1,308,481</b>	<b>1,304,523</b>
<b>Net expenditure before investment losses</b>		<b>(1,151)</b>	<b>(148,728)</b>	<b>(149,879)</b>	<b>(8,788)</b>
Net losses on investments		-	-	-	(500,000)
<b>Net expenditure before other recognised gains and losses</b>		<b>(1,151)</b>	<b>(148,728)</b>	<b>(149,879)</b>	<b>(508,788)</b>
<b>Net movement in funds</b>		<b>(1,151)</b>	<b>(148,728)</b>	<b>(149,879)</b>	<b>(508,788)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		42,822	2,962,330	3,005,152	3,513,940
<b>Total funds carried forward</b>		<b>41,671</b>	<b>2,813,602</b>	<b>2,855,273</b>	<b>3,005,152</b>

The notes on pages 17 to 30 form part of these financial statements.



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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**BALANCE SHEET  
AS AT 31 DECEMBER 2018**

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	Note	£	2018 £	As restated 2017 £
<b>Fixed assets</b>				
Tangible assets	13	<b>186,465</b>	430,986	
Investment property	14	<b>3,087,000</b>	3,087,000	
Total tangible assets			<b>3,273,465</b>	3,517,986
			<b>3,273,465</b>	3,517,986
<b>Current assets</b>				
Debtors	15	<b>334,067</b>	386,101	
Cash at bank and in hand		<b>243,840</b>	131,082	
		<b>577,907</b>	517,183	
<b>Creditors:</b> amounts falling due within one year	16	<b>(177,066)</b>	(164,788)	
<b>Net current assets</b>			<b>400,841</b>	352,395
<b>Total assets less current liabilities</b>			<b>3,674,306</b>	3,870,381
<b>Creditors:</b> amounts falling due after more than one year	17		<b>(819,033)</b>	(865,229)
<b>Net assets</b>			<b>2,855,273</b>	3,005,152
<b>Charity Funds</b>				
Restricted funds	18	<b>41,671</b>	42,822	
Unrestricted funds	18	<b>2,813,602</b>	2,962,330	
<b>Total funds</b>			<b>2,855,273</b>	3,005,152

The financial statements were approved by the Trustees on 31 October 2019 and signed on their behalf, by:

**Dr F Oladimeji**

**Mrs M Bello**

The notes on pages 17 to 30 form part of these financial statements.

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	<u>(24)</u>	<u>(176,927)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>150,394</b>	150,109
Purchase of tangible fixed assets		<u>-</u>	<u>(53,607)</u>
<b>Net cash provided by investing activities</b>		<u><b>150,394</b></u>	<u>96,502</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		<u>(46,196)</u>	<u>(48,482)</u>
<b>Net cash used in financing activities</b>		<u><b>(46,196)</b></u>	<u>(48,482)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>104,174</b>	(128,907)
Cash and cash equivalents brought forward		<u><b>111,967</b></u>	<u>240,874</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u><b>216,141</b></u></u>	<u><u>111,967</u></u>

The notes on pages 17 to 30 form part of these financial statements.

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## REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

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. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Redeemed Christian Church of God ('RCCG') Royal Connections constitutes a public benefit entity as defined by FRS 102.

##### 1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

##### 1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

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## REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies (continued)

##### 1.4 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
S/Term Leasehold Property	-	10% straight line
Music and church equipments	-	12.5% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	12.5% straight line
Computer equipment	-	25% reducing balance

##### 1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

##### 1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

##### 1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

##### 1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### 1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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## REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies (continued)

##### 1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### 1.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

##### 1.13 Fund accounting

General funds are unrestricted funds which 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 costs 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.

#### 2. Income from donations and legacies

	<b>Restricted funds 2018 £</b>	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Collections and Donations	<b>3,006</b>	<b>941,153</b>	<b>944,159</b>	<b>1,041,462</b>
Similar incoming resources	<b>-</b>	<b>161</b>	<b>161</b>	<b>167</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	<b>3,006</b>	<b>941,314</b>	<b>944,320</b>	<b>1,041,629</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2017</i>	<b>3,267</b>	<b>1,038,362</b>	<b>1,041,629</b>	
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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	2018 £	2017 £
<b>Church collections and other donations</b>		
Tithes	502,148	554,227
Gift aid income tax recoverable	123,992	148,148
Collection at all services	315,013	335,820
Liberty christian connections - collections at all services	3,006	3,267
	<hr/>	<hr/>
Total	944,159	1,041,462
	<hr/> <hr/>	<hr/> <hr/>

**3. Income from charitable activities**

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Books and tapes sale	-	1,747	1,747	6,938
Hall hire and other related income	-	62,141	62,141	97,059
	<hr/>	<hr/>	<hr/>	<hr/>
	-	63,888	63,888	103,997
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2017</i>	-	103,997	103,997	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

**4. Investment income**

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income - local investment properties	-	150,001	150,001	150,090
Investment income - local cash	-	393	393	19
	<hr/>	<hr/>	<hr/>	<hr/>
	-	150,394	150,394	150,109
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2017</i>	-	150,109	150,109	
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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**5. MISSIONARY AND CHARITABLE DONATIONS**

<b>Territory</b>	<b>Donation description</b>	<b>2018 £</b>	<b>2017 £</b>
1. United Kingdom	Advancement of christian faith	<b>20,317</b>	114,113
2. Europe	Advancement of christian faith	-	313
3. Rest of the World	Advancement of christian faith	<b>10,187</b>	4,622
		<b>30,504</b>	<b>119,048</b>

**6. Direct costs**

	<b>Basis of Allocation</b>	<b>Advanceme nt of Christian Faith Worldwide £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Visiting speakers' expenses	Actual	44,132	44,132	52,190
Evangelism expenses	Actual	4,759	4,759	9,818
Donations	Actual	-	-	1,210
Children and youth expenses	Actual	2,274	2,274	10,469
Music and choir expenses	Actual	46,928	46,928	45,098
Premises costs	Actual	245,476	245,476	272,925
Telephone and internet	Actual	10,574	10,574	12,755
Printing and stationery	Actual	19,779	19,779	19,423
Wages and salaries	Actual	206,610	206,610	174,616
National insurance	Actual	25,051	25,051	20,724
Pension cost	Actual	6,505	6,505	5,687
		<b>612,088</b>	<b>612,088</b>	<b>624,915</b>
<i>Total 2017</i>		<b>624,915</b>	<b>624,915</b>	

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. Support costs**

			Advanceme nt of Christian Faith Worldwide	Total 2018	Total 2017
	Basis of Allocation	Governance £	£	£	£
Premises costs	Actual	-	131,343	131,343	145,601
Telephone and internet	Actual	-	5,694	5,694	6,868
Advertising and publication	Actual	-	7,667	7,667	11,083
Travelling expenses	Actual	-	60,189	60,189	62,101
Vehicle running costs	Actual	-	14,302	14,302	12,014
Sundry church expenses	Actual	-	8,584	8,584	9,179
Equipment rental	Actual	-	2,353	2,353	6,102
Bookshop expenses	Actual	-	2,648	2,648	3,488
Staff training	Actual	-	635	635	1,605
Volunteer expenses	Actual	-	3,938	3,938	6,310
Refreshments	Actual	-	11,495	11,495	5,779
Printing and stationery	Actual	-	10,650	10,650	10,458
Auditors' remuneration	Actual	4,620	-	4,620	4,620
Auditors' remuneration - non audit costs	Actual	1,980	-	1,980	1,980
Bank and credit card charges	Actual	-	13,561	13,561	13,283
Interest payable - bank loan and overdraft	Actual	-	24,610	24,610	23,356
Interest payable - leases and hire purchase	Actual	-	-	-	1,107
Trustees' indemnity insurance	Actual	1,183	-	1,183	1,356
Bad debts	Actual	-	8,828	8,828	-
Legal and professional fees	Actual	-	39,704	39,704	43,083
Wages and salaries	Actual	-	62,504	62,504	91,502
National insurance	Actual	-	2,659	2,659	7,916
Pension cost	Actual	-	2,219	2,219	2,549
Depreciation	Actual	-	80,694	80,694	89,220
		<b>7,783</b>	<b>494,277</b>	<b>502,060</b>	<b>560,560</b>
<i>Total 2017</i>		<i>8,279</i>	<i>552,281</i>	<i>560,560</i>	



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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**8. Analysis of Expenditure by expenditure type**

	<b>Staff costs 2018 £</b>	<b>Depreciation 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Charitable giving	-	-	30,504	30,504	119,048
Advancement of Christian Faith Worldwide	305,548	80,694	720,123	1,106,365	1,177,519
<b>Charitable activities</b>	<b>305,548</b>	<b>80,694</b>	<b>750,627</b>	<b>1,136,869</b>	<b>1,296,567</b>
<b>Expenditure on governance</b>	<b>-</b>	<b>163,829</b>	<b>7,783</b>	<b>171,612</b>	<b>7,956</b>
	<b>305,548</b>	<b>244,523</b>	<b>758,410</b>	<b>1,308,481</b>	<b>1,304,523</b>
<i>Total 2017</i>	<i>302,994</i>	<i>89,220</i>	<i>912,309</i>	<i>1,304,523</i>	

**9. Net income/(expenditure)**

This is stated after charging:

	<b>2018 £</b>	<i>2017 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>80,692</b>	<b>89,220</b>

During the year, Pastor D O Oludoyi (Trustee, CEO and Senior Pastor) and family received a total of £193,606 (2017 - £142,778) as remuneration as authorised in the trust deed.

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

**10. Auditors' remuneration**

	<b>2018 £</b>	<i>2017 £</i>
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	<b>4,620</b>	<b>4,620</b>
Fees payable to the charity's auditor and its associates in respect of:		
All other non-audit services not included above	<b>1,980</b>	<b>1,980</b>

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**11. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>269,114</b>	<i>266,118</i>
Social security costs	<b>27,710</b>	<i>28,640</i>
Other pension costs	<b>8,724</b>	<i>8,236</i>
	<b>305,548</b>	<i>302,994</i>

The average number of persons employed by the charity during the year was as follows:

	<b>No.</b>	<i>No.</i>
Pastors	<b>3</b>	<i>3</i>
Church administration	<b>7</b>	<i>7</i>
	<b>10</b>	<i>10</i>

The number of higher paid employees was:

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
In the band £90,001 - £100,000	<b>0</b>	<i>1</i>
In the band £100,001 - £200,000	<b>1</b>	<i>0</i>

Included in Pastor (Dr) D O Oludoyi's salary of £118,928 (2017- £94,978) is pastor's vote of £25,947 (2017 - £25,186).

**12. Trustees' remuneration**

During the year retirement benefits were accruing to 1 Trustee (2017 - 1) in respect of defined contribution pension schemes.

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**13. Tangible fixed assets**

	Land and buildings £	Other fixed assets £	Total £
<b>Cost</b>			
At 1 January 2018 and 31 December 2018	559,948	674,013	1,233,961
<b>Depreciation</b>			
At 1 January 2018	287,723	515,252	802,975
Charge for the year	43,364	37,328	80,692
Impairment losses written back	163,829	-	163,829
At 31 December 2018	494,916	552,580	1,047,496
<b>Net book value</b>			
At 31 December 2018	65,032	121,433	186,465
<i>At 31 December 2017</i>	272,225	158,761	430,986

Included in land and buildings is freehold land at valuation of £30,500 (2017 - £30,500), (cost £30,500 (2017 - £30,500)) which is not depreciated. The balance relates to freehold land and buildings.

**14. Investment property**

	Freehold investment property £	Long term leasehold investment property £	Total £
<b>Valuation</b>			
At 1 January 2018 and 31 December 2018	3,000,000	87,000	3,087,000

The 2018 valuations were made by the trustees, on an open market value for existing use basis.

**15. Debtors**

	2018 £	2017 £
Trade debtors	31,923	37,861
Other debtors	204,673	274,809
Prepayments and accrued income	11,076	59,411
Tax recoverable	86,395	14,020
	334,067	386,101

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**16. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank loans and overdrafts	70,288	61,704
Trade creditors	22,416	25,748
Other taxation and social security	34,621	25,623
Pension fund loan payable	4,903	3,173
Other creditors	37,338	37,340
Accruals and deferred income	7,500	11,200
	<u>177,066</u>	<u>164,788</u>

**17. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Bank loans	<u>819,033</u>	<u>865,229</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>640,577</u>	<u>686,773</u>

The loans outstanding are repayment mortgages for (a) 1 - 9 Sewell Street, Plaistow, E13 8AT (interest rate - 2.4%) and Evelyn Estate House, 8 Kingfisher Square, Deptford, London SE8 5DA (interest rate - 3.25%).

**18. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>				
General Funds	<u>2,962,330</u>	<u>1,155,596</u>	<u>(1,304,324)</u>	<u>2,813,602</u>
<b>Restricted funds</b>				
Freehold property	42,822	-	(1,157)	41,665
Building fund	-	3,006	(3,000)	6
	<u>42,822</u>	<u>3,006</u>	<u>(4,157)</u>	<u>41,671</u>

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

Total of funds	<u><u>3,005,152</u></u>	<u><u>1,158,602</u></u>	<u><u>(1,308,481)</u></u>	<u><u>2,855,273</u></u>
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Freehold property fund represents a proportion of the future depreciation on the freehold property.

The charity has enough resources to finance these funds.

**Statement of funds - prior year**

	<i>Balance at 1 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2017 £</i>
<b>General funds</b>					
General Funds	3,469,961	1,292,468	(1,300,099)	(500,000)	2,962,330
<b>Restricted funds</b>					
Freehold property	43,979	-	(1,157)	-	42,822
	-	3,267	(3,267)	-	-
	<u>43,979</u>	<u>3,267</u>	<u>(4,424)</u>	<u>-</u>	<u>42,822</u>
Total of funds	<u><u>3,513,940</u></u>	<u><u>1,295,735</u></u>	<u><u>(1,304,523)</u></u>	<u><u>(500,000)</u></u>	<u><u>3,005,152</u></u>

**Summary of funds - current year**

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2018 £</i>
General funds	2,962,330	1,155,596	(1,304,324)	2,813,602
Restricted funds	42,822	3,006	(4,157)	41,671
	<u><u>3,005,152</u></u>	<u><u>1,158,602</u></u>	<u><u>(1,308,481)</u></u>	<u><u>2,855,273</u></u>

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Summary of funds - prior year**

	<i>Balance at 1 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2017 £</i>
General funds	3,469,961	1,292,468	(1,300,099)	(500,000)	2,962,330
Restricted funds	43,979	3,267	(4,424)	-	42,822
	<u>3,513,940</u>	<u>1,295,735</u>	<u>(1,304,523)</u>	<u>(500,000)</u>	<u>3,005,152</u>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Restricted funds 2018 £</b>	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	41,671	144,794	186,465
Investment property	-	3,087,000	3,087,000
Current assets	-	577,907	577,907
Creditors due within one year	-	(177,066)	(177,066)
Creditors due in more than one year	-	(819,033)	(819,033)
	<u>41,671</u>	<u>2,813,602</u>	<u>2,855,273</u>

**Analysis of net assets between funds - prior year**

	<i>Restricted funds 2017 £</i>	<i>Unrestricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	42,822	388,164	430,986
Investment property	-	3,087,000	3,087,000
Current assets	-	517,183	517,183
Creditors due within one year	-	(164,788)	(164,788)
Creditors due in more than one year	-	(865,229)	(865,229)
	<u>42,822</u>	<u>2,962,330</u>	<u>3,005,152</u>

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**REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(149,879)</b>	<b>(508,788)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>80,692</b>	89,220
Dividends, interest and rents from investments	<b>(150,394)</b>	(150,109)
Decrease/(increase) in debtors	<b>52,034</b>	(97,506)
Increase/(decrease) in creditors	<b>3,694</b>	(9,744)
Revaluation of freehold properties - Deficit	<b>-</b>	500,000
Impairment loss on short term leasehold property	<b>163,829</b>	-
<b>Net cash used in operating activities</b>	<b>(24)</b>	<b>(176,927)</b>

**21. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	<b>243,840</b>	131,082
Overdraft facility repayable on demand	<b>(27,699)</b>	(19,115)
<b>Total</b>	<b>216,141</b>	<b>111,967</b>

**22. Pension commitments**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £8,724 (2017 - £8,236).

**23. Operating lease commitments**

At 31 December 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	<b>260,000</b>	260,000
Between 1 and 5 years	<b>260,000</b>	238,333
After more than 5 years	<b>260,000</b>	-
<b>Total</b>	<b>780,000</b>	<b>498,333</b>

**24. Related party transactions**

Included in other creditors (note 17) is £8,838 (2017 - £8,838) owed to Pastor Oludoyi, a trustee, for out of pocket expenses not yet repaid.

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REDEEMED CHRISTIAN CHURCH OF GOD ('RCCG') ROYAL CONNECTIONS

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25. FUNDS HELD AS INTERMEDIARY

	2018 £	2017 £
RCCG Europe Region 3 - GBP	33,909	20,682
RCCG Europe Region 3 - EUR	8,265	-
	<u>          </u>	<u>          </u>

The above amounts are held in bank accounts in RCCG Royal Connections's name because RCCG Europe Region 3 is not able to open a bank account in its own name.

These bank balances are therefore not included in these financial statements.