

CLC International Office

Annual Report and Financial Statements

for the year ended

31 January 2019

CLC International Office

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CLC International Office
Financial Statements
for the year ended 31 January 2019

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 January 2018.

Reference & Administrative Information

Charity name	CLC International Office
Charity number	1058306
Start of financial year	1 February 2018
End of financial year	31 January 2019
Correspondence address	291 Abbeydale Road Sheffield S7 1FJ
Website	www.clcinternational.org
Trustees	Mr J Chamberlain Ms Erica Lugg (from July 2018) Mr G Ince Mr J Raby Mr J Watkins Miss R Williams
International director	Mr G Scalante
Primary bankers	Charities Aid Foundation Kings Hill West Malling Kent ME19 4TA Union National Bank and Trust Co 10 W Broad Street PO BOX 64197 Souderton PA18964 USA
Registered auditor	Winter & Co Chartered Certified Accountants and Statutory Auditor 103 Wilkinson Street Sheffield S10 2GJ

CLC International Office

Trustees' Report for the year ended 31 January 2019

Structure, Governance and Management

Governing Document

The Charity is governed by a Declaration of Trust dated 8 August 1996 and is a registered charity, number 1058306.

Trustee Appointment and Induction

CLC International Office Trustees are appointed on the recommendation of the existing Board and the International Director. New trustees undergo orientation to brief them on their legal obligations under charity law, the content of the Declaration of Trust, the decision making process and recent financial performance of the Charity.

Organisational Structure

Trustee meetings are held at least twice a year with additional meetings as necessary. The International Director is appointed on a four-year basis on the recommendation of the International Council.

The Board of Trustees, with the co-operation of the CLC International Office Team, led by the International Director, are primarily responsible for safeguarding and directing the distribution of monies received into the International Office Fund to progress the Objects as set out in the 1996 Declaration of Trust.

Trustees' organisational responsibilities and risk management

- The Trustees recognise their responsibility to assist CLCIO in fulfilling the aims of the International CLC fellowship respecting the guidelines set out in the CLC International Constitution 2016 edition.
- The Trustees will always seek to ensure that the Charity and its representatives function within the legal and regulatory framework as laid down by the Charity Commission of England and Wales, continually striving for best management practice.
- The Trustees will work to maintain the integrity of the CLC IO Fund by maintaining sound financial practices and overall efficient administration of the Charity and resources.
- The Trustees will ensure that monies granted are used for the purpose for which they are given and in accordance with the objects set out above.
- The Trustees will maintain absolute confidentiality about all sensitive information.
- The Trustees will regularly seek to assess the level of risk to the reputation, operation and achievement of the Charity and personal safety to members of the Charity and decide on the appropriate action to take in order to prevent damaging eventualities occurring and to mitigate the effect if they do.
- The Trustees recognise that they must always act in the best interests of the Charity and as a body will take appropriate action to prevent any Board member acting under conflicting interest. Decisions regarding the Trust Fund will be taken by the Trustees acting together and not by any one individually. The Trustees may delegate decisions on day to day matters as necessary but will establish proper reporting procedures and clear lines of accountability.

CLC International Office

Trustees' Report for the year ended 31 January 2019

Objectives and Activities

Objectives

The Charity's objectives are:

- The advancement of the Evangelical Tenets of the Christian religion either in the United Kingdom or overseas especially through Christian literature.
- The advancement for the public benefit of religious or other education.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The trustees are also aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Charity.

The trustees confirm that they have complied with their duties under section 17 of the 2011 Charities Act with regard to public benefit.

Activities - CLC International Office (CLCIO) and other CLCs

CLC is a missionary fellowship operating in 47 countries around the world. Each entity has its own registration in its country of operation, according to national legislation. There is no legal responsibility or ownership - apart from Romania, Bulgaria, Kyrgyzstan and France - and the individual CLC organisations work together under the guidelines of the voluntary code of the CLC International Constitution.

The role of the CLC International Office is to facilitate CLC ministries, to obtain and provide funding for projects, to create and manage websites and other digital projects, to provide supervision and training services and to serve as a common point of communication and reference for CLC worldwide.

The function of the International Office is carried out by five Regional Directors - North America, South America, Africa, Europe and Asia - and a Digital Director, working in conjunction with the International Director. This group is given authority by the four-yearly International Council to interpret and apply the CLC International Constitution. While the International and Regional Directors do not have executive authority over the national CLC teams, their responsibility in fulfilling the role of the International Office is to monitor and mentor; to hold accountable leaders to their objectives; to provide leadership training; to give objective assessment of the health of the organisation; to provide oversight and accountability for grants made; and to be a service provider for websites and training.

Grant Making Policy

CLC IO makes funding available to various CLC ministries overseas based on the opportunity and financial need to create or support a viable Christian Literature ministry. Normally this will follow an on the spot investigation by the Regional Directors.

GDPR

The data protection legislation enacted since the year end is relevant to CLCIO and a detailed digital policy has been developed and applied.

CLC International Office

Trustees' Report for the year ended 31 January 2019

Voluntary help and gifts in kind

The Trustees record their grateful thanks to the volunteers who have helped in maintaining the office, visited overseas centres and offered their advice and assistance throughout the year. Their contribution has been invaluable.

Achievements and Performance

Global Publishing Project

As we did last year and as a part of our Global Publishing strategy the International office organized an important conference in the city of Budapest, Hungary for all the European countries involved in Publishing. In April, CLC in association with CBA (Christian Bookseller Association) from the United States organized a Market Square meeting and conduct a publishing training for five days in Budapest. The Market Square meetings were a unique opportunity for CLCers to talk in person with representatives from the main Christian Publishers Houses to discuss the purchase of publishing rights to publish books in their local languages. The training was presented by some of the publishers and CLC people and covered Marketing, Contracts, Book Covers and Layout. Several CLC countries from Europe and around the world were able to attend these fruitful meetings.

Regional Directors' Meeting

As part of their duties, the RDs meet twice a year to ensure that CLC is accomplishing our global mission and vision.

The RDs represent the four areas (Asia, Africa, Europe, and the Americas) where CLC is currently working, our Regional Directors team met in Fort Washington, Pennsylvania for five days in March. The CLC RDs assessed the CLC work worldwide and discussed the challenges and opportunities CLC faces in several countries and what we can do to facilitate the work of distributing Christian literature and resources globally. The RDs also spend time seeking God together for wisdom to implement the right strategies that will further God's kingdom.

Partnership

As a part of our global strategy, the International Office works in partnership with other organizations that share the same vision and purpose. During the year we were able to participate in strategic conferences that helped us to join efforts with other organizations and be more successful in specific areas of our work.

Global English Summit LifeWay is a very well-known publishing house based in Nashville, USA. They are one of the main providers of Bibles and Sunday School Curriculums worldwide. CLC is working very closely with LifeWay in the Spanish speaking world and we have been able to work in partnership in several projects. LifeWay invited a group of CLC people to attend their first Global English Summit in Nashville. The time was very helpful to get to know LifeWay plans for their Global English market and identified the opportunities for CLC to work together in countries like the UK, India and the Philippines.

Africa Speaks Conference organized by Tyndale House Foundation was held in Chicago and our CLC RD for Africa attended it. Africa Speaks' mission statement is to facilitate a network of like-minded persons and organizations who will commit to working together to foster a flourishing African publishing industry for the enrichment of the Church and society in Africa and throughout the world.

CLC International Office

Trustees' Report for the year ended 31 January 2019

Evaluation Teams

The CLC International office as part of our resources offers a consultancy service to our countries. The Regional Directors visit the countries regularly and they advise in different areas of the ministry and operation. Also occasionally we conduct a more specific evaluation that often included a complete assessment of the finances, structure, strategies, and leadership of a specific country.

After every evaluation, we present a report with recommendations to follow up. In most cases, we also provide support to help the country through the process of changes to ensure the country can adopt and implement the recommendations.

We had an evaluation team from the International Office that visited CLC USA in February and another evaluation team visited CLC Kenya to address some of the difficulties our team in these two countries were facing.

Bibles

The African Study Bible was launched in Kenya at the beginning of the year. This was a historic occasion for the African Church. The Oasis organization sponsored this project that put into the hands of a growing church the first Study Bible written by African leaders for Africans. Hundreds of millions of Africans know and love Christ. However, most biblical resources come from a Western perspective-cultures far removed from the reality of life in Africa. To help meet this urgent need, the Africa Study Bible was created. The African Study Bible was successfully launched in Kenya, Liberia and Sierra Leone and CLC in these countries had an active part in these activities.

Burmese Study Bible. The first-ever Study Bible in Burmese has been completed by CLC Myanmar. CLC Korea arranged for it to be printed, and it was shipped out from Korea to Myanmar, North and South America, Singapore and Thailand. We believe this Bible will be a powerful tool to train leaders and to help Christians in Myanmar to grow deeper in their faith.

Other activities

Romania. Because of historical ties between Romania and Germany there are still a fair number of people that speak German in Romania. Also, many Romanians have emigrated to Germany for work and are raising their children there, but still want them to learn the Romanian language.

CLC Romania initiated the project to publish a bilingual Romanian and German version of the original Illustrated Bible from Vocatio Publishers in Poland.

The project was to print the Bible in 3 versions: Romanian - 1000 copies, Romanian- English - 1000 copies, Romanian-German - 1000 copies.

The Bibles went into print in September 2018 and arrived in December 2018 at our Brasov bookshop. The I.O. was able to contribute to the Bilingual Rumanian/German children's Bible project with £3,861.

Venezuela. Our ministry in Venezuela has been suffering from the social turmoil in the country. The lack of basic supplies like food and medicine forced people to emigrate and a half of our staff have already left the country looking for a better future. Due to the lack of personnel and the difficult financial situation, CLC closed five shops in the country. The International office was able to provide the necessary funds to send books and Bibles without cost to our team allowing them to keep the remaining five bookstores open. Also due to the generosity of our teams worldwide we have been able to help our workers in Venezuela to provide for their basics needs.

Mozambique, Matola. We were able to open a bookshop in a filing cabinet in the premises of The Centro de Liderança (CDL) in the rapidly growing new town of Matola (outskirts of Maputo)!

CLC International Office

Trustees' Report for the year ended 31 January 2019

They have a library, with probably two-thirds of the books being second hand and in English, not Portuguese books. Now we have a mini-CLC in the study room part of the library, where people can buy relevant books and Bibles in Portuguese. Teachers and students from CDL will be able to buy these books from CLC at a discounted price.

Kenya. An evaluation team visited our team in Kenya in December to review the entire ministry and address some financial difficulties they were facing. The evaluation showed us that the initial strategy for the country based on a wholesale operation is no longer appropriate for the new reality in the country. The evaluation team recommended refocusing the ministry in publishing and retail. The international office approved a £5,000 gift to buy new stock, in particular Bibles.

Areas of future development

We are still investing resources and effort into what we call our Digital strategy. We believe that in five years a huge percentage of what we currently distribute will move to online channels. Therefore our Digital and Online strategy will increasingly become a substantial part of what we do around the world. We are supporting this strategy with training for the people that are in charge of the WEB sites in our countries.

Publishing is part of our long-term global strategy. We will continue promoting the publishing project among the CLC countries encouraging them to develop and grow a sustainable publishing effort in their local languages. We will keep doing our Market Square meetings to ensure all our countries have access to high-quality content. We are committed to providing systematic and permanent training that will emphasize the need for professional publishing work from the earlier stages including translation, editing to the final products presentation and marketing strategies.

In September we launched one of our most ambitious projects in decades. The project is to provide 45,000 copies of an economic Spanish version of the Bible for Venezuela, Bolivia and Spain. These Bibles will be an answer to the need for affordable Bibles in these countries. The total cost of this project is £50,000. The Bibles should arrive in the countries before summer. Our goal will be to raise the necessary funds for the project before August 2019.

Financial Review

Income

Total income for the year was £382k (2018: £527k). Funding for projects amounted to £194k (2018: £332k) and was principally from CLC organisations but also from trusts and individuals.

Non-project income of £188k (2018: £195k) included £154k (2018: £165k) contributions from other CLC organisations, £18k (2018: £23k) from website charges to those organisations and £16k (2018: £7k) from other sources (mainly book sales, rents and donations).

Expenditure

Total expenditure for the year was £469k (2018: £518k). Expenditure on projects amounted to £280k (2018: £322k).

Non-project expenditure of £189k (2018: £196k) included £86k (2018: £86k) on support for staff and volunteers, £44k (2018: £58k) on their travel and accommodation, £20k (2018: £24k) on websites, £14k (2018: £13k) on contributions not paid and £25k (2018: £15k) on other costs.

Reserves Policy

Free reserves at 31 January 2019 are £100k (2018: £108k). It is the Trustees' opinion that unrestricted funds equal to at least six months' normal expenditure should be maintained, which amounts to approximately £100k (2018: £100k). In this context, the trustees consider normal expenditure should exclude costs of supporting projects, transfers, project funds, depreciation, bad debts and other non-committed expenditure.

CLC International Office

Trustees' Report for the year ended 31 January 2019

Summary

Due to the timing of grant making expenditure, the net assets have increased and the Fund continues to meet the Trustees' objective of having six months' expenditure in hand. The Trustees consider that the reserves are sufficient to cover all foreseeable Project Fund Liabilities.

Funds carried forward at 31 January 2019 are £496k (2018: £584k).

Trustees' responsibilities in relation to the financial statements

Charity law 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 at the year end and of its incoming resources and resources expended during that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which 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 and the Statement of Recommended Practice for Charities (FRS 102). 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.

Members of the board of trustees who served during the year under review and up to the date of this report are set out on page 1. In accordance with charity law the trustees certify that:

- so far we are aware, that there is no relevant accounting information of which the auditor is unaware; and
- as trustees we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant accounting information and to establish that the charity's auditor is aware of that information.

Auditors

Winter and Co., Chartered Certified Accountants and Registered Auditor, Sheffield, were appointed as auditors on 1 August 2006 and have expressed their willingness to continue in office.

This Report was approved by the Trustees on 15 October 2019 and signed on their behalf by:

Mr J Raby

Independent auditor's report to the trustees of CLC International Office

Opinion

We have audited the financial statements of CLC International Office (the 'charity') for the year ended 31 January 2019 which comprise the Profit and Loss Account, Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent auditor's report to the trustees of CLC International Office

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Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual 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 set out on page 6, 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.

**Independent auditor's report to the trustees of
CLC International Office**

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Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and 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. This description forms part of our auditor's report.

.....
Peter Colin Winter MA FCCA (senior statutory auditor)
Winter & Co
Chartered Certified Accountants and
Statutory Auditor

103 Wilkinson Street
Sheffield
S10 2GJ

15 October 2019

Winter & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CLC International Office

**Statement of Financial Activities
for the year ended 31 January 2019**

	Notes	Unrestricted Funds	Restricted Funds	2019 Total	2018 Total
<u>Incoming Resources</u>					
Incoming resources from generated funds					
Investment Income	6	1,705	-	1,705	6,363
Incoming resources from charitable activities	7	225,626	154,193	379,819	520,531
Total Incoming Resources		<u>227,331</u>	<u>154,193</u>	<u>381,524</u>	<u>526,894</u>
<u>Resources Expended</u>					
Charitable activities	8	225,177	240,084	465,261	515,067
Governance Costs	9	3,695	-	3,695	3,452
Total Resources Expended		<u>228,872</u>	<u>240,084</u>	<u>468,956</u>	<u>518,519</u>
Net incoming/(outgoing) resources before transfers		(1,541)	(85,891)	(87,432)	8,375
Transfers between funds	19	(6,663)	6,663	-	-
Net movement in funds		(8,204)	(79,228)	(87,432)	8,375
Funds at 1 February		191,812	391,745	583,557	575,182
Funds at 31 January	16 - 17	<u>183,608</u>	<u>312,517</u>	<u>496,125</u>	<u>583,557</u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended relate to continuing activities.

The notes on pages 13 to 25 form an integral part of these financial statements.

CLC International Office

**Balance sheet
as at 31 January 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Fixed Assets					
Tangible Assets	10	74,881	-	74,881	74,881
Investments	11	8,829	-	8,829	8,829
		<u>83,710</u>	<u>-</u>	<u>83,710</u>	<u>83,710</u>
Current assets					
Stock	13	2,340	-	2,340	12,741
Debtors	14	55,701	-	55,701	63,946
Cash at bank and in hand		52,188	312,517	364,705	447,664
		<u>110,229</u>	<u>312,517</u>	<u>422,746</u>	<u>524,351</u>
Creditors: amounts falling due within one year	15	(10,331)	-	(10,331)	(24,504)
		<u>99,898</u>	<u>312,517</u>	<u>412,415</u>	<u>499,847</u>
Net Current Assets (Liabilities)					
		<u>99,898</u>	<u>312,517</u>	<u>412,415</u>	<u>499,847</u>
Net Assets		<u>183,608</u>	<u>312,517</u>	<u>496,125</u>	<u>583,557</u>
Funds					
Unrestricted Funds	16				
- Designated		26,146	-	26,146	23,155
- General		157,462	-	157,462	168,657
Restricted Funds	17	-	312,517	312,517	391,745
		<u>183,608</u>	<u>312,517</u>	<u>496,125</u>	<u>583,557</u>

These financial statements were approved by the Trustees on 15 October 2019 and signed on their behalf by:

.....
Mr J Raby

The notes on pages 13 to 25 form an integral part of these financial statements.

CLC International Office

Notes to the financial statements for the year ended 31 January 2019

1. Basis of Preparation

1.1. Basis of accounting

a) The Charities Act 2011

b) SORP (FRS 102) 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) (effective January 2015)

c) Applicable accounting standards.

CLC International Office constitutes a public benefit entity as defined by FRS 102.

2. Accounting Policies

2.1. Form of Financial Statements

Balances are split between unrestricted and restricted funds held by the Charity.

a) Unrestricted Funds - These funds are not subject to any restrictions regarding their use and are available for furtherance of the objectives of the Charity.

b) Designated Funds - These are unrestricted funds which are designated for a particular purpose or project that the Trustees have decided to support.

c) Restricted Funds - These are funds subject to specific conditions imposed by the donor or by a specific term of a trust deed or other legal measure, but still within the objectives of CLC International Office.

2.2. Incoming resources

a) Incoming resources from charitable activities are included in the Statement of Financial Activities (SOFA) when due and invoiced with the exception of donations, which are included when received.

b) Where incoming resources have related expenditure, the incoming resources and related expenditure are reported gross in the SOFA.

c) The following specific policies are applied to particular categories of income.

- Donated services and facilities are included at the value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

- Investment income is recognised when credited to the account.

CLC International Office

Notes to the financial statements for the year ended 31 January 2019

..... continued

2. Accounting Policies (continued)

2.3. Rental Income

Rental income is accounted for on an accruals basis and includes all rental income due in the period of account.

2.4. Resources expended and liabilities

- a) Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of irrecoverable VAT. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.
- b) Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.
- c) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.
- d) Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

2.5. Tangible fixed assets and depreciation

Freehold land and buildings are included in the financial statements at cost. No depreciation is provided on freehold land and buildings. It is the policy of the Trustees to maintain their properties in such a condition that their value is not impaired by the passage of time. The residual value is similar to its carrying value and depreciation, therefore, would not be material. The Trustees perform annual impairment reviews in accordance with the requirement of FRS 15 to ensure that the carrying amount is not greater than the recoverable amount.

Individual items of office and computer equipment are capitalised if they cost more than £1,000 and have a useful economic life of more than one year.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computers	- 30% Straight Line
Fixtures, fittings and equipment	- 9-18% Straight Line

CLC International Office

Notes to the financial statements for the year ended 31 January 2019

..... continued

2. Accounting Policies (continued)

2.6. Investments

a) Shares in subsidiary undertakings

The shares in subsidiary undertakings represent Programme Related Investments, as defined in the FRS 102 SORP. Programme Related Investments are included in the balance sheet at the amount invested less any impairments and any amounts repaid.

Where the original amount invested is not known, the Trustees have adopted a fair value based on their best estimate.

Details of the subsidiary undertakings are set out in note 12. Each operating subsidiary undertaking is exclusively involved in running a Christian bookshop. Companies (i) and (ii) operate in Bulgaria, company (iii) operates in Romania and company (iv) operates in Central Asia. Although no benefit arises from any of the operating subsidiaries, the objectives of these subsidiaries are consistent with the aims and purposes of CLC International Office.

The dormant subsidiary company (v) will operate in the United Kingdom and will be involved in the development of an eReader App.

b) Other unlisted investments

The FRS 102 SORP requires that where the investment is in ordinary shares in unlisted companies it must be included at fair value if this can be measured reliably; or if not, cost less impairment.

The Trustees consider that it is not cost effective to obtain a reliable fair valuation of the other unlisted investments which are included, therefore, at cost.

2.7. Stock

Stock is valued at the lower of cost or net realisable value.

2.8. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the asset cost or expense to which it relates.

2.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Statement of Financial Activities.

3. Auditing Practices Board Ethical Standard

In common with many other organisations of our size and nature we use auditors to assist with the preparation of the financial statements.

CLC International Office

Notes to the financial statements for the year ended 31 January 2019

..... continued

4. Employees

The charity had no employees during the year.
No social security costs were payable.

5. Trustee remuneration and related party transactions

- a)
- b) Travel and other expenses amounting to £920 (2018 - £611) were reimbursed to two (2018: 2) trustees.
- c) The charity has incurred £378 (2018 - £391) of expenditure in respect of Trustees Indemnity Insurance.
- d) No trustee or other person connected to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

6. Investment Income

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Rental Income	720	-	720	1,030
Bank Interest Received	1,105	-	1,105	3,446
(Loss) / Surplus on dollar exchange	(120)	-	(120)	1,887
	<u>1,705</u>	<u>-</u>	<u>1,705</u>	<u>6,363</u>

7. Income from Charitable Activities

	£	£	£	£
Bible Companion Sales	9,919	-	9,919	1,051
Contributions	154,383	-	154,383	187,884
CLC Projects	-	137,849	137,849	203,524
CLC Holdings	27,621	16,344	43,965	105,510
CLC International Council Reserve	5,000	-	5,000	5,000
Website and Digital Income	22,040	-	22,040	17,562
Awaiting allocation	6,663	-	6,663	-
	<u>225,626</u>	<u>154,193</u>	<u>379,819</u>	<u>520,531</u>

CLC International Office

**Notes to the financial statements
for the year ended 31 January 2019**

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8. Cost Of Charitable Activities	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Cost of Goods Sold	18,597	-	18,597	8,449
CLC Projects	-	108,161	108,161	188,187
CLC Holdings	29,630	131,923	161,553	120,190
CLC Projects awaiting allocation	-	-	-	8,383
	<u>48,227</u>	<u>240,084</u>	<u>288,311</u>	<u>325,209</u>
<u>Establishment Costs</u>				
Repairs and Renewals	360	-	360	206
Utilities	814	-	814	1,305
Rates and Insurance	1,187	-	1,187	1,519
Depreciation	-	-	-	-
	<u>2,361</u>	<u>-</u>	<u>2,361</u>	<u>3,030</u>
<u>Administrative Costs</u>				
Telephone	594	-	594	864
Travel - Local	969	-	969	903
Travel - International Fares	30,380	-	30,380	41,145
International Accommodation and Related Costs	12,894	-	12,894	16,178
Printing, Postage and Stationery	1,008	-	1,008	641
Hospitality and Conference Expenses	18	-	18	75
Books and Subscriptions	65	-	65	21
IT Costs	2,757	-	2,757	2,784
Publications	518	-	518	-
Regional Directors' Meetings	368	-	368	3,185
Volunteers' Support - UK	8,053	-	8,053	9,440
Volunteers' Support - Overseas	77,677	-	77,677	93,194
Transfer to International Council Reserve	10,000	-	10,000	5,000
Bank Charges	113	-	113	292
Donations and Gifts	2,847	-	2,847	-
Bad debts	8,895	-	8,895	12,992
Website	12,165	-	12,165	-
UK Support costs	5,268	-	5,268	505
	<u>174,589</u>	<u>-</u>	<u>174,589</u>	<u>187,219</u>
	<u>225,177</u>	<u>240,084</u>	<u>465,261</u>	<u>515,458</u>

CLC International Office

Notes to the financial statements for the year ended 31 January 2019

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9. Governance Costs

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Governance Costs				
Audit	2,250	-	2,250	2,250
Legal and Professional	148	-	148	200
Trustee expenses	1,297	-	1,297	1,002
	<u>3,695</u>	<u>-</u>	<u>3,695</u>	<u>3,452</u>

10. Tangible fixed assets

	Land and buildings freehold £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 February 2018	73,510	9,517	83,027
Additions	-	-	-
Disposals	-	-	-
At 31 January 2019	<u>73,510</u>	<u>9,517</u>	<u>83,027</u>
Depreciation			
At 1 February 2018	-	8,146	8,146
At 31 January 2019	-	8,146	8,146
Net book values			
At 31 January 2019	<u>73,510</u>	<u>1,371</u>	<u>74,881</u>
At 31 January 2018	<u>73,510</u>	<u>1,371</u>	<u>74,881</u>

CLC International Office

Notes to the financial statements for the year ended 31 January 2019

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11. Programme related investments

	Subsidiary undertakings (Note 12)	Unlisted investments	Total
Cost	£	£	£
At 1 February 2018	801	8,028	8,829
At 31 January 2019	801	8,028	8,829
Net book values			
At 31 January 2019	801	8,028	8,829
At 31 January 2018	801	8,028	8,829

Unlisted investments

In 2005, CLC France wished to buy a warehouse property. This involved acquiring SCI Le Point du Jour, the company which owned the property, a common practice in France. CLC France was not legally able to be the outright shareholder and proposed it would acquire 39/40 and CLC International Office would buy 1/40. CLC IO did not have sufficient funds at that time and it was agreed that CLC France would pay CLC IO's share, but subsequently this was paid in full. The figure of £8,028 shown in the accounts represents CLC IO's 1/40 share at cost. CLC International Office has received no dividends or other income from SCI Le Point du Jour throughout the period of the investment.

12. Investment in subsidiary undertakings

The investment by the Charity in five subsidiaries is as follows:

100% of issued ordinary share capital:	2019	2018
(i) Centre for Logistics and Co-operation Ltd	100	100
(ii) Maranatha Ltd	500	500
(iii) CLC Romania	100	100
(iv) Central Asia	100	100
(v) CLC Digital Ltd	1	1

CLC Digital Ltd, which was incorporated on 25 June 2013, was dormant for the period 25 June 2013 to 31 January 2019.

The Trustees consider that consolidated accounts are not required as the aggregate gross income of the parent charity and its subsidiaries, after consolidation adjustments, does not exceed the statutory income threshold of £1M (Charities Act 2011 (Group Accounts) Regulations 2015).

The net assets of subsidiary undertakings which are not material need not be disclosed in the parent's accounts. The Trustees consider that the net assets of its subsidiaries are not material to the parent charity and no disclosure is required, therefore, in these accounts.

CLC International Office

**Notes to the financial statements
for the year ended 31 January 2019**

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13. Stocks

2019	2018
£	£
2,340	12,741

Finished goods and goods for resale

14. Debtors

2019	2018
£	£
26,954	40,858
336	-
28,411	23,088
55,701	63,946

Trade debtors

HMRC VAT receivable

Prepayments and accrued income

**15.1 Creditors: amounts falling due
within one year**

2019	2018
£	£
19	2,458
-	1,786
2,176	5,639
8,136	14,621
10,331	24,504

Trade creditors

Other taxes and social security costs

Other creditors: credit card

Accruals and deferred income (Note 15. 2)

15.2 Accruals and deferred income

2019	2018
£	£
-	-
2,250	2,250
5,886	12,371
8,136	14,621

Income received in advance

Audit fee

Support Account

CLC International Office

Notes to the financial statements for the year ended 31 January 2019

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16. Unrestricted Funds

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
General Fund	168,657	188,047	(199,242)	-	157,462
Miscellaneous funds	-	-	-	-	-
Funds awaiting allocation:					
Project Mozambique	-	1,131	-	(1,131)	-
Project Spain	-	6,147	-	(6,147)	-
Designated Funds					
R Jones	106	3,410	(3,517)	-	(1)
CLC Workers	-	3,858	(3,690)	-	168
Funds held in Trust	-	(615)	-	615	-
Holding Funds / CLC Workers	1,825	2,900	(4,725)	-	-
Rudy Kuijer	-	1,552	(1,343)	-	209
Investment in subsidiaries (Note 12)	801	-	-	-	801
Non RF Funds awaiting allocation	5,669	15,901	(16,355)	-	5,215
International Council Reserve Fund (i)	12,845	5,000	-	-	17,845
Emergency Fund (ii)	1,909	-	-	-	1,909
	<u>191,812</u>	<u>227,331</u>	<u>(228,872)</u>	<u>(6,663)</u>	<u>183,608</u>

- (i) The International Council Reserve Fund relates to monies set aside for the costs of the CLC International Council which is organised by the Charity every four years. During the year, the trustees transferred £5,000 from general funds to the International Council Reserve Fund.
- (ii) The Emergency Fund is a revolving loan fund made available to CLC ministries in serious difficulties at the discretion of the International Director (with agreement from the Trustees if the sum is above £5,000). Repayment terms will be drawn up as appropriate.

CLC International Office

**Notes to the financial statements
for the year ended 31 January 2019**

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17. Restricted Funds - Countries	Opening Balance £	Income £	Expenditure £	Transfers £	Closing Balance £
Project Argentina		4,144			4,144
Project Antigua	1,304	-	-	-	1,304
Project Austria	3,774	-	-	(3,774)	-
Project Bangladesh	13,595	1,735	-	-	15,330
Project Barbados	1,002	-	-	-	1,002
Project Belarus	10,784	3,539	(1,217)	(1,557)	11,549
Project Benin	296	2,744	(3,040)	-	-
Project Bolivia	(4,857)	23,883	(17,013)	-	2,012
Project Bulgaria	1,429	-	(2,329)	800	(100)
Project Burkina Faso	2,386	1,000	(3,437)	-	(51)
Project China	62,482	-	-	(40,000)	22,482
Project Cote D'Ivoire	17	347	(364)	-	-
Project Cuba	2,012	-	-	-	2,012
Project Dominica	29	-	-	-	29
Project Ecuador	180	-	-	-	180
Project Equatorial Guinea	4,944	-	(4,944)	-	-
Project Hungary	-	44	-	-	44
Project Germany	5,323	7,191	(5,978)	-	6,536
Project India	1,948	-	-	-	1,948
Project Italy	-	500	(500)	-	-
Project Japan	4,945	-	(4,885)	-	60
Project Kenya	1,539	1,931	(3,957)	1,537	1,050
Project Korea	-	25	-	-	25
Project CA1	241	232	(68)	-	405
Project Liberia (Monrovia)	269	100	-	-	369
Project Mozambique: Bible printing	13,795	9,498	(7,213)	5,870	21,949
Project Mozambique	6,832	17,043	(9,752)	(6,276)	7,848
Project Myanmar	6,332	-	(5,886)	-	446
Project Nicaragua	485	-	-	-	485
Project Pakistan	10,333	906	(108)	-	11,131
Project Papua New Guinea	-	1,500	1,500	-	-
Project Paraguay	2,877	-	-	-	2,877
Project Philippines	1,441	100	(1,441)	340	440
Project Poland	(21)	-	(1,211)	1,557	325
Project Portugal	(665)	-	(435)	1,100	-
Project Romania	90	1,252	(3,861)	3,774	1,254
Project Russia	943	10,751	(845)	0	10,849
Project Sierra Leone	25	1,627	(1,626)	-	26
Project Spain	(38)	-	(6,147)	6,147	(38)
Project Spain - Bible Project	-	27,486	-	-	27,486
Project Thailand	2,682	940	(2,637)	(599)	386
Project Thai Bible Fund	-	6,720	6,979	259	-
Project Trinidad & Tobago	1,126	-	-	-	1,126
Project Uruguay	3,858	-	(3,858)	-	-
Project Venezuela	2,343	12,613	(6,931)	-	8,026

CLC International Office

**Notes to the financial statements
for the year ended 31 January 2019**

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Carried forward	166,080	137,851	(108,162)	(30,822)	164,946
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CLC International Office

Notes to the financial statements for the year ended 31 January 2019

..... continued

Total Restricted Funds	Opening Balance £	Income £	Expenditure £	Transfers £	Closing Balance £
Brought forward	166,080	137,851	(108,162)	(30,822)	164,946
Holding CLC Suspense	615	-	-	(615)	-
Africa Conference Travel Fund	163	5,000	-	-	5,163
BELT Barnabus Trust	2,266	5,640	(7,906)	-	-
CLC UK	-	-	(100,000)	100,000	-
Colombia Loan Fund	2	-	-	-	2
Conference Costs CLC Europe	2,159	1,000	(2,163)	-	996
Digital Technologies	216,974	-	(17,182)	(60,000)	139,792
Evangelistic Literature Project	6,845	-	-	-	6,845
Movie Translation French - Spanish	(696)	-	-	-	(696)
Project International Website	(4,966)	-	-	-	(4,966)
Publishing Fund	2,303	4,704	(4,671)	(1,900)	436
	<u>391,745</u>	<u>154,196</u>	<u>(240,084)</u>	<u>6,663</u>	<u>312,517</u>

The Project Accounts represent funds raised for projects in specific countries. Where the funds raised are insufficient to meet the project expenditure, funds are transferred from the unrestricted funds of CLC International Office. In the event that the project does not go ahead, funds may be transferred to other projects with the agreement of the donors.

18. Other Funds

CLC International Office acts as a channel for funds designated to Barnabas Evangelical Literature Trust, a separate registered Charity. Funds received on behalf of Barnabas Evangelical Literature Trust during the year amounted to £Nil (2018 - £2,000).

19. Transfers

	Unrestricted Funds		
	General Funds £	Designated Funds £	Restricted Funds £
Transfers between funds:			
Holding suspense	615	-	(615)
Project Mozambique	(1,131)	-	1,131
Project Spain	(6,147)	-	6,147
International Council Reserve	(10,000)	10,000	-
	<u>(16,663)</u>	<u>10,000</u>	<u>6,663</u>

20. Capital commitments

The Trustees confirm there are no capital commitments at 31 January 2019.

CLC International Office

**Notes to the financial statements
for the year ended 31 January 2019**

..... continued

21. Contingent liabilities

The trustees confirm there are no contingent liabilities at 31 January 2019.

22. Post balance sheet events

The Trustees confirm there are no post Balance Sheet events that require disclosure in these accounts.