

Charity Registration No. 292082

UNIVERSAL PENTECOSTAL CHURCH
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Lake & Co
Chartered Accountants
25A Kenton Park Parade
Kenton
Harrow
Middlesex HA3 8DN

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Pastor Vaithialingam Rudran Sister Rachel George Mr Mark Jeyaseelan Abraham Mrs Folasade Lawson Brother Asharoshan Selvarajah Chandradarshan
President	Pastor Vaithialingam Rudran
Secretary	Sister Rachel George
Treasurer	Brother Asharoshan Selvarajah Chandradarshan
Charity number	292082
Principal address	20 Acre Lane Brixton London SW2 5SG
Auditors	Lake & Co Chartered Accountants and Statutory Auditors 25A Kenton Park Parade Kenton Harrow Middlesex HA3 8DN
Bankers	Lloyds Bank plc 3 St Georges Road Wimbledon London SW19 8AQ
Solicitors	McGlennons Solicitors 157 Arthur Road London SW19 8AD

UNIVERSAL PENTECOSTAL CHURCH

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UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by the Governing Board of Trustees constituted in accordance with The Constitution of the Universal Pentecostal Church, filed with the Charity Commission.

The Governing Board of Trustees consists of three Ministers of the Church and two lay members appointed by the President.

According to the Constitution, the Ministers who serve the Church shall be men and women who have lived as believers with a good report in the Church, are Spirit-Baptised and have dedicated themselves to full time service in the Church. They have resigned from all secular employment and sold all their possessions and laid them at the Apostles' feet. The Ministers shall do voluntary service, receiving no remuneration in the form of salary. The Ministers are maintained by the voluntary offerings and tithes of the Church and well-wishers.

The lay members of the Church consist of such adults who have repented for their sins and received remission of sin and have taken immersion baptism at the hands of a Spirit-Baptised Minister and accept the Doctrines, Practices and Constitution of the Church. The two Trustees are appointed by the President, from among the lay members, based on their experience.

The Universal Pentecostal Church has its principal church in Brixton with six branches at North London, East London, Southall, Leicester, Liverpool and Newport. Each branch church is operated by a Minister appointed by the President to look after the spiritual welfare of its believers and to manage its operations at local level.

The governance and conduct of affairs of the Charity are vested in the Governing Board of Trustees. The Trustees are aware of their responsibilities as Charity Trustees and collectively get independent professional advice in areas such as governance, the law and finance. This is either on a pro-bono basis or at the charity's expense if needed for the board of Trustees to discharge its duties.

The Universal Pentecostal Church is an international church. The international headquarters is in India. Apart from India and Britain it has established itself in other parts of Europe, America, Canada, Africa, the Far East and Australasia.

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed, and procedures have been established to manage those risks.

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

OBJECTIVES AND ACTIVITIES

Objects

The object of the Church as set out in The Constitution is furtherance of the Christian Faith through the spread of the Gospel of Jesus Christ as found in the Holy Bible and to provide good living by Christian values and knowledge.

Aims

The main aims of the Universal Pentecostal Church as set out in the Constitution are:

To facilitate the worship of Almighty God through its services and the teachings of Jesus Christ and to provide for the needs of its believers.

To preserve the practice of Christianity found in the Gospel of Jesus Christ so that it will remain available to people everywhere.

To protect the standards and values of the Church.

To encourage peace, harmony and understanding between peoples regardless of their age or ethnic origin.

To make freely available information on the teachings of Jesus Christ.

Activities during the year

When planning our activities for the year the Trustees have considered the Charity Commission guidance on public benefit and in particular, the specific guidance on Charities for the Advancement of Religion.

The main activities during the year were its religious and spiritual services conducted by Ministers and lay members for the benefit of its believers, well wishers and the public.

The Church has regular gatherings for all on Saturday, Sunday and on other days of the week. These events are conducted in halls owned by the Church and other rented venues. At present, the Church owns halls at Brixton, Leicester, North London and Newport. All meetings are open to the public and we welcome people regardless of their beliefs or social status.

House Groups

Every month the Church minister conducts gatherings for isolated believers. The Church sees these ministries as an encouragement for the believers and an opportunity to plant a new full time ministry.

Old Peoples Home Visits

The Ministers of the Church visit retirement homes, nursing homes and hospices regularly for the spiritual welfare of the residents and the staff there. These visits enable the elderly to feel that they are part of the community, and not cut-off from the outside world.

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

European Ministry

The Church has a regular programme to introduce its believers to those in other European countries and to conduct meetings there. They share the Good News of the Gospel and give personal testimonies of how the Lord Jesus has transformed their lives. Many who attend are in need of comfort and assurances that there is a living God who is alive and understands how they feel and answers their prayers. Some believers are lonely as they have had to flee their own countries, friends and relatives and are in need of the knowledge of the reality of the presence of God and His love for them.

Revival Meetings and Conventions

The Church organises Revival Meetings and Conventions annually to introduce Jesus Christ and His teachings to those who are not aware of His precious words of life and truth, of forgiveness and peace.

Religious Camps

During the year the Church organised: Young Adults Camp (ages 26 - 46), Youth and Teens Camp (ages 13 - 25) and Mini Camp (ages 8 - 12). The Camps conduct activities which are spiritual, religious and based on the Bible teachings. This was another successful year for the camps and facilities were made available to everyone without any charge.

Sunday classes for various age groups

Each Sunday there are classes for children and youth (ages 3 - 25), young adults (ages 26 - 46) and the rest of the ages. The Ministers impart knowledge on the Bible teachings, which include restoring Christian values and standards, with a desire that young people will grow up to be good examples to others and to be faithful citizens.

Counselling

The Charity provides faith based counselling required within the family unit for youth and young adults.

Magazine Ministry

The Charity publishes and circulates quarterly magazines which contain spiritual articles, Bible studies and testimonial.

Volunteers

All the charitable activities of the Universal Pentecostal Church are carried out by Ministers and members of the Church, who volunteer their services. They assist with the day to day operation of the Church, Conventions, Revival Meetings, Camps and various other spiritual activities and events taking place. The total number of Ministers are 31.

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

Financial review

Each branch Church manages its own financial affairs with income being derived from its believers by way of donations given freely. The Charity provides for the maintenance of its Churches and for the well-being of its Ministers and volunteers.

The Statement of Financial Activities shows net deficit/surplus for the year of £244,860 (2018: £490,784). The principal source of income is voluntary income of donations received from its believers and members of the Churches. The Church gave donations toward missionary work totalling £773,995 (2018: £65,612), principally to our sister Churches in India, Europe and Africa. Donations received from our sister church in Switzerland have been offset against the contributions given towards missionary work in the year of receipt.

The Statement of Financial Activities and Income and Expenditure shows an overall net deficit for the year of £244,860 (2018: £490,784). The deficit was due to the large donation made to our sister Church in India.

The total unrestricted funds amounts to £8,228,544 (2018: £8,473,404).

During the year, the Charity carried out major refurbishment works to its Brixton and Newport properties. Other maintenance works have been undertaken during the year at all Churches so that the buildings continue to function and to be compliant in accordance with statutory regulations.

Reserves policy

Our reserves policy mandates an adequate level of funds to be held by all church branches. This is to ensure that the Church is able to discharge its financial commitments, day to day operations, sustain the upkeep of the Church properties and to provide for the needs of the Ministers and the volunteers over the short term. Surplus funds are passed on to the principal Church in Brixton as tithes or inter church donations. The Charity invests funds in short term deposits with the Bank which earns interest.

The Board of Trustees are mindful of the need to acquire additional halls suitable for its Ministers and believers to practice their faith, and constantly review the adequacy of their buildings as places of worship.

The Church continues to support its Churches abroad.

Funding sources

Principal funding sources continue to be voluntary unrestricted donations from its believers and donors.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three to six months expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities. The level of reserves has been maintained throughout the year.

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

Funding sources - continued

Donations made under Gift Aid by tax paying members benefit the Charity with an extra £25 tax refund for every £100 donated. The tax recovered from the Gift Aid scheme amounted to £146,301 (2018: £120,676) out of total donations received of £1,410,764 (2018: £1,394,091) during the year.

Statement of Trustees' responsibilities

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

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

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) 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 that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Financial Statements and Reports) Regulations 2008. 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.

In so far as the Trustees are aware:

- i) there is no relevant audit information of which the Charity's auditors are unaware; and
- ii) The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board of Trustees

.....

Sister Rachel George

Secretary

Dated : 20 August 2019

UNIVERSAL PENTECOSTAL CHURCH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF UNIVERSAL PENTECOSTAL CHURCH

We have audited the financial statements of the Universal Pentecostal Church for the year ended 31 March 2019 set out on pages 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. 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.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of Trustees' responsibilities set out on page 5, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Universal Pentecostal Church as at 31 March 2019 and of its incoming resources and application of resources, including income and expenditure, 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.

UNIVERSAL PENTECOSTAL CHURCH

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE TRUSTEES OF UNIVERSAL PENTECOSTAL CHURCH

Matter 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
- the charity has not kept adequate accounting records; 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.

Satish Lakhani (Senior Statutory Auditor)
for and on behalf of Lake & Co
Chartered Accountants and Registered Auditors
25A Kenton Park Parade
Kenton
Harrow
Middlesex HA3 8DN

Dated : 20 August 2019

UNIVERSAL PENTECOSTAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Total 2019 £	Unrestricted Total 2018 £
<u>Incoming resources from generated funds</u>			
Donations and gifts	2	1,410,764	1,394,091
Investment income	3	10,087	13,107
		1,420,851	1,407,198
Other incoming resources	4	- 2,668	- 8,140
Total incoming resources		1,418,183	1,399,058
<u>Resources expended</u>			
Charitable activities			
Charitable activities expenditure		1,644,633	893,274
Governance costs		18,410	15,000
Total resources expended	5	1,663,043	908,274
Net (outgoing)/incoming resources for the year		- 244,860	490,784
Net movement in funds	10	- 244,860	490,784
Reconciliation of Funds			
Fund balances at 1 April 2018		7,873,489	7,382,705
Fund balances at 31 March 2019		7,628,629	7,873,489

UNIVERSAL PENTECOSTAL CHURCH

BALANCE SHEET

AS AT 31 MARCH 2019

		2019	2018
	Notes	£	£
Fixed assets			
Tangible assets	6	6,243,328	5,891,698
Current assets			
Debtors	7	151,573	276,669
Cash at bank and in hand	8	1,856,678	2,321,187
		<u>2,008,251</u>	<u>2,597,856</u>
Creditors			
Amounts falling due within one year	9	<u>- 23,035</u>	<u>- 16,150</u>
Net current assets		<u>1,985,216</u>	<u>2,581,706</u>
Total assets less current liabilities		8,228,544	8,473,404
		=====	=====
Income funds			
Unrestricted funds	10	<u>8,228,544</u>	<u>8,473,404</u>
Total Charity funds		8,228,544	8,473,404
		=====	=====

Approved by the board of trustees on 20 August 2019

..... President
Pastor Vaithialingam Rudran

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 ACCOUNTING POLICIES

1.1 Accounting conventions and basis of preparation

The accounts have been prepared in accordance with:

(a) FRS102, The Financial Reporting Standard applicable in the UK and the Republic of Ireland, The Statement of Recommended Practice applicable to charities preparing their accounts with Financial Reporting Recommended Standard in the UK and Republic of Ireland (FRS102) and Charities SORP (FRS102).

(b) The Charities Act 2011

(c) The historic cost basis of accounting, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income and expenditure.

The financial statements are prepared in Sterling which is the functional currency of the entity.

1.2 Fund accounting

Unrestricted funds are funds that can be used for any purpose within the Charity's objectives or at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. The charity has not received restricted funds during the year.

1.3 Incoming resources

Incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and it can be quantified with reasonable certainty. No amounts are included in the financial statements for services donated by the volunteers.

Voluntary income

Voluntary income is received by way of donations, gifts and grants and are accounted for when funds are received. Grants where entitlement is not conditional on the delivery of a specific performance of the Charity are recognised when the Charity becomes unconditionally entitled to the grant.

Gift Aid is included in the financial statements based on amounts recoverable at the balance sheet date.

Investment income

Investment income is accounted for on an accruals basis.

Other incoming resources

Profit on sale of fixed assets has been recognised on exchange of a non-conditional contract.

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

1.4 Resources expended

Expenditure is accounted for on an accrual basis and is classified under the relevant activity within the Statement of Financial Activities. Irrecoverable VAT is included within the expense item to which it relates. Resources expended comprise of:

Costs of generating funds

The cost of generating voluntary income represent central support costs, directly attributable overheads and those costs of an indirect nature necessary to support them. Missionary work expenses and donations includes support for the churches abroad and where such support is then returned, this is off set against cost in the year of receipt.

Governance costs

Governance costs are costs associated with meeting the constitutional and statutory requirements of the charity including audit fees, professional fees and are linked to strategic management of the charity.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land and building are stated at cost less depreciation. Only assets over £500 are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% per annum on reducing balance basis
Motor vehicles	25% per annum on reducing balance basis

No depreciation is provided on freehold land and building used for the Charity's activities. It is the Charity's policy to maintain these properties in continuous state of sound repair and to improve the properties from time to time, and accordingly, it is considered that the anticipated useful life of the properties is such that any charge for depreciation would be insignificant.

1.6 Lease

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

1.7 Taxation

The activities of the Charity are exempt from corporation tax under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objects.

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

2 Donations and gifts: Unrestricted funds

	2019 £	2018 £
Donations and gifts	1,264,463	1,273,415
Gift Aid donations	146,301	120,676
	<u>1,410,764</u>	<u>1,394,091</u>

3 Investment income

	2019 £	2018 £
Interest receivable	<u>10,087</u>	<u>13,107</u>

4 Other incoming resources

	2019 £	2018 £
Net (Loss) on disposal of fixed assets	<u>- 2,668</u>	<u>- 8,140</u>

5 Total resources expended: Unrestricted funds

	Missionary work & donations £	Charitable expenditure £	Total 2019 £	Total 2018 £
Charitable activities				
<u>Charitable activities expenditure</u>				
Missionary work and donations (UK & overseas)	773,995	-	773,995	65,612
Activities undertaken directly	-	870,638	870,638	827,662
	<u>773,995</u>	<u>870,638</u>	<u>1,644,633</u>	<u>893,274</u>
 Governance costs	 -	 18,410	 18,410	 15,000
	<u>773,995</u>	<u>889,048</u>	<u>1,663,043</u>	<u>908,274</u>

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

5 Total resources expended: Unrestricted funds (continued)

Direct charitable expenditure

	2019	2018
	£	£
Faith Homes household expenses	153,566	149,780
Motor and travelling expenses	222,419	177,774
Rent & rates	222,653	213,986
Insurance	14,697	11,405
Repairs & renewals	120,444	164,062
Light & heat	38,774	26,961
Literature & publications	19,040	22,199
Printing, post and stationery	13,731	10,030
Telephone	25,186	14,910
Bank charges	410	255
Depreciation	39,718	36,300
	<u>870,638</u>	<u>827,662</u>

Governance costs

	2019	2018
	£	£
Auditors Remuneration	18,000	15,000
Legal and professional fees	410	-
	<u>18,410</u>	<u>15,000</u>

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

6 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost:				
At 1 April 2018	5,744,765	289,732	131,602	6,166,099
Additions	338,467	27,335	40,614	406,416
Disposals	-	-	21,840	21,840
At 31 March 2019	6,083,232	317,067	150,376	6,550,675
Depreciation:				
At 1 April 2018	-	209,587	64,814	274,401
Charge for year	-	16,122	23,596	39,718
Disposals	-	-	6,772	6,772
At 31 March 2019	-	225,709	81,638	307,347
Net Book Value:				
At 31 March 2019	6,083,232	91,358	68,738	6,243,328
At 31 March 2018	5,744,765	80,145	66,788	5,891,698

The estimated current market value of the freehold land and buildings is £14,845,000.

7 Debtors

	2019 £	2018 £
Income tax recoverable	146,301	245,349
Other debtors	-	-
Prepayments and accrued income	5,272	31,320
	151,573	276,669

8 Cash at bank and in hand

	2019 £	2018 £
Bank deposit account	1,747,755	2,255,469
Bank current account	98,732	57,120
Cash in hand	10,191	8,598
	1,856,678	2,321,187

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

9 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other creditors	<u>23,035</u>	<u>16,150</u>

10 Funds

	2019
	£
Unrestricted Fund Reserves	
Balance as at 1 April 2018	8,473,404
Net movement of funds for the year	- 244,860
	<hr/>
Balance as at 31 March 2019	<u><u>8,228,544</u></u>

11 Capital commitments

	2019	2018
	£	£
At 31 March 2019 the Charity had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	<u>-</u>	<u>-</u>

12 Related parties

The Charity is controlled by the Board of Trustees.

