

COMPANY REGISTRATION NUMBER: 05314410

CHARITY REGISTRATION NUMBER: 1044860

**PHILADELPHIA CHURCH OF GOD**  
**TRUSTEE'S ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

# PHILADELPHIA CHURCH OF GOD

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## Board of Trustee's Report

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the Year ended 31 December 2018.

### Reference and administrative details

<b>Registered charity name:</b>	Philadelphia Church of God
<b>Charity registration number:</b>	1044860
<b>Company registration number:</b>	05314410
<b>Principal office and registered office:</b>	Edstone Hall Wootton Wawen Henley in Arden Warwickshire B95 6DD England

### The trustees:

Mr Gerald Flurry  
Mr Andrew Locher  
Mr Brent Nagtegaal  
Mr Alexander Harrison  
Mr Waduthanthrige Dinesh Sanjeewa Perera

<b>Company secretary:</b>	David Calvert Howard
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<b>Accountants:</b>	Cullingworth & Co Limited Chartered Certified Accountants 96 High Street Henley in Arden Warwickshire B95 5BY
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<b>Bankers:</b>	Barclays Bank Market Cross Stratford upon Avon CV37 6AP
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<b>Solicitors:</b>	B P Collins LLP Collins House 32-38 Station Road Gerrards Cross SL9 8EL	Gross & Co 83-84 Guildhall Street Bury Saint Edmunds IP33 1LN
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# **Board of Trustee's Report**

## **Structure, governance and management**

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102) (effective 1 January 2015).

The charity is a charitable company incorporated on 16th December 2004 under the Companies Act 1985. The company is limited by guarantee not having a share capital and is governed by its Memorandum and Articles of Association dated 2nd December 2004.

The day to day management of the charity has been delegated by the trustees to Mr Brad Macdonald (Regional Manager) and Mr David Howard (Company Secretary). The Pastor General of the Philadelphia Church of God is Mr Gerald Flurry.

All trustees are familiar with the practical work of the Charity. New Trustees are fully briefed by management and encouraged to familiarize themselves with the charity and the context within which it operates.

New trustees are always members in good standing of the Philadelphia Church of God. Their attendance, interest and competence in organising and participating in Church activities is evaluated, as well as their understanding of and involvement in promoting the objectives and activities of the charity. Individuals who show interest and enthusiasm in promoting these objectives, along with showing signs of having the competence needed to fulfil the role of a trustee successfully, are considered for upcoming positions. Current management discusses potential trustees before interviewing the candidates to ensure they have the skills needed and the desire to fulfil the appointment. Management considers new appointments, bearing in mind the need for the appropriate mix of skills, ethnic origin and gender before making the appointment.

New trustees have full access to the individuals to whom the day to day running of the Charity has been delegated to discuss all relevant information: their legal obligations under charity and company law, the Charity commission guidance on public benefit, and the content of the Memorandum and Articles of Association (of which, they may acquire a copy of), the decision making processes, and recent financial performance of the charity. They meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The Philadelphia Church of God follows the biblical instruction regarding Church hierarchy. The Apostle and Pastor General is the head of the Church directly under Jesus Christ. Under the Pastor General are the following ordained ministerial ranks (in order of seniority): Evangelists, Pastors, Preaching Elders, Local Elders (employed) and Local Church Elders (not employed) by the Church. Serving under the ministry are

## Board of Trustee's Report

Deacons, Deaconesses, Contact Persons and volunteers. Trustees of the Charity always hold an office listed above.

Senior Trustees are involved in the large decision making of the Charity (e.g. large purchases, typically over £500, capitalisation cost, or taking on new employees etc.) in consultation with the Pastor General. As previously stated, they delegate the day-to-day running and administration. Some expenses over £500 are pre-approved such as expenses that are required for the day-to-day running of the business such as normal stationery purchases, travel costs (within certain criteria), and monthly postage costs.

The most senior trustees consider appropriate pay for employees. The final decision regarding pay falls to senior ranking ministers who are heavily involved in the day-to-day running of the Charity, in consultation with the Pastor General, who gives final approval. The policy used in determining pay rates is designed to ensure the same level of pay for all staff in posts with work of equal value, which is based on a comprehensive job evaluation scheme. For certain staff with specialist skills, a market adjustment may be applied, the value of which is determined by the median of market-related salaries and is subject to annual review. Staff pay is reviewed annually, and any increases as a result of the annual pay negotiations typically go into effect from the last pay of each year. No staff member over the age of 18 earns less than the national living wage. No employee earns less than minimum wage. The Charity offers a competitive rate of pay. The Philadelphia Church of God compensates all employees to allow a comfortable, but not lavish, standard of living. To ensure high staff morale bonuses are reviewed annually. Tea, coffee and lunches are provided for employees working at our Edstone head office.

Senior members of staff have salaries commensurate with their roles within the organisation. Salaries for these roles are set individually with reference to the wider marketplace and are closely overseen by senior trustees and the Pastor General. In general, these staff can expect the same percentage increase in salary for cost of living as the rest of the staff enjoy.

During 2018, the highest paid member of staff earned 3.6 times the salary received by the lowest paid member of staff, and 1.8 times the median salary.

The Philadelphia Church of God (United Kingdom), the Philadelphia Church of God, Inc. (United States), and the Stichting Philadelphia Church of God (Europe) are independent organisations but are ecclesiastically connected in doctrine and purpose. Although separately incorporated, the Philadelphia Church of God, Inc. (United States) is the 'parent' company and ensures that the Philadelphia Church of God (United Kingdom) is ecclesiastically run in the same fashion as the 'parent' organisation. To ensure this occurs, senior staff of the 'parent' organisation are required to be on the board of trustees of the Charity. In addition to the ecclesiastical connection, the companies provide resources and support for each other to varying degrees. The Philadelphia Church of God (United Kingdom) receives and makes charges to these affiliated foreign organisations for resources or services rendered or received.

## **Board of Trustee's Report**

The Charity was assisted in many ways by the volunteer program. Weekly volunteers pack mail. We had 3 volunteers come in regularly to assist with office work and packing mail. This is an increase over 2015 when we had 1 and sometimes two people volunteer. 2016 was the first annual youth camp held on the grounds of our offices. This allowed many more volunteers, both local and from further afield. There were 10 volunteers that assisted for the full two-week camp. The vast majority of labour for our annual conference in the autumn are volunteer. For the 2017 conference we were assisted by approximately 100 volunteers.

### **Risk Management**

The trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimize any potential impact on the charity should those risks materialize.

### **Objectives and activities**

The objectives of the Philadelphia Church of God are to proclaim the Gospel of Jesus Christ according to the word of God to the people of the United Kingdom and British Commonwealth, and in all the world for a witness to all nations, by the spoken word, by radio, by television, by recordings, by printed word, by internet and by personal evangelism: to work for the salvation of souls; to raise up and organise local Church congregations; to minister to the edifying of believers; to assemble members together in worship of Almighty God for mutual edification and Christian Fellowship in Jesus Christ; to ordain and grant credentials of the license to preach to such as the Church believes to be called of God and qualified according to Holy Scripture as Evangelists, Ministers, Elders or Deacons.

The Philadelphia Church of God is a non-proselytising, non-profit making Spiritual enterprise which does not solicit funds publicly and which distributes all of its education material free of charge.

The Philadelphia Church of God sponsors an international television program, "The Key of David", which airs in the United States of America, Canada, Latin America, the Caribbean, Australia, New Zealand, Asia-Pacific. The Church also produces a monthly magazine, "The Philadelphia Trumpet", which is circulated in over 100 countries in five languages.

Voluntary help was utilised for office administrations and clerical work. A number of local and foreign volunteers assisted in foreign language translation, editing and proofreading of literature and books for publication.

# Board of Trustee's Report

## Strategic Report

The following sections for achievements and performance and financial review form the strategic report of the charity.

### Achievements and Performance

Activities and achievements during the year 31st December 2018 were as follows:

#### **Publishing, advertising campaigns, and distribution of literature in ten languages.**

The Philadelphia Church of God publishes the Trumpet magazine, produces television programs, magazines, booklets, websites, videos, radio and other media, primarily in English, and directly fulfilling the objectives of the Charity. At the start of 2018 the Trumpet magazine had 2,900 subscribers in the UK. By the end of the year there was 2,600. The trustees are disappointed at the reduction of subscribers and will discuss ways to promote the magazine in 2019 through various methods.

To reach a larger audience and achieve the Charities main objectives, we are making a strong effort to reach as many people as possible who don't speak English as a first or second language. We have a translations department that renders English-language media into 10 other languages. The department coordinates volunteers who take on the task of converting the original English into Afrikaans, Dutch, Finnish, French, German, Norwegian, Portuguese, Spanish, Italian and now Hebrew.

In 2018, we had 250,000 unique users visit our Foreign Language websites, and over 500,000 unique page views. More than 32,000 users stayed on our sites for more than 3 minutes. Nearly 9,000 PDF articles were downloaded. At the end of 2018, we had 5,411 subscribers to our Foreign Language YouTube channels and over 2.5 million minutes viewed.

One highlight from 2018 is that the *Prophesied Prince of Russia* Key of David program in French was viewed for nearly 1 million minutes! This makes it the most popular video from all Foreign Language Translations YouTube channels including the English channel for the Trumpet. By the end of 2018, it had been viewed almost exactly 1.5 million minutes, by some 187,000 people; an average of 8 minutes per person. This one video is responsible for adding more than 1,500 subscribers out of a total of 3,774 current subscribers to our French YouTube channel.

Regarding the Foreign Language Translation department, the Regional Manager, Brad Macdonald said "We are very excited and encouraged by the 2018 figures, especially the Key of David numbers. The Foreign Language Translation department and our volunteers have invested a huge amount of time and effort in recent years. We feel we are well-positioned to do much more in the coming weeks and months!"

The goal for translators will always be the same: to produce more words, more books, more booklets, more

## **Board of Trustee's Report**

videos, more website posts, more social media updates, more e-mail newsletters and more advertisements—more Bible prophecy-based insights, warnings and hope, reaching more people. The department directly fulfils the objectives of the charity.

### **Congregations & Ministry**

The Philadelphia Church of God has congregations in seven countries throughout Europe and employs ministers to cater for the spiritual needs and ordains deacons to take care of physical needs of the congregations.

A new minister was employed early in 2018 increasing the total ministers serving in Europe to four. The new minister has been doing much travelling to visit the more outlying members of the Church and to help cater for their spiritual needs.

The Charity does not employ a sufficient number of ministers to have a minister in each congregation for each Church service. The Head Office at Edstone Hall distributed iPods in 2017 to be able to distribute Sermons electronically to congregations that lack a minister. This helps to cater for the spiritual needs of the Church's members. The iPods have proven an extremely valuable resource through 2018 to be able to cater for the spiritual needs of the congregations. They are loaded with a secure proprietary app enabling the Church to 'push' messages due to be played in congregations. This saves a lot of time, manpower, and postage, saving money. The I.T. department is investigating the possibility of pushing video messages to these iPods. If successful, and if the iPods are easily connectable to a projector or monitor, it would provide an even more effective way of providing recorded Sermons and messages to local congregations. The trustees have set the goal for the I.T. department of making this a reality in 2019.

### **Raising up of Church congregations and conducting Church Services.**

The Philadelphia Church of God has congregations in six countries throughout Europe and employs ministers to cater for the spiritual needs and ordains deacons to take care of physical needs of the congregations.

### **Rendering of charitable works under the Benevolence Program.**

The Philadelphia Church of God has ministers, deacons and volunteers who visit elderly, infirm and house-bound members. The Church provides financial assistance for people who are in need financially, either to provide for their physical or spiritual needs. Financial assistance is given to members that would not otherwise be able to attend the annual Holy Days. Attendance of these Holy Days is an important part of the membership's spiritual needs.

Ministerial visit requests has been on a steady increase. In 2018 there were 67 requests for ministerial contact or visit to discuss the possibility of attending services in a local congregation. This figure is down from 77 in 2017 but is more than the average number of requests over the previous 5 years (average of 54 requests per year).



## **Board of Trustee's Report**

### **Welfare and counselling of Church membership and members of the public requesting ministerial visits.**

The Philadelphia Church of God has ordained ministers who counsel and provide support to members. In 2018, the ministry received 67 requests for visits from non-members who have questions, counselling requests or who were interested in attending Church services. Of those 67 requests, 26 requested a personal visit from a minister to discuss attendance in one of our local congregations. The trustees are very happy with this. The trustees feel that people seeking ministerial contact and congregational attendance is one of the best measures of success in achieving the goals of the Charity and show that the Charity is successfully spreading the Gospel of Jesus Christ.

In addition, the Philadelphia Church of God receives doctrinal and biblical questions from the general public. We have a "Personal Correspondence Department" to respond to these questions.

### **The administration of an international convention site in Ireland.**

250 Church members from 19 different countries attended our international convention site in England. This convention gives the members the opportunity to meet other members of the Charity. Sermons on the Gospel message were given throughout the convention and activities were organised to promote interaction and unity within the Church Charity. The administration of the Charity are aware of the importance of this annual convention in fulfilling its objectives. It provides an invaluable opportunity for the ministry to cater for the spiritual needs of the members of the Church and advance the objective of preaching the Gospel.

### **Administering a youth camp for teens of the Church.**

2018 saw the third annual Philadelphia Youth Camp (PYC). 42 campers and many volunteers from 9 countries were accepted to attend what turned out to be a very successful camp. The campers enjoyed many activities, including sports, etiquette, speech class, visits to London and places of interest, hikes, etc. and also attended lectures. The camp provided the Charity the opportunity to proclaim the Gospel to the attendees in a fun and uplifting environment. It also gave the campers a closer view of the inner-workings of the Charity and how the Charity fulfils its objectives.

### **Public Benefit**

Every activity and achievement listed above is a fulfilment of the objectives of the Philadelphia Church of God. Proclaiming the Gospel of Jesus Christ according to the word of God through various media outlets provides hope to those who hear and read the message. It promotes unity within the Church community and is uplifting to the people that come into the positive influence of the Charity. The Charity and its members strive to live the benevolent give way of life, which benefits both members and non-members and produce upstanding, law abiding citizens. The youth program helps young people grow into polite, respectful young men and women who are a benefit to their local communities and society. The benevolence program caters for those in physical need and the volunteer programs provide opportunities

## Board of Trustee's Report

for the Church and its members to enjoy seeing others benefit from the Christian way of life. The annual conventions educate the members in being followers of Christ, living and setting the example of the give way of life.

The Charity continues to explore other opportunities to provide a benefit to society though achieving its objectives in more areas as the Charity continues to expand and grow.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The Church relies on donation income along with the tithes and offerings of its members to cover its operating costs.

### Financial Review

The Statement of Financial Activities for the year is set out on page 14 of the financial statements.

During the year to 31 December 2018, the charity had total income of £817,863. Total operating charitable expenditure was £1,025,153 giving an operating deficit of £216,854.

Donations from membership continue to be the core income source of the charity. No donations in kind were received during the year under review.

The trustees have reviewed the circumstances of the Philadelphia Church of God and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. The trustees are of the view that the charity is a going concern.

Also, the "parent" organisation in the USA is a much larger organisation and can assist financially if the need arises providing a new source of income. Both the Pastor General and CFO of the "parent" organisation are trustees of the UK company, so know the financial position and the going concern of the "parent" organisation. As the scope of the charitable work increases in the UK so would income as the more people who are impacted by the Philadelphia Church of God brings in more donation income.

Gift Aid showed a 9% increase over 2017, rising from £47,920 in 2017 to £52,237 in 2018. In addition, in 2018 the Charity was able to claim £3,419 from the Gift Aid Small Donations Scheme (GASDS). The trustees have discussed promoting the general knowledge of Gift Aid among donors to ensure they understand the great benefit the Charity receives from it. If they qualify for Gift Aid they will be encouraged to sign the declaration and increase the income of the Charity.

The trustees are happy to report that they are confident that the Charity is in a strong financial position

## **Board of Trustee's Report**

despite the decrease in reserves and continued growth in donation income.

### **Plans for Future Periods**

The objectives and activities of the charity will remain the same in future periods. Initiatives for the future include increasing the Philadelphia Trumpet magazine subscription list through various forms of marketing, and distribution of the Church's books and booklets, including a Bible Correspondence Course.

The need for more ministers to cater for the needs of the congregations and the growing interest from the public is being discussed and considered. The workload at the Head Office at Edstone Hall is increasing, so the possibility of taking on more labour to increase article production, television program production and radio is being investigated along with training programs for current staff.

The increase in the foreign language translations department has produced a lot of interest. Promotion on TV and online have also seen good success. These are two areas we would like to continue to pursue in future periods to see continued growth.

## Board of Trustee's Report

### Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company 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 and of the net income or expenditure of the charity for the year. In preparing these financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material
- Departures disclosed and explained in the financial statements; 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 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. 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 appended financial statements have been prepared on the accruals basis and have been examined by an independent examiner, whose report is also appended.

This report was approved by the Board of Trustees on 6 December 2019 and signed on their behalf by:

**Full Name:** Mr Waduthanthrige Perera

**Signature:** 

**Position:** Trustee

**Date:** 6 December 2019

## Independent Examiner's Report

**Report to the trustees/members of:** Philadelphia Church of God

**On accounts for the year ended:** 31st December 2018

**Charity No:** 1044860

### Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

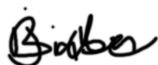
My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which give me reasonable cause to believe that in, any material respect, the requirements:
  - to keep accounting records in accordance with section 130 of the Charities Act;
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Signed:**



**Date:** 6 December 2019

**Name:** Tobi Labeodan FCCA, for and on behalf of Cullingworth & Co Limited

**Relevant professional qualification(s) or body (if any):** ACCA

**Address:** 96 High Street, Henley in Arden B95 5BY

## Statement of Financial Activities: Year Ended 31st December 2018

	Notes	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £
<b>Income:</b>							
Donations and legacies	5	450,460		450,460	648,775		648,775
Other charitable activities	5	70,391		70,391	97,701		97,701
Investment income	5	209		209	34		34
Other income	5	296,803	-	296,803	151,458		151,458
<b>Total Income</b>		<b>817,863</b>	<b>-</b>	<b>817,863</b>	<b>897,969</b>	<b>-</b>	<b>897,969</b>
<b>Total Income</b>		<b>817,863</b>	<b>-</b>	<b>817,863</b>	<b>897,969</b>	<b>-</b>	<b>897,969</b>
<b>Expenditures on:</b>							
Expenditure on charitable activities	6	1,008,600	-	1,008,600	959,145		959,145
Other charitable Activities	7	755	-	755	3,465		3,465
Other Costs	7	15,798	-	15,798	19,451		19,451
<b>Total Expenditures</b>		<b>1,025,153</b>	<b>-</b>	<b>1,025,153</b>	<b>982,060</b>		<b>982,060</b>
<b>Net income/(expenditure)</b>		<b>(207,290)</b>	<b>-</b>	<b>(207,290)</b>	<b>(84,092)</b>	<b>-</b>	<b>(84,092)</b>
<b>Transfers between funds</b>							
<b>Other recognised gains/(losses):</b>							
Gains/(losses) on revaluation of fixed assets				-			-
Gains/(losses) on investment assets				-			-
<b>Net movement in funds</b>		<b>(207,290)</b>	<b>-</b>	<b>(207,290)</b>	<b>(84,092)</b>	<b>-</b>	<b>(84,092)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 1 Jan		(9,564)	-	<b>(9,564)</b>	74,528	-	74,528
Total funds carried forward at 31 Dec		<b>(216,854)</b>	<b>-</b>	<b>(216,854)</b>	<b>(9,564)</b>	<b>-</b>	<b>(9,564)</b>

## Statement of Financial Position: Year Ended 31st December 2018

	Notes	2018	2017
<b>Fixed Asset</b>			
Tangible assets	10	2,881,941	2,885,941
<b>Total Fixed Asset</b>		<b>2,881,941</b>	<b>2,885,941</b>
<b>Current Assets</b>			
Debtors	11	136,592	133,453
Cash at bank and in hand		136,899	179,691
<b>Total Current Assets</b>		<b>273,491</b>	<b>313,144</b>
<b>Creditors: amounts falling due within one year</b>			
Creditors	12	491,761	174,069
<b>Total Creditors: amounts falling due within one year</b>		<b>491,761</b>	<b>174,069</b>
<b>Net current assets (liabilities)</b>		<b>(218,271)</b>	<b>139,075</b>
<b>Total assets less current liabilities</b>		<b>2,663,670</b>	<b>3,025,016</b>
<b>Creditors: amounts falling due after more than one year</b>			
Other Non-Current Liabilities	13	2,880,524	3,034,580
Provisions			
<b>Total Creditors: amounts falling due after more than one year</b>		<b>2,880,524</b>	<b>3,034,580</b>
<b>Total net assets (liabilities)</b>		<b>(216,854)</b>	<b>(9,564)</b>
<b>Funds of the charity</b>			
Retained Reserves		(9,564)	74,528
Surplus / (Deficit) for the year		(207,290)	(84,092)
<b>Total charity funds</b>		<b>(216,854)</b>	<b>(9,564)</b>

## Cash Flow Statement: Year Ended 31st December 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
<b>Net Income</b>	(207,290)	(84,092)
<b>Adjustments to reconcile Net Income to Net Cash provided by operations:</b>		
Other Debtors	(3,596)	(18,795)
Prepayments	458	280
Other Creditors	317,692	(18,551)
<b>Net cash provided by operating activities</b>	<b>107,264</b>	<b>(121,158)</b>
<b>INVESTING ACTIVITIES</b>		
Fixtures & Fittings	4,022	(10,872)
Motor Vehicles	(2,412)	6,625
Building	-	-
Equipment	2,390	5,213
<b>Net cash provided by investing activities</b>	<b>4,000</b>	<b>966</b>
<b>FINANCING ACTIVITIES</b>		
Other Creditors	(154,057)	(129,409)
<b>Net cash provided by financing activities</b>	<b>(154,057)</b>	<b>(129,409)</b>
<b>Net cash increase for period</b>	<b>(42,793)</b>	<b>(249,602)</b>
<b>Cash at beginning of period</b>	<b>179,691</b>	<b>429,293</b>
<b>Cash at end of period</b>	<b>136,899</b>	<b>179,691</b>



## **Notes to the Financial Statements**

### **1. General information**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Edstone Hall, Wootton Wawen, Henley in Arden, Warwickshire, B95 6DD, England.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

### **3. Accounting policies Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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

#### **Going concern**

There are no material uncertainties about the charity's ability to continue.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

## Notes to the Financial Statements

### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non- charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

## Notes to the Financial Statements

### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	20% straight line
Computer Equipment	-	33% reducing balance

### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

## Notes to the Financial Statements

### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

### Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

## Notes to the Financial Statements

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

### 4. Limited by guarantee

The Charity is a company limited by guarantee and has no share capital. Every member promises, if the Charity is dissolved while he or she is a member or within 12 months after he or she ceases to be a member, to contribute such sum (not exceeding £10) as may be demanded of him or her towards the payment of the debts and liabilities of the Charity incurred before he or she ceases to be a member, and of the costs, charges, and expenses of winding up, and the adjustments of the rights of the contributories among themselves.

## Notes to the Financial Statements

### 5. Donations and legacies

	2018		2017	
	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	£	£	£	£
<b>Donations</b>				
1st T & Offerings	268,146	268,146	272,105	272,105
Bequests	-	-	191,320	191,320
Holy Day Offerings	107,820	107,820	106,736	106,736
Building Fund Offerings	6,788	6,788	5,380	5,380
PYC Sponsors	355	355	423	423
Philadelphia Foundation Offering	85	85	16,159	16,159
Tithe of Tithe Offerings	8,590	8,590	6,858	6,858
Excess 2nd Tithe Offerings	2,840	2,840	1,432	1,432
3rd Tithe Offerings	13	13	443	443
Gift Aid	55,823	55,823	47,920	47,920
<b>Total donations and legacies</b>	<b>450,460</b>	<b>450,460</b>	<b>648,775</b>	<b>648,775</b>
<b>Charitable activities</b>				
Sales UK	-	-	232	232
PYC Fee Income	4,392	4,392	4,270	4,270
Miscellaneous Income	65,999	65,999	93,199	93,199
<b>Total charitable activities</b>	<b>70,391</b>	<b>70,391</b>	<b>97,701</b>	<b>97,701</b>
<b>Investment income</b>				
Interest Income	209	209	34	34
<b>Total investment income</b>	<b>209</b>	<b>209</b>	<b>34</b>	<b>34</b>
<b>Other income</b>				
International Support - USA	243,541	243,541	114,285	114,285
International Support - AUS	53,262	53,262	37,174	37,174
<b>Total other income</b>	<b>296,803</b>	<b>296,803</b>	<b>151,458</b>	<b>151,458</b>

## Notes to the Financial Statements

### 6. Expenditure: Charitable activities

	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	£	£	£	£
<b>Expenditure on charitable activities</b>				
Advertising	760	760	6,239	6,239
Audio/Visual Expenses	3,799	3,799	7,004	7,004
Bank Fees	947	947	1,400	1,400
Activity Expense	8,017	8,017	2,364	2,364
Internet Costs	1,074	1,074	8,567	8,567
Courier/Freight	142	142	926	926
Equipment Rental	3,938	3,938	7,529	7,529
Landscaping Fuel	1,804	1,804	2,822	2,822
Hall Rental	17,382	17,382	12,768	12,768
Insurance	8,466	8,466	8,958	8,958
Food & Beverages	33,046	33,046	34,174	34,174
Tools	2,368	2,368	5,120	5,120
Furnishings	3,853	3,853	16,951	16,951
Landscaping Supplies	2,535	2,535	8,271	8,271
Medical Expenses	-	-	344	344
Tuition Expenses	4,857	4,857	6,585	6,585
Salaries	604,108	604,108	519,104	519,104
Ministerial Travel	27,559	27,559	16,901	16,901
Admin Auto Reimbursement	107	107	29	29
Admin Travel	14,242	14,242	11,882	11,882
Employer National Insurance UK	44,904	44,904	45,173	45,173
Employer Pension Contributions	895	895	781	781
Miscellaneous Expense	(5,765)	(5,765)	2,116	2,116
Office Supplies	22,379	22,379	22,617	22,617
Postage	31,712	31,712	29,175	29,175
Printing	3,148	3,148	496	496
Professional Consulting Fees	3,413	3,413	3,327	3,327
Repairs & Maintenance	53,635	53,635	58,616	58,616
Room Rent - UK	3,945	3,945	3,087	3,087
Subscriptions & Library Expense	2,292	2,292	2,360	2,360
Telephone	3,995	3,995	3,142	3,142
Television Broadcasting	60,471	60,471	62,416	62,416
Council Tax	3,591	3,591	71	71
Utility Expenses	32,753	32,753	29,248	29,248
Visa/Immigration Expenses	8,227	8,227	16,020	16,020
3T Assistance - Members	-	-	2,564	2,564
<b>Total Expenditure on Charitable Activities</b>	<b>1,008,600</b>	<b>1,008,600</b>	<b>959,145</b>	<b>959,145</b>

## Notes to the Financial Statements

### 7. Expenditure: Other charitable activities and other costs

	2018		2017	
	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	£	£	£	£
<b>Other charitable Activities</b>				
FOT Activity Expense - UK	(4,604)	(4,604)	(6,358)	(6,358)
FOT Assistance - UK	1,784	1,784	1,300	1,300
Greeting Cards & Flowers	166	166	215	215
PYC Activity Supplies	2,079	2,079	6,239	6,239
PYC Camp Rental	-	-	825	825
PYC Shirts	928	928	1,103	1,103
PYC Trophies	402	402	142	142
<b>Total Other Charitable Activities</b>	<b>755</b>	<b>755</b>	<b>3,465</b>	<b>3,465</b>
<b>Other Costs</b>				
Gain/Loss on Disposal	-	-	(1,295)	(1,295)
Depreciation	11,298	11,298	16,246	16,246
Accountancy	4,500	4,500	4,500	4,500
<b>Total Other Costs</b>	<b>15,798</b>	<b>15,798</b>	<b>19,451</b>	<b>19,451</b>

### 8. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	604,108	519,104
Social security costs	44,904	45,173
Employer contributions to pension plans	895	544
	<b>649,907</b>	<b>565,058</b>

The average head count of employees during the year was 31 (2017: 26). The average number of full-time equivalent employees during the Year is analysed as follows:

	2018	2017
General Administration	16	14
Congregational	3	2
Broadcasting	2	2
Publishing	10	8
	<b>31</b>	<b>26</b>



## Notes to the Financial Statements

The number of employees whose remuneration for the year fell within the following bands, were:

	2018	2017
£60,000 to £69,999	0	1
£70,000 to £79,999	0	1
	<b>0</b>	<b>2</b>

### 9. Trustee remuneration and expenses

Neither the Trustees nor persons connected with them received any remuneration or other benefits.

Out of pocket expenses were reimbursed to the Trustees as follows:

	2018	2017
Motor, travel and other expense	0	3,518
	<b>0</b>	<b>3,518</b>

### 10. Tangible fixed assets

	Freehold property	Fixtures & Fittings	Motor vehicles	Equipment	Total
Cost	£	£	£	£	£
At 1st January 2018	2,830,820	38,798	37,659	41,380	2,948,656
Additions		-	8,098		8,098
Disposals					-
Revaluation					-
At 31st December 2018	<b>2,830,820</b>	<b>38,798</b>	<b>45,757</b>	<b>41,380</b>	<b>2,956,754</b>
<b>Depreciation</b>					
At 1st January 2018	-	11,858	24,532	26,326	62,715
Charge for the year	-	4,022	4,886	2,390	11,298
Disposals			800		800
At 31st December 2018	-	<b>15,880</b>	<b>30,218</b>	<b>28,715</b>	<b>74,813</b>
<b>Net Book Value</b>					
At 31st December 2017	<b>2,830,820</b>	<b>26,940</b>	<b>13,127</b>	<b>15,054</b>	<b>2,885,941</b>
At 31st December 2018	<b>2,830,820</b>	<b>22,918</b>	<b>15,539</b>	<b>12,664</b>	<b>2,881,941</b>

## Notes to the Financial Statements

### 11. Debtors

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	3,435	3,893
Other debtors	133,157	129,561
	<u>136,592</u>	<u>133,454</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Social security and other taxes	18,529	6,295
Other creditors	473,233	167,774
	<u>491,761</u>	<u>174,069</u>

### 13. Creditors: amounts falling due after more than one year

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other creditors	2,880,524	3,034,580
	<u>2,880,524</u>	<u>3,034,580</u>

### 14. Pensions and other post-retirement benefits

#### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £895 (2017: £781).