

Company Registration Number 1648879
Charity Number 285474
Scottish Charity Number SCO40681

LUIS PALAU EVANGELISTIC TEAM
FINANCIAL STATEMENTS
31ST December 2014

TUESDAY



A09 *A4G19H1M* #314
22/09/2015
COMPANIES HOUSE

CANSDALES
Chartered Accountants & Statutory Auditor
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

THE LUIS PALAU EVANGELISTIC TEAM

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The board of directors

Simon Berry
George Mackenzie
Andrew Palau
Kevin Palau
Dr Luis Palau
Lady Susan Sainsbury
Colin Saunders
Michael Spratt

Operational office

118-120 Broad Street,
Chesham,
Bucks,
HP5 3ED

Registered office

Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Independent Examiner

James Foscett
Cansdales
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Bankers

Barclays Bank Plc
Sycamore Road
Amersham
Bucks
HP6 5DT

THE LUIS PALAU EVANGELISTIC TEAM

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements of the charitable company for the year ended 31 December 2014.

LEGAL STATUS

The company, which is limited by guarantee with a registration number of 1648879, is registered as a charity in England and Wales under number 285474, and with the Office of the Scottish Charity Regulator under number SCO40681.

PRINCIPAL ACTIVITY

The principal activity of the charitable company during the year was to advance the evangelical Christian faith in the United Kingdom and throughout the world by such charitable means as the company determined.

REVIEW OF THE YEAR AND FUTURE ACTIVITIES

2014 proved another busy year of Ministry in Europe. Andrew Palau did a tour in London, entitled 'A Life that Matters', travelling across several boroughs and also ministering at Brixton Prison. Andrew and the UK office were also involved in the glorious Burkina Faso Festival in Africa. An estimated 35,000 took part, with Andrew joining 800 churches for Christmas outreach, the first major gathering in the nation since civil uprising the previous month. Luis and Andrew Palau ministered across the world, including China, Latin America, Jamaica, Dominican Republic, Alaska, and across the USA. Preparations continued in earnest for the unprecedented major outreach in New York, also supported by the UK office.

The Next Generation Alliance evangelists held 16 Missions in Macedonia, Romania, Italy, Hungary and Moldova. In all 11,297 men, women and children heard the Good News, with 3,430 people indicating that they had turned to Christ.

2015 promises to be another exciting year. The NGA team will have an ongoing impact across Europe, with Missions planned in Romania, Macedonia, Bulgaria, Moldova, Greece and Italy. We are also excited to be working with new evangelists from the USA across Europe. Luis and Andrew Palau and many NGA evangelists will be ministering in a huge New York outreach, including seasons of service (CityServe), many local festivals and outreaches, culminating in a big Festival in July in Central Park. The UK office will also be involved in this. In addition to this, Luis and Andrew Palau will conduct missions in Haiti, Argentina and across the USA.

PUBLIC BENEFIT

The Directors confirm that they have referred to the Charity Commission's guidance on public benefit, in particular the specific guidance on charities for the advancement of religion, when reviewing the charity's aims and objectives and in planning future activities.

RESULTS

The results for the year, and the charitable company's financial position at the end of the year, are shown in the attached financial statements.

THE DIRECTORS

The directors who served the charitable company during the year and to the date of this report were as follows:

Simon Berry
Andrew Palau
Dr Luis Palau
Colin Saunders

George Mackenzie
Kevin Palau
Lady Susan Sainsbury
Michael Sprat

THE LUIS PALAU EVANGELISTIC TEAM

DIRECTORS' REPORT *(Continued)*

YEAR ENDED 31 DECEMBER 2014

According to the Articles of Association there must be a minimum of three directors and a maximum of twelve directors. All directors must be members of the charitable company. Additional directors may be appointed by the existing directors.

RESERVES POLICY

It is the policy of the charitable company to maintain unrestricted funds, which are the free reserves of the charitable company, at a level to cover the estimated costs of closing the charity (estimated at £31,900) if the charity did not continue to operate. Unrestricted funds were maintained at this level throughout the year. This policy will be reviewed annually by the Board. Unrestricted funds not invested in fixed assets or investments and not otherwise designated by the Board were £98,665 at 31 December 2014 (2013: £75,902).

RISK MANAGEMENT

The directors have examined the major strategic and operational risks which the charitable company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who are also trustees of The Luis Palau Evangelistic Team for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE LUIS PALAU EVANGELISTIC TEAM

DIRECTORS' REPORT *(Continued)*

YEAR ENDED 31 DECEMBER 2014

In so far as the directors are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

These financial statements were prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued March 2005.

Registered office:
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks HP7 9QS

Signed by order of the directors



.....
SIMON BERRY

Director

Approved by the directors on: 11 September 2015

THE LUIS PALAU EVANGELISTIC TEAM

INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS

YEAR ENDED 31 DECEMBER 2014

I report on the financial statements of the charitable company for the year ended 31 December 2014 which are set out on pages 6 to 12.

This report is made solely to the Trustees, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My independent examination has been undertaken so that I might state to the Board those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Board, for my independent examination or for this report.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) or under Regulation 10(1)(a) to (c) of the Charities Accounts (Scotland) Regulations 2006 (the 2006 Regulations) and that an independent examination is needed. The charitable company is required by company law to prepare accrued financial statements and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charitable company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act);
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 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 the general Directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements 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 the course of my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006 and Section 44(1)(a) of the 2005 Act,
 - to prepare financial statements which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006, section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations, and
 - which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
 have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

JAMES FOSKETT, BSc (Hons), FCA, DChA
 Cansdales
 Chartered Accountants & Business Advisers
 Bourbon Court
 Nightingales Corner
 Little Chalfont
 Bucks. HP7 9QS

Date: 15 September 2015

THE LUIS PALAU EVANGELISTIC TEAM

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2014

	Note	Unrestricted funds	Restricted funds	Total 2014	Total 2013
Incoming resources					
Incoming resources from generated funds					
Voluntary Income		108,210	126,443	234,653	179,963
Activities for generating funds		2,438	-	2,438	-
Investment income		290	-	290	176
Incoming resources from charitable activities					
Mission costs recovered		57,279	-	57,279	68,083
Total incoming resources		168,217	126,443	294,660	248,222
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income					
Fundraising and publicity		22,049	-	22,049	15,127
Fundraising Trading: cost of goods sold and other costs					
Cost of books and leaflets		-	-	-	-
Charitable activities					
Evangelistic mission		169,639	71,095	240,734	209,994
Governance costs		7,715	-	7,715	5,330
Total resources expended	2	199,403	71,095	270,498	230,451
Net Income/(Expenditure) for the year		(31,186)	55,348	24,162	17,771
Transfers between funds		53,949	(53,949)	-	-
Net movement in funds		22,763	1,399	24,162	17,771
Total funds brought forward		75,902	5,290	81,192	63,421
Total funds carried forward	8,9	98,665	6,689	105,354	81,192

The charitable company has no recognised gains or losses other than the results for the year as set out above. All of the activities of the charitable company are classed as continuing.

THE LUIS PALAU EVANGELISTIC TEAM

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014	2013
		£	£
Fixed assets			
Tangible assets	5	-	32
Current assets			
Debtors	6	9,427	11,086
Cash at bank		121,634	74,926
		<u>131,061</u>	<u>86,012</u>
Creditors: amounts due within one year	7	<u>(25,707)</u>	<u>(4,852)</u>
Net current assets		105,354	81,160
Total assets less liabilities		<u>105,354</u>	<u>81,192</u>
Unrestricted funds			
General funds		98,665	75,902
		<u>98,665</u>	<u>75,902</u>
Restricted funds		6,689	5,290
Total funds	8,9	<u>105,354</u>	<u>81,192</u>

For the year ending 31 December 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors on 11 September 2015 and are signed on their behalf by:



SIMON BERRY

Company Registration Number 1648879

THE LUIS PALAU EVANGELISTIC TEAM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and follow the recommendations in the Statement of Recommended Practice "Accounting and Reporting by Charities" issued March 2005 (SORP).

Incoming resources, including donations

Income is recognised in the period in which the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is recognised on the legacy being received.

Grants are included as donations.

Any income received for a period other than the accounting year has been apportioned over the period to which it relates.

Resources expended

Resources expended are included in the Statement of Financial Activities (SOFA) on an accruals basis, inclusive of Value Added Tax which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been allocated to those cost categories.

Support costs have been apportioned to the cost centres of costs of generating funds, fundraising trading, charitable activities and governance costs in accordance with the requirements of the SORP. Governance costs comprise all costs relating to the public accountability of the charitable company and its compliance with regulation and good practice.

Depreciation

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

Computers and office equipment	-	25% straight line
Motor vehicles	-	25% straight line

Items of equipment are capitalised where the purchase price exceeds £1,000.

Stocks

Stocks are publications held for resale and are valued at the lower of cost and net realisable value after making allowances for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Pension costs consist of contributions made by the charitable company to the employees' personal pension schemes. Contributions to these schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

THE LUIS PALAU EVANGELISTIC TEAM

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(CONTINUED)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating surplus or deficit.

Tax status

The charitable company is a registered charity and therefore it is not assessable to corporation tax on any surplus charitable funds.

Funds accounting

Funds held by the charitable company are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds – these are funds set aside by the directors out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds which can only be used for particular purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The nature and purpose of each fund is explained further in the notes to the financial statements.

2. RESOURCES EXPENDED

	Staff costs	Mission costs	Travel	Other costs	Support costs	Total 2014	Total 2013
Cost of generating funds:							
Fund raising and publicity	13,063	6,164	-	-	2,822	22,049	15,127
Fundraising trading: cost of goods sold and other costs							
Cost of books and leaflets	-	-	-	-	-	-	-
Charitable activities:							
Evangelistic mission	57,853	149,114	2,952	-	30,815	240,734	209,993
Governance costs	-	-	-	1,644	6,071	7,715	5,331
Support costs	22,394	-	-	17,314	(39,708)	-	-
Total	<u>93,310</u>	<u>155,278</u>	<u>2,952</u>	<u>18,958</u>	<u>-</u>	<u>270,498</u>	<u>230,451</u>

THE LUIS PALAU EVANGELISTIC TEAM

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2014

3. OTHER SUPPORT COSTS

Other support costs comprise:

	2014	2013
	£	£
Independent Examination	1,644	1,596
Accountancy	2,782	2,915
Rent and Rates	5,500	5,400
Insurance	464	474
Technical support	1,118	631
Repairs and maintenance	2,019	2,620
Telephone	2,555	2,345
Postage, printing and stationary	1,267	1,878
Subscriptions	326	198
Depreciation	32	2,455
Board expenses	21	414
Bank charges	1,118	1,039
Sundry	112	300
	<u>18,958</u>	<u>22,266</u>

Operating leases totalling £5,500 were paid during the year (2013: £5,400).

4. STAFF COSTS AND DIRECTORS' REMUNERATION

The aggregate payroll costs were:

	2014	2013
	£	£
Wages and salaries	76,380	61,868
Consultants	8,294	8,314
Social security costs	5,274	5,743
Pension costs	3,362	1,225
	<u>93,310</u>	<u>77,150</u>

No employee was paid at a rate in excess of £60,000 per annum.

The average number of staff employed by the charitable company during the financial year was three (2013: two).

No emoluments were paid to any of the directors during the year (2013: £Nil) nor to any persons connected with them (2013: £Nil). No expenses were reimbursed to directors during the year (2013: £Nil).

THE LUIS PALAU EVANGELISTIC TEAM

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2014

5. TANGIBLE FIXED ASSETS

	Office equipment	Total
	£	£
Cost		
At 1 January 2014	5,620	5,620
Additions	-	-
Disposals	-	-
At 31 December 2014	<u>5,620</u>	<u>5,620</u>
Depreciation		
At 1 January 2014	5,588	5,588
Charge for the year	32	32
Disposals	-	-
At 31 December 2014	<u>5,620</u>	<u>5,620</u>
Net book value		
At 31 December 2014	<u>-</u>	<u>-</u>
At 31 December 2013	<u>32</u>	<u>32</u>

All of the assets are used for direct charitable purposes and for the management and administration of the charitable company.

6. DEBTORS

	2014	2013
	£	£
Debtors	279	124
Other debtors	6,510	10,364
Prepayments	<u>2,638</u>	<u>598</u>
	<u>9,427</u>	<u>11,086</u>

7. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade Creditors	1,297	459
Other creditors	1,230	1,249
Accruals and deferred income	<u>23,180</u>	<u>3,144</u>
	<u>25,707</u>	<u>4,852</u>

Deferred income relates to grants totalling £18,750 received in 2014 for work carried out in 2015. (2013: £nil)

THE LUIS PALAU EVANGELISTIC TEAM

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2014

8. MOVEMENTS ON FUNDS

	At 1 January 2014	Incoming resources	Outgoing resources	Transfers	At 31 December 2014
	£	£	£	£	£
Restricted funds:					
Staff	-	53,949	-	(53,949)	-
Jerusalem Trust	-	500	-	-	500
NGA Evangelists	5,290	71,994	(71,095)	-	6,189
Total restricted funds	5,290	126,443	(71,095)	(53,949)	6,689
Unrestricted funds					
General funds	75,902	168,217	(199,403)	53,949	98,665
Total unrestricted funds	75,902	168,217	(199,403)	53,949	98,665
Total funds	81,192	294,660	(270,498)	-	105,354

NGA Evangelists – represents funds held for the use of missionaries towards their general mission costs.

Staff – Donations received from LPEA Portland (£41,449) and Jerusalem Trust (£12,500) to fund staff costs

Jerusalem Trust - Money received for the Ethiopian project being run by LPEA Portland

9. ANALYSIS OF NET ASSETS

	Tangible fixed assets	Other net assets	Total
	£	£	£
Restricted funds	-	7,136	7,136
Other unrestricted funds	-	98,218	98,218
	-	105,354	105,354

10. COMPANY LIMITED BY GUARANTEE

The guarantee of the members is limited to £100 each whilst they are a member and for twelve months after ceasing to be a member. There were eight members at 31 December 2014 (2013: eight).

11. OPERATING LEASES

As at 31 December 2014 the charitable company had annual commitments of £5,760 (2013: £5,760) under non-cancellable operating leases relating to the rental of the office space expiring in less than one year.

12. PENSIONS

The charitable company makes contributions to individual's personal pension schemes. The contributions payable for the period are charged in the income and expenditure account. There was a balance of £1,220 outstanding at the year end (2013: £Nil).