

Charity Registration No. 1094952


Company Registration No. 4419680 (England and Wales)

**THE PROCLAMATION TRUST**  
**AMENDING**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**TUESDAY**

**WEC**



A03 \*A7G7EDC2\* 09/10/2018 #41  
COMPANIES HOUSE

A22 \*A7F9U74P\* 26/09/2018 #76  
COMPANIES HOUSE

# THE PROCLAMATION TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr A C Green Rev V E Roberts Rev R M Cunningham Rev D J Jackman Mr S J Medcroft Mr S D Pillar Rev J L Samuel Mr B Stone Rev W T Taylor Rev R A Weekes
<b>Secretary</b>	Mr M J Clarkson
<b>Charity number</b>	1094952
<b>Company number</b>	4419680
<b>Registered office</b>	Willcox House 140-148 Borough High Street Southwark London SE1 1LB
<b>Auditor</b>	Norman Cox & Ashby Grosvenor Lodge 72 Grosvenor Road Tunbridge Wells Kent TN1 2AZ
<b>Bankers</b>	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA
<b>Investment advisor</b>	Mr A C Green Global Asset Management 12 St James's Place London SW1A 1NX

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# THE PROCLAMATION TRUST

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# **THE PROCLAMATION TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

FOR THE YEAR ENDED 31 DECEMBER 2017

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The trustees present their report and accounts for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the trust's Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

The trust's objects are the advancement of the Christian Gospel and in particular to preach and teach the Gospel of Jesus Christ as set forth in Scripture.

The policies adopted in furtherance of these objects are conferences at which increased numbers are attending and the Cornhill Training Centre from which more people are being placed in full time Christian work and there has been no change in these during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

The trust offers a small number of grants to overseas students to attend the Cornhill Training Course. These grants are offered at the discretion of Cornhill Training and the trustees. However, during 2017, no new grants were offered as the students applying for a bursary did not receive a visa.

### **Achievements and performance**

#### **CONFERENCE PROGRAMME 2017**

The Evangelical Ministry Assembly was once again the largest conference of the year held at The Barbican Centre, London for the three days. There were three ministers' conferences and three ministers' wives conferences held during the year together with various preaching days, practical preaching seminars and a summer school.

### **Financial review**

The total income derived from gifts under gift aid, including income tax refunds and general donations amounted to £199,041. Income from investments, deposits and bank interest totalled £3,818. Conference fees at £201,833 reflected the level of activity during the year. Rent and service charges received from residential properties was £Nil and £158,230 from Willcox House. The total income from the Cornhill Training Course was £260,445. Total income from all sources (excluding the disposal of investments) amounted to £825,292 and total expenditure was £982,384. During the year, the charity disposed of two properties and purchased one. It also disposed of its entire portfolio of investments managed by Investec, due to the current economic climate and the continued uncertainties surrounding Brexit as well as funds being made available for plans to refurbish the Trust's main property in the short to medium term.

One half of Willcox House is held as an investment fixed asset and the trustees have included this proportion at market value. At the year end the unrealised gain over cost was £3,703,896. The other half of Willcox House is used for the purposes of the company's charitable activities and is shown in tangible fixed assets at cost less accumulated depreciation to 31 December 2013.

The trustees of the company acknowledge with gratitude the employees and those providing funds to the trust, without whose support the present strength of the company would not have been achieved.

The trustees believe that the company is successfully achieving its objectives and future plans involve building on the success of the past.

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

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# THE PROCLAMATION TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

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A significant proportion of the unrestricted fund reserves represent the gift of the freehold property and unrealised gains on investments. The charity retains the balance of reserves to fund future bursaries to Cornhill students and to meet the company's running costs, in total covering the period of six months expenditure, approximately £450,000. The free reserves at 31 December 2017 were £534,573 (2016: £46,026). Restricted funds are retained according to the instructions of donors of the funds.

### INVESTMENT POWERS

The trustees have the power to invest funds as set out in the Trustees Investment Act 1961, as modified by the Trustees Act 2001. The investment manager is Mr A C Green, a trustee. The decision was taken to dispose of the entire holding of quoted investments to provide income and some capital growth. The trustees consider the return of both income and value to be satisfactory. Investment property, when let, is at current commercial rent.

### RISK MANAGEMENT

The trustees have assessed the major risks to which the trust is exposed and are satisfied that systems are in place to mitigate exposure to these risks.

Structure, governance and management

The trust is a charitable company limited by guarantee, incorporated on 18 April 2002 and registered by the Charity Commission on 6 December 2002. It commenced to operate on 1 January 2003.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected at the Annual General Meeting to serve a period of three years, subject to ratification at each AGM. The trustees meet on a regular basis and appoint new trustees following consultation amongst themselves. The previous trust was an unincorporated charity, registered number 293976, which transferred all its assets and liabilities to the company on 1 January 2003 at their balance sheet value.

The Articles of Association state that there must not be more than ten trustees. New trustees receive internal training as to their responsibilities.

The trustees have authorised five senior executives, none of whom are trustees, to supervise the day to day running of the company. They report to the trustees at their meetings. Decisions are made by the trustees at regular meetings by a simple majority. The key management personnel comprise the Director of Cornhill Training, the Director of Ministry, the Director of Women's Ministry, the International Director and the Company Secretary whose employee benefits totalled £128,718 (2016: £95,907).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr A C Green (Chairman to 7 June 2017)  
Rev R M Cunningham  
Rev D J Jackman  
Rev V E Roberts (Chairman from 7 June 2017)  
Rev J L Samuel  
Rev W T Taylor  
Rev R A Weekes  
Rev S J Medcroft  
Mr B Stone  
Mr S D Pillar

The Articles of Association state that there must be not more than ten trustees. New trustees receive internal training as to their responsibilities.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

# THE PROCLAMATION TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

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The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

### Statement of trustees' responsibilities

The trustees, who are also the directors of The Proclamation Trust for the purpose of company law, 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).

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 trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

In accordance with the company's articles, a resolution proposing that Norman Cox & Ashby be reappointed as auditor of the company will be put at a General Meeting.

### Disclosure of information to the auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

  
.....  
**Mr A C Green**

Trustee

Dated: .....

24-9-18

# THE PROCLAMATION TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE PROCLAMATION TRUST

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#### Opinion

We have audited the financial statements of The Proclamation Trust (the 'trust') for the year ended 31 December 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note [X] to the accounts, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### Other information

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

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

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

# THE PROCLAMATION TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE PROCLAMATION TRUST

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#### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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



Norman Cox & Ashby

Chartered Accountants

Statutory Auditor

Grosvenor Lodge

72 Grosvenor Road

Tunbridge Wells

Kent

TN1 2AZ

25 September 2018

Norman Cox & Ashby is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006



## THE PROCLAMATION TRUST

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>Income from:</b>					
Donations and legacies	3	199,041	-	199,041	167,965
Charitable activities					
Conferences and Training	4	201,833	-	201,833	235,930
Cornhill Training Course	4	260,445	-	260,445	229,147
Other trading activities	5	1,926	-	1,926	668
Investments	6	162,047	-	162,047	192,605
<b>Total income</b>		<b>825,292</b>	<b>-</b>	<b>825,292</b>	<b>826,315</b>
<b>Expenditure on:</b>					
Raising funds					
Allocated expenses	7	41,290	-	41,290	22,714
<b>Charitable activities</b>					
Grants payable	7	10,009	(2,951)	7,058	50,478
Conferences and Training	7	395,946	-	395,946	422,407
Cornhill Training Course	7	292,643	-	292,643	232,817
PT Media	7	25,224	-	25,224	21,785
International Director	7	22,500	-	22,500	-
Financial governing costs	7	17,081	-	17,081	-
<b>Total charitable expenditure</b>		<b>763,403</b>	<b>(2,951)</b>	<b>760,452</b>	<b>727,487</b>
Other expenses	7	180,642	-	180,642	148,896
<b>Total resources expended</b>		<b>985,335</b>	<b>(2,951)</b>	<b>982,384</b>	<b>899,097</b>
Net gains on investments	13	631,686	-	631,686	1,562,642
<b>Net movement in funds</b>		<b>471,643</b>	<b>2,951</b>	<b>474,594</b>	<b>1,489,860</b>
Fund balances at 1 January 2017		7,001,544	49,793	7,051,337	5,561,477
<b>Fund balances at 31 December 2017</b>		<b>7,473,187</b>	<b>52,744</b>	<b>7,525,931</b>	<b>7,051,337</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE PROCLAMATION TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16	2,398,614		2,090,113	
Investment properties	15	4,540,000		4,540,000	
Investments	17	-		325,405	
		<u>6,938,614</u>		<u>6,955,518</u>	
<b>Current assets</b>					
Debtors	18	127,209		120,135	
Cash at bank and in hand		595,501		106,967	
		<u>722,710</u>		<u>227,102</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(135,393)</u>		<u>(131,283)</u>	
Net current assets			587,317		95,819
<b>Total assets less current liabilities</b>			<u>7,525,931</u>		<u>7,051,337</u>
<b>Income funds</b>					
Restricted funds	21	52,744		49,793	
Unrestricted funds		7,473,187		7,001,544	
		<u>7,525,931</u>		<u>7,051,337</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 24-9-18

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Mr A C Green  
Trustee

Company Registration No. 4419680

# THE PROCLAMATION TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26		(321,582)		(306,804)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,304,455)		(780)	
Proceeds on disposal of tangible fixed assets		309,526		-	
Proceeds on disposal of investment property		647,565		-	
Proceeds on disposal of other investments		995,433		-	
Interest received		162,047		192,605	
<b>Net cash generated from investing activities</b>			810,116		191,825
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			488,534		(114,979)
Cash and cash equivalents at beginning of year			106,967		221,946
<b>Cash and cash equivalents at end of year</b>			595,501		106,967
Short term deposits included in current asset investments			-		-
Bank overdrafts included in creditors payable within one year			-		-

# THE PROCLAMATION TRUST

## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 2 Accounting policies

#### Charity information

The Proclamation Trust is a private company limited by guarantee incorporated in England and Wales. The registered office and the principal place of charitable activities is Willcox House, 140-148 Borough High Street, Southwark, London, SE1 1LB.

#### 2.1 Accounting convention

The accounts have been prepared in accordance with the trust's Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 2.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

#### 2.4 Incoming resources

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# THE PROCLAMATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income received in advance of a course or conference for a future year is deferred in the balance sheet and will be included as an incoming resource in the year to which it relates.

Income from the letting of investment properties is accounted for when due. Dividends and interest are accounted for when receivable.

Course fees and conference fees are accounted for on an accruals basis, and recognised in the income and expenditure account at the start of the course or conference.

#### 2.5 Resources expended

##### Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants and donations payable are payments made to third parties in the furtherance of the charitable objects of the company. In the case of an unconditional grant offer, this is accrued once approved. Grant awards are subject to the recipient fulfilling performance conditions and are only accrued for when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the Trust.

##### Allocation of Support and Governance Costs

Support costs have been differentiated from governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with good practice. These costs include the cost relating to statutory audit Trustee expenses.

Property costs and depreciation are allocated on a pro-rata basis. All the other support costs including salaries, staff costs and office expenses are allocated according to the function contributing towards the provision of the charity's services and facilities.

##### Raising of funds

Costs of raising funds comprises support costs of management and administration costs associated with the running of the charity and its income generating activities.

##### Charitable Activities

Charitable expenditure represents the costs incurred in achieving the charitable objectives of the charity, including grants payable which are recognised in the year to which they relate and their associated support costs. Grants are made to students to attend training courses in order for the charity to meet its objectives. Grants are made at the discretion of the trustees and Cornhill Training.

##### Other Costs

Other costs represent those support costs not falling into any other category.

# THE PROCLAMATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 2 Accounting policies

(Continued)

#### 2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation charged
Leasehold land and buildings	No depreciation charged
Fixtures and fittings	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Depreciation has not been provided on freehold and leasehold land and buildings as the residual value is higher than the carrying value.

#### 2.7 Investment properties

Investment property, which is property held to earn rentals and for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

#### 2.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 2.9 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 2.11 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# THE PROCLAMATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 2 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 2.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	199,041	-	199,041	167,965
<b>For the year ended 31 December 2016</b>	<b>138,365</b>	<b>29,600</b>		<b>167,965</b>

### 4 Charitable activities

	Conferences and Training	Cornhill Training Course	Total 2017	Total 2016
	£	£	£	£
Fees from charitable activities	201,833	260,445	462,278	465,077

## THE PROCLAMATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 5 Other trading activities

	2017	2016
	£	£
PT Media sales and other income	1,926	668

#### 6 Investments

	2017	2016
	£	£
Income from Investment Properties	158,230	185,261
Income from Listed Investments	3,788	7,161
Interest on Cash Investments	29	183
	<u>162,047</u>	<u>192,605</u>



## THE PROCLAMATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

#### 7 Charitable activities

	Grants payable	Conferences and Training	Cornhill Training Course	PT Media International	Financial Director governing costs	Total 2017	Total 2016
	£	£	£	£	£	£	£
Grants payable	-	395,946	292,643	25,224	22,500	17,081	753,394
Grant funding of activities (see note 9)	7,058	-	-	-	-	-	7,058
	<u>7,058</u>	<u>395,946</u>	<u>292,643</u>	<u>25,224</u>	<u>22,500</u>	<u>17,081</u>	<u>760,452</u>
							<u>677,008</u>

# THE PROCLAMATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 8 Governance and support costs

Governance costs of £17,081 (2016: £10,452) comprise Trustees expenses of £1,309 (2016: £1,952) and Audit Fee of £6,500 (2016: £6,510) and accountancy and taxation fees of £9,272 (2016: £1,990). These are included in Charitable Activities on the Statement of Financial Activities.

### 9 Grants payable

	2017 £	2016 £
Grants to institutions:		
Other - St. Ebbe's Church Oxford	10,009	10,009
Grants to individuals	(2,951)	40,470
	<u>7,058</u>	<u>50,479</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

During the year four trustees (2016: four) were reimbursed £1,309 (2016: £1,952) for travelling expenses incurred in connection with the business of the charity.

### 11 Key personnel

The key management personnel received employee benefits totalling £128,718 (2016: £95,907).

# THE PROCLAMATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2017 Number	2016 Number
Conferences	3	3
Training Courses	5	5
Support	5	5
	<u>13</u>	<u>13</u>
Wages and salaries	291,109	311,287
Social security costs	17,388	14,817
Other pension costs	21,834	18,257
	<u>330,331</u>	<u>344,361</u>

There were no employees whose annual remuneration was £60,000 or more.

### 13 Net gains/(losses) on investments

	2017 £	2016 £
Revaluation of investments	-	58,642
Gain/(loss) on sale of investments	(15,879)	-
Revaluation of investment properties	-	1,504,000
Gain/(loss) on sale of investment properties	647,565	-
	<u>631,686</u>	<u>1,562,642</u>

### 14 Pension fund

Pension scheme contributions are paid monthly. The total contributions in the year amounted to £32,809, (2016: £21,834).

The company also pays pensions to two retired staff members of another charity which amounted to £18,120 (2016: £17,592). The estimated future costs to the charity based upon current year expenditure with a 4% annual inflation allowance and a full year guarantee period using life expectancy tables, amounted to £64,046 (2016: £82,962). The charity received a donation of £250,000 during 2012 from the charity concerned to meet the anticipated future expenditure. The Trustees consider the donation was for the General Fund as the gift was given on the basis that any surplus is expendable for the charity's general charitable purposes.

# THE PROCLAMATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 15 Investment property

2017

£

#### Fair value

At 1 January 2017 and 31 December 2017

4,540,000

Investment property comprises one half of the property of Willcox House. The fair value of the investment property has been arrived at on the basis of a valuation carried out in December 2016 by hb Surveyors and Valuers, who are not connected with the trust. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The original cost of the investment property was £836,104.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	836,104	836,104
Accumulated depreciation	-	-
Carrying amount	836,104	836,104

### 16 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2017	1,874,957	528,355	136,096	2,539,408
Additions	1,304,455	-	-	1,304,455
Disposals	(552,704)	(528,355)	-	(1,081,059)
At 31 December 2017	2,626,708	-	136,096	2,762,804
<b>Depreciation and impairment</b>				
At 1 January 2017	282,381	31,339	135,575	449,295
Depreciation charged in the year	-	-	521	521
Eliminated in respect of disposals	(54,287)	(31,339)	-	(85,626)
At 31 December 2017	228,094	-	136,096	364,190
<b>Carrying amount</b>				
At 31 December 2017	2,398,614	-	-	2,398,614
At 31 December 2016	1,592,576	497,016	521	2,090,113

# THE PROCLAMATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 17 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2017	325,405
Disposals	(325,405)
	<u>          </u>
At 31 December 2017	-
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2017	-
	<u>          </u>
At 31 December 2016	<u>325,405</u>

#### Fixed asset investments revalued

The original transaction price of the listed investments was £Nil (2016: £217,066).

### 18 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Other debtors	48,921	57,249
Prepayments and accrued income	78,288	62,886
	<u>127,209</u>	<u>120,135</u>

### 19 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	48,921	57,249
Equity instruments measured at fair value	-	325,405
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	135,393	131,283
	<u>          </u>	<u>          </u>

### 20 Creditors: amounts falling due within one year

	2017 £	2016 £
Other creditors	135,393	42,186
Accruals and deferred income	-	89,097
	<u>135,393</u>	<u>131,283</u>

# THE PROCLAMATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of The Cornhill Training Bursary Fund to grant bursaries to students from home and overseas.

	Balance at 1 January 2017 £	Movement in funds		Balance at 31 December 2017 £
		Incoming resources £	Resources expended £	
Cornhill Training Course - Bursary	49,793	-	2,951	52,744

Included within the financial statements for the year ended 31 December 2016 was a provision of £40,470 for grants payable to individuals. This amount was subsequently realised as £37,519 and the balance of £2,951 has been credited to the restricted fund reserves.

### 22 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2017 are represented by:			
Tangible assets	2,398,614	-	2,398,614
Investment properties	4,540,000	-	4,540,000
Current assets/(liabilities)	534,573	52,744	587,317
	<u>7,473,187</u>	<u>52,744</u>	<u>7,525,931</u>

### 23 Operating lease commitments

At the reporting end date the charitable company had total commitments for future minimum lease payments under non-cancellable operating leases over the remaining life of those leases of £11,708 (2016: £12,200).

At the reporting end date the charitable company had contracted with tenants under non-cancellable operating leases over the remaining life of those leases for £189,195 (2015: £230,855).

### 24 Related party transactions

Mr A C Green, a trustee, was involved in the following transactions:

(a) A large proportion of the investment portfolio was held with Global Asset Management of which Mr A C Green is a consultant. During the year, the entire investment portfolio was disposed of. Mr A C Green is also the Investment Manager of the Proclamation Trust.

(b) Mr R J Green, his brother, received remuneration of £2,000 (2016: £5,000) as Finance Director.

During the year, £10,009 (2016: £10,009) was paid to The PCC of the Ecclesiastical Parish of St Ebbe with Holy Trinity and St Peter Le Bailey, Oxford, of which Rev V E Roberts is also a Trustee, for the provision of a personal assistant for Rev V E Roberts.

## THE PROCLAMATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

#### 25 Preparation of the financial statements

In common with many other entities of similar size and nature the charitable company has used the auditors to assist with the preparation of the financial statements.

26 Cash generated from operations	2017 £	2016 £
Surplus for the year	474,594	1,489,860
Adjustments for:		
Investment income recognised in statement of financial activities	(162,047)	(192,605)
Gain on disposal of investment property	(647,565)	-
Loss on disposal of investments	15,879	-
Fair value gains and losses on investment properties	-	(1,504,000)
Fair value gains and losses on investments	-	(58,642)
Depreciation and impairment of tangible fixed assets	521	260
Movements in working capital:		
(Increase) in debtors	(7,074)	(42,914)
Increase in creditors	4,110	1,237
<b>Cash absorbed by operations</b>	<b>(321,582)</b>	<b>(306,804)</b>