

GRACE TO YOU EUROPE
REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 12 SEPTEMBER 2012 TO 31 DECEMBER 2013

Company No: 08211924
Registered Charity Number: 1150277



GRACE TO YOU EUROPE

REPORT AND FINANCIAL STATEMENTS

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COMPANY INFORMATION

Registered Company Number 08211924

Registered Charity Number 1150277

Trustees Mr Travis Allen
Reverend John Cheeseman
Mr Phillip Johnson

Registered Office 5 Caxton House
Wellesley Road
Ashford
Kent

Solicitors Messrs Hallett & Co
11 Bank Street
Ashford
Kent

Independent examiner M Wilkes FCA
Wilkins Kennedy FKC
Stourside Place
Station Road
Ashford
Kent TN23 1PP

Bankers The Royal Bank of Scotland
17/25 New Rents
Ashford
Kent

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REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2013

The Trustees present their annual report and financial statements for the period ended 31 December 2013

Structure

The company was incorporated as a limited company on 12 September 2012 and is governed by its Memorandum and Articles of Association. The company number is 8211924.

The company is also registered with the Charity Commission, number 1150277, from 21 December 2012.

Governance and Management

The Trustees who served during the year were

Mr Travis Allen	(appointed 13 May 2013)
Reverend John Cheeseman	(appointed 13 May 2013)
Mr Philip Johnson	(appointed 12 September 2012)
Mr Douglas McMasters	(appointed 12 September 2012 and resigned 13 May 2013)
Mr Paul Mitchell	(appointed 12 September 2012 and resigned 13 May 2013)
Mr Anthony Ruston	(appointed 12 September 2012 and resigned 16 November 2013)

There shall not be less than three Trustees at any time but there is no maximum number. The existing Trustees may appoint further Trustees at their discretion.

No person shall be eligible for appointment as a Trustee unless he/she can give full and unequivocal assent to the Grace to You Doctrinal Statement.

The Trustees meet formally on an annual basis but regularly and less formally at other times during the course of the year.

The Trustees have designated Mr D Paul Mitchell, to be responsible for the day to day operation of the charity and he is assisted by a full-time Office Manager, one part-time Customer Service Assistant, and a part-time IT Technician.

Objectives of the charity

The advancement of the Christian faith and such other charitable purposes as the Trustees shall from time to time determine.

Achievements and Performance in the Period

We use mass communications media to expose the Bible teaching ministry of John MacArthur to as wide an audience as possible "for the equipping of the saints for the work of service, to the building up of the body of Christ, until we all attain to the unity of the faith, and of the knowledge of the Son of God, to a mature man, to the measure of the stature which belongs to the fullness of Christ" (Ephesians 4:12-13).

One of our principal tasks is to protect Christian believers from being "tossed here and there by waves, and carried about by every wind of doctrine, by the trickery of men, by craftiness in deceitful scheming" (Ephesians 4:14). We accept the God-given responsibility of "speaking the truth in love" (Ephesians 4:15) and strive for the growth of the church and glory of the Lord, rather than the praise and honour of men.

Our role is not to supplant the local church's ministry, but to support it by providing additional resources for those hungering for the truth of God's Word.

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REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2013

Review of activities (continued)

The principle method that Grace to You Europe uses to carry out its charitable activity, which provides public benefit, is radio ministry. During 2013 we broadcast our daily radio programme, Grace to You, throughout the United Kingdom of Great Britain and Northern Ireland on Premier Christian Radio, and Azimuth Christian Radio (Scotland). In Italy we broadcast on Radio Luce. Members of the public are also able to access our radio programmes and free downloadable audio and video resources through our website <http://www.gty.org.uk>

On a bi-monthly basis we mail a pastoral letter from John MacArthur to all those on our database, this letter always includes an offer of a free book or CD without any obligation to donate.

The following quantities of free resources were provided to individuals during 2013

4,608 books
2,557 CDs
9,300 magazines

Gifts of Bible study resources to Christian organisations during 2013

Christian Prison Resource Ministries (value - £2,500)
Grace Baptist Partnership Scotland - Pastoral Training (value - £800)
European Missionary Fellowship School of Biblical Studies (value - £600)
Grace Baptist Women's Ministry (value - £320)
Grace Life London Summer Institute (value - £3,063)

Financial Support

A cheque for £5,000 was sent to London Theological Seminary to help towards the costs of training pastors from overseas.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Risk Policy

The Trustees have examined the major risks to which the charity is exposed and confirm that systems have been established to mitigate those risks.

Financial Review

Incoming resources for the year amounted to £341,293, which includes funds donated from The D M Lloyd-Jones Recordings Trust of £85,565, and resources expended amounted to £219,525. As a result of these movements, a surplus of £121,768 (£36,203 excluding the donation from The D M Lloyd-Jones Recordings Trust) was reported for the period.

Reserves Policy

The Trustees have adopted a policy which aims to ensure that there are adequate funds to meet the operating costs of the charity for a period of at least twelve months. Based on current expenditure levels this would amount to £220,000. At 31 December 2013, free reserves amounted to £121,768.

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REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2013

Trustees' Responsibilities

The trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

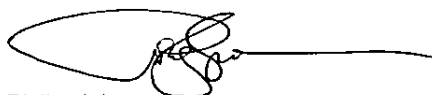
- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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 trustees 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. 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.

Small company exemption

The financial statements have been prepared in accordance with special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board



Phillip Johnson
Chairman

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	Period ended 31 December 2013 £
INCOMING RESOURCES		
Incoming resources from generated funds		
Voluntary income - donations		105,879
Voluntary income - The D M Lloyd-Jones Recordings Trust donation		85,565
Interest receivable		85
		<u>191,529</u>
Incoming resources from charitable activities		
Sale of recordings and literature		36,296
Grace To You support		113,468
		<u>149,764</u>
Total incoming resources		<u><u>341,293</u></u>
RESOURCES EXPENDED		
Costs of charitable activities		215,302
Governance costs		4,223
Total resources expended	2	<u><u>219,525</u></u>
Net movement in funds		121,768
Fund balances at 12 September 2012		-
Fund balances at 31 December 2013		<u><u>121,768</u></u>

All transactions are derived from continuing activities

All recognised gains or losses are included in the Statement of Financial Activities

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BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	2013 £	£
Fixed assets			
Tangible assets	4		3,846
Current assets			
Stocks	5	24,252	
Debtors	6	2,815	
Cash at bank and in hand		99,207	
		<u>126,274</u>	
Creditors Amounts falling due within one year	7	<u>8,352</u>	
Net current assets			117,922
Net assets			<u>121,768</u>
Represented by			
Unrestricted general fund			<u>121,768</u>


For the financial period ended 31 December 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Trustees' responsibilities

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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 11 03 14 and were signed on its behalf by



Phillip Johnson (Chairman)

Company No 08211924

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued by the Charity Commission in March 2005, Companies Act 2006 and Charities Act 2011

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income including donations and gifts is included in the Statement of Financial Activities when receivable
- Income from grants, including capital grants, is included when receivable
- Trading income represents the amounts received from the sale of goods

1.3 Resources expended

Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

- Costs of generating funds are those costs incurred in attracting voluntary income
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements

1.4 Funds accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objectives. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office Equipment	25% straight line
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Only assets with a capital value in excess of £100 are capitalised.

1.6 Stock

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

1.7 Pension contributions

The pension costs charged in the financial statements represent the contributions payable by the charity during the year in accordance with FRS 17.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

2 Resources expended

	Period ended 31 December 2013			
	Direct costs	Support costs	Staff costs	Total Funds
	£	£	£	£
<i>Direct costs of charitable activities</i>				
Cost of literature and recordings	32,736	-	-	32,736
Postage and packaging	18,253	-	-	18,253
Telephone and internet	2,558	-	-	2,558
Conferences and exhibitions	360	-	-	360
	<u>53,907</u>	<u>-</u>	<u>-</u>	<u>53,907</u>
Promotion and educational offers	<u>40,806</u>	<u>-</u>	<u>-</u>	<u>40,806</u>
<i>Support costs</i>				
Wages	-	-	70,037	70,037
Social security	-	-	5,841	5,841
Pension contributions	-	-	4,800	4,800
Insurance	-	1,643	-	1,643
Travelling and subsistence	-	6,496	-	6,496
Rent, community and utilities	-	9,084	-	9,084
Office expenses	-	2,500	-	2,500
Computer support	-	6,326	-	6,326
Consultancy	-	13	-	13
Bank and credit card charges	-	3,121	-	3,121
Repairs and maintenance	-	555	-	555
Donations paid	5,000	-	-	5,000
Depreciation - office equipment	-	1,285	-	1,285
Accountancy - IT work	-	3,888	-	3,888
	<u>5,000</u>	<u>34,911</u>	<u>80,678</u>	<u>120,589</u>
Costs of charitable activities	<u>99,713</u>	<u>34,911</u>	<u>80,678</u>	<u>215,302</u>
Governance costs				
Accountancy	-	3,010	-	3,010
Legal fees	-	902	-	902
Trustee meetings	-	311	-	311
	<u>-</u>	<u>4,223</u>	<u>-</u>	<u>4,223</u>
Total resources expended	<u>99,713</u>	<u>39,134</u>	<u>80,678</u>	<u>219,525</u>

3 Wages

	2013
	£
Gross wages	70,037
Employers NI	5,841
Employers pension	4,800
	<u>80,678</u>

The average number of employees during the period was 4

There are no employees with emoluments above £60,000

During the year 1 trustee had expenses reimbursed totalling £105 for travel costs

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

4	Tangible assets	Office Equipment £
	Cost	
	Assets transferred from The D M Lloyd-Jones Recordings Trust	4,743
	Additions	388
	As at 31 December 2013	<u>5,131</u>
	Depreciation	
	Assets transferred from The D M Lloyd-Jones Recordings Trust	-
	Charge for the year	1,285
	As at 31 December 2013	<u>1,285</u>
	Net book value	
	As at 31 December 2013	<u>3,846</u>
5	Stocks	2013 £
	Stock for re-sale	23,236
	Stock of stationary	1,016
		<u>24,252</u>
6	Debtors	2013 £
	Prepayments	1,023
	Other debtors	1,792
		<u>2,815</u>
7	Creditors Amounts falling due within one year	2013 £
	Trade creditors	4,808
	Accruals	3,444
	Other creditors	100
		<u>8,352</u>
8	Company status	
	The company is a company limited by guarantee and not having a share capital. Every member of the company undertakes to contribute in a winding up sum not exceeding £1 whilst they are a member, or within one year after ceasing to be a member, towards debts and liabilities contracted before ceasing to be a member.	
9	Related party transactions	
	On 1 January 2014 a donation of £85,565 was received from The D M Lloyd-Jones Recordings Trust, a charity in which senior management personnel were involved, following the closure of this entity.	