

**GRACE TO YOU EUROPE**  
**REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**Company No: 08211924**  
**Registered Charity Number: 1150277**

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**GRACE TO YOU EUROPE**

**REPORT AND FINANCIAL STATEMENTS**

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## **GRACE TO YOU EUROPE**

### **COMPANY INFORMATION**

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**Registered Company Number** 08211924

**Registered Charity Number** 1150277

**Trustees** Reverend John Cheeseman  
Mr Phillip Johnson  
Mr Christian Andresen  
Mr Andrew Curry  
Mr Jay Flowers

**Registered Office** 5 Caxton House  
Wellesley Road  
Ashford  
Kent TN24 8ET

**Solicitors** Messrs Hallett & Co  
11 Bank Street  
Ashford  
Kent TN23 1DA

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

**Bankers** CAF Bank Limited  
25 Kings Hill Avenue  
West Malling  
Kent ME19 4JQ

## **GRACE TO YOU EUROPE**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2014**

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The Trustees present their annual report and financial statements for the year ended 31 December 2014.

#### **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	(resigned 6 October 2014)
Reverend John Cheeseman	
Mr Phillip Johnson	
Mr Christian Andresen	(appointed 14 April 2014)
Mr Andrew Curry	(appointed 14 April 2014)
Mr Jay Flowers	(appointed 21 October 2014)

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**

The principle method that Grace to You Europe uses to carry out its charitable activity, which provided public benefit, is radio ministry. During 2014 we broadcast our daily radio programme, Grace to You, throughout the United Kingdom of Great Britain and Northern Ireland on Premier Christian Radio, Cloud 9 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.

Throughout the year we have been contacted by the inmates of 15 different prisons and young offenders' institutes in the UK who have been listening to our daily broadcast. We have received various requests for literature and CDs, which we supply free of charge via the prison chaplains.

The following quantities of free resources were provided to individuals during 2014:

3,639	Books
4,174	CDs
11,600	Magazines

## **GRACE TO YOU EUROPE**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### **Review of activities (continued)**

Gifts of Bible study resources to Christian organisations during 2014:

- Christian Prison Resource Ministries (value - £1,167)
- Grace Baptist Partnership Scotland – Pastoral Training (value – £1,550)
- European Missionary Fellowship School of Biblical Studies (value - £470)
- Grace Baptist Women's Ministry (value – £630)
- Grace Life Summer Institute (value – £1,120)

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 £262,780 (2013 £341,293) and resources expended amounted to £237,457 (2013: £219,525). As a result of these movements, a surplus of £25,323 (2013: £121,768) was reported for the year.

#### **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 £230,000. At 31 December 2014, free reserves amounted to £147,091 (2013: £121,768).

#### **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.

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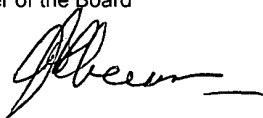
**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**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

A handwritten signature in black ink, appearing to read 'J Cheeseman', with a horizontal line extending to the right.

Reverend John Cheeseman  
Chairman

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Year ended 31 December 2014 £	Period ended 31 December 2013 £
<b>INCOMING RESOURCES</b>			
Incoming resources from generated funds			
Voluntary income - donations		113,805	105,879
Voluntary income - The D M Lloyd-Jones Recordings Trust donation		-	85,565
Interest receivable		207	85
		<u>114,012</u>	<u>191,529</u>
Incoming resources from charitable activities			
Sale of recordings and literature		36,980	36,296
Grace To You support		111,788	113,468
		<u>148,768</u>	<u>149,764</u>
<b>Total incoming resources</b>		<u>262,780</u>	<u>341,293</u>
<b>RESOURCES EXPENDED</b>			
Costs of charitable activities		235,529	215,302
Governance costs		1,928	4,223
<b>Total resources expended</b>	<b>2</b>	<u>237,457</u>	<u>219,525</u>
<b>Net movement in funds</b>		25,323	121,768
Fund balances at 1 January 2014		121,768	-
<b>Fund balances at 31 December 2014</b>		<u>147,091</u>	<u>121,768</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 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	4	3,040	3,846
<b>Current assets</b>			
Stocks	5	18,947	24,252
Debtors	6	6,342	2,815
Cash at bank and in hand		125,273	99,207
		<u>150,562</u>	<u>126,274</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>6,511</u>	<u>8,352</u>
<b>Net current assets</b>		144,051	117,922
<b>Net assets</b>		<u>147,091</u>	<u>121,768</u>
<b>Represented by</b>			
Unrestricted general fund		<u>147,091</u>	<u>121,768</u>

For the financial year ended 31 December 2014 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 year 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 9<sup>th</sup> MARCH 2015 and were signed on its behalf by:



Reverend John Cheeseman

Company No: 08211924



## GRACE TO YOU EUROPE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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.

# GRACE TO YOU EUROPE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2 Resources expended	Direct costs	Support costs	Staff costs	2014 Total Funds	2013 Total Funds
	£	£	£	£	£
<i>Direct costs of charitable activities</i>					
Cost of literature and recordings	68,656	-	-	68,656	32,736
Postage and packaging	22,274	-	-	22,274	18,253
Telephone and internet	5,315	-	-	5,315	2,558
Conferences and exhibitions	358	-	-	358	360
	<u>96,603</u>	<u>-</u>	<u>-</u>	<u>96,603</u>	<u>53,907</u>
Promotion and educational offers	<u>24,076</u>	<u>-</u>	<u>-</u>	<u>24,076</u>	<u>40,806</u>
<i>Support costs</i>					
Wages	-	-	69,805	69,805	70,037
Social security	-	-	4,246	4,246	5,841
Pension contributions	-	-	7,000	7,000	4,800
Insurance	-	1,289	-	1,289	1,643
Travelling and subsistence	-	4,733	-	4,733	6,496
Rent, community and utilities	-	9,660	-	9,660	9,084
Office expenses	-	3,090	-	3,090	2,500
Computer support	-	1,883	-	1,883	6,326
Consultancy	-	13	-	13	13
Bank and credit card charges	-	3,375	-	3,375	3,121
Repairs and maintenance	-	1,390	-	1,390	555
Donations paid	2,734	-	-	2,734	5,000
Depreciation - office equipment	-	1,360	-	1,360	1,285
Loss on disposal	-	744	-	744	-
Accountancy - IT work	-	3,528	-	3,528	3,888
	<u>2,734</u>	<u>31,065</u>	<u>81,051</u>	<u>114,850</u>	<u>120,589</u>
<b>Costs of charitable activities</b>	<u>123,413</u>	<u>31,065</u>	<u>81,051</u>	<u>235,529</u>	<u>215,302</u>
<b>Governance costs</b>					
Accountancy	-	1,928	-	1,928	3,010
Legal fees	-	-	-	-	902
Trustee meetings	-	-	-	-	311
	<u>-</u>	<u>1,928</u>	<u>-</u>	<u>1,928</u>	<u>4,223</u>
<b>Total resources expended</b>	<u>123,413</u>	<u>32,993</u>	<u>81,051</u>	<u>237,457</u>	<u>219,525</u>
<b>3 Wages</b>				<b>2014</b>	<b>2013</b>
				£	£
Gross wages				69,805	70,037
Employer's NI				4,246	5,841
Employer's pension				7,000	4,800
				<u>81,051</u>	<u>80,678</u>

The average number of employees during the period was 4 (2013: 4).

There are no employees with emoluments above £60,000 (2013: None).

During the year 1 (2013: 1) trustee had expenses reimbursed totalling £8 (2013: £105) for travel costs. In addition £675 (2013: £500) was paid to Reverend J Cheeseman for articles written.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

<b>4</b>	<b>Tangible assets</b>		<b>Office Equipment £</b>
	<b>Cost</b>		
	As at 1 January 2014		5,131
	Additions		1,298
	Disposals		(992)
	As at 31 December 2014		<u>5,437</u>
	<b>Depreciation</b>		
	As at 1 January 2014		1,285
	Charge for the year		1,360
	Eliminated on disposal		(248)
	As at 31 December 2014		<u>2,397</u>
	<b>Net book value</b>		
	As at 31 December 2014		<u>3,040</u>
	As at 31 December 2013		<u>3,846</u>
<b>5</b>	<b>Stocks</b>	<b>2014 £</b>	<b>2013 £</b>
	Stock for re-sale	17,998	23,236
	Stock of stationary	949	1,016
		<u>18,947</u>	<u>24,252</u>
<b>6</b>	<b>Debtors</b>	<b>2014 £</b>	<b>2013 £</b>
	Prepayments	4,521	1,023
	Other debtors	1,821	1,792
		<u>6,342</u>	<u>2,815</u>
<b>7</b>	<b>Creditors: Amounts falling due within one year</b>	<b>2014 £</b>	<b>2013 £</b>
	Trade creditors	2,150	4,808
	Accruals	4,161	3,444
	Other creditors	200	100
		<u>6,511</u>	<u>8,352</u>
<b>8</b>	<b>Company status</b>		
	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.		