

Charity Registration No. 1114638

Company Registration No. 05751702 (England and Wales)

MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P H Johnson I Leitch K Heulitt P J Martin
Secretary	P J Martin
Charity number	1114638
Company number	05751702
Registered office	Tenison House 45 Tweedy Road Bromley Kent BR1 3NF
Accountants	Beavis Morgan LLP 82 St John Street London EC1M 4JN
Auditor	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN
Bankers	Cater Allen Private Bank 9 Nelson Street Bradford BD1 5AN
Solicitors	Wellers Law Group LLP Tenison House 45 Tweedy Road Bromley Kent BR1 3NF

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MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

The Trustees present their report and financial statements for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the 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)

Structure, governance and management

Governing document

Moody Bible Institute of the United Kingdom was incorporated and registered as a charitable company on 22nd March 2006 and is limited by guarantee. The governing document is the Memorandum and Articles of Association dated 22nd March 2006.

Method of appointment and making decisions

The first Trustees are entitled to hold office for an initial term of five years and can offer themselves for re-election at the expiration of the term. Future Trustees must be appointed by resolution of the existing Trustees.

Trustees' decisions must be passed by the majority of the Trustees. Each Trustee has one vote apart from the Chairman who has a casting vote.

Risk Management

During the year, the Trustees have reviewed the general environment in which the Company ('Charity') operates to identify any serious potential risks, and make arrangements to avoid such risks or mitigate their impact.

Organisational Structure

The Trustees are responsible for the administration and investment policy of the Company. The Trustees meet at least annually to review the records of the Institute and to assess the overall investment policy.

Objectives and activities

The Company's objectives are the advancement of the Evangelical Christian faith worldwide. In accordance with the doctrines set out in the Statement of Faith contained in the Articles of Association.

Achievements, performance and Plans for the Future

The Company commenced its activities following the transfer of funds from a trust called the Moody Bible Institute of the United Kingdom on 8th March 2007. The Trustees continue the work previously carried out by the trust.

Grants and scholarships are applied for to the board of Trustees and applications presented at their meetings. Decisions are then agreed upon, based on the merits of these applications, and the furtherance of the Company's objectives.

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TRUSTEE'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

Review of the activities undertaken by the Charity to further its charitable purposes for the public benefit

The Charity undertakes two main activities in furtherance of its charitable objectives. One of these is to support the work of evangelism within the United Kingdom, and the other relates to the sponsoring of students from the United Kingdom and overseas to study at the Moody Bible Institute of Chicago ("MBI").

During the year the Charity made grants to UK based evangelistic organisations in furtherance of its charitable objectives.

The Charity has received numerous letters of appreciation from students who have studied during this year and have benefited greatly from the sponsorship the Charity has provided.

Following a detailed evaluation of its work during 2010/2011, the Trustees concluded that the part of the Charity's work of sponsoring students to study at MBI could be more cost-effectively administered by setting up a formal scholarship scheme with MBI to award annual scholarships to students who are citizens and/or permanent residents of the UK, Europe, Asia, Africa or the British Commonwealth and who exhibit financial need using normal metrics for international students studying at MBI.

The Charity therefore entered into an Agreement with MBI on the 29th day of December 2011, setting up the terms of the Scholarship Scheme, to be Known as The Bellchambers Scholarship, and arranging for a lump sum of £4,460,000 to be set aside and held by Moody Bible Institute of Chicago as restricted funds and to apply the same strictly for The Bellchambers Scholarship Scheme, to the intent that sum of US \$770,000 (2016:\$868,000) were awarded to 58 students in the year ended 31 March 2018. It is expected that there will be 30 scholarships awarded in the 2018/2019 academic year.

Funds transferred are held by MBI separately from its own unrestricted funds. The balance of funds transferred are returnable to Moody UK in the event of a default or in the event that The Bellchambers Scholarship Scheme is not working. Moody UK will continue to monitor the Scheme and receive detailed reports on the progress of the students so sponsored, and will have the appropriate supervisory input to ensure that the administration of the Scheme is fully in accordance with the charitable purposes of Moody UK.

The outcome from the evangelism work in the UK has benefited many people.

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

Financial review

The movement of the Company's financial resources for the year to 31st March 2018 is shown in the Statement of Financial Activities on page 6. The highlights are:

- total net expenditure of £192,792 (including loss on sale of investments of £4,773);
- total expenditure of £200,060 (including direct charitable expenditure of £187,000);
- a decrease in the market value of investments held of £6,446; and
- a general fund of £423,898 carried forward.

Reserves Policy

It is the policy of the Company that unrestricted funds, which have not been designated for a specific use. Should be maintained at a level equivalent to at least six months' expenditure. It is also the policy of the Company to invest surplus liquid funds in short-term deposits which can be accessed readily.

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TRUSTEE'S REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

Trustees

The Trustees who served during the year, and since the year end, were as follows:

P H Johnson
I Leitch
K Heulitt
P J Martin

Trustees' responsibilities

The Trustees (who are also directors of Moody Bible Institute of the United Kingdom for the purposes 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 Charitable Company and of its incoming resources and application of resources for that period. In preparing these financial statements the Trustees are required to:

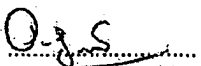
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any 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 charitable company will continue in business.

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.

Statement of disclosure to auditors

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustee's report was approved by the Board of Trustees.


P J Martin

Trustee

Dated: 9/12/18...

MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

Opinion

We have audited the financial statements of Moody Bible Institute of the United Kingdom (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet 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 March 2018 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 charity 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 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 trustee's 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 charity'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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

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 trustee's 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.

Responsibilities of Trustees

As explained more fully in the statement of trustee's responsibilities, the Trustees, who are also the directors of the charity 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 charity'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.

Beavis Morgan Audit Ltd

Beavis Morgan Audit Limited
Chartered Accountants
Statutory Auditor

17 October 2018

82 St John Street
London
EC1M 4JN

Beavis Morgan Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
<u>Income resources:</u>			
Investment income	3	18,487	16,353
<u>Expenditure on:</u>			
Charitable activities	4	187,000	126,000
Management	6	5,515	5,823
Finance costs, interest payable and other charges	6	6,052	3,780
Governance costs	6	1,493	3,420
Total resources expended		200,060	139,023
Net gains on investments		(11,219)	75,206
Net movement in funds		(192,792)	(47,464)
Fund balances at 1 April 2017		616,690	664,154
Fund balances at 31 March 2018		423,898	616,690

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.

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BALANCE SHEET

AS AT 31 MARCH 2018

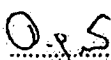
	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	7		398,222		504,466
Current assets					
Debtors	8	20,267		29,409	
Cash at bank and in hand		8,374		87,332	
		<u>28,641</u>		<u>116,741</u>	
Creditors: amounts falling due within one year	9	<u>(2,965)</u>		<u>(4,517)</u>	
Net current assets			25,676		112,224
Total assets less current liabilities			<u>423,898</u>		<u>616,690</u>
Income funds					
Unrestricted funds			423,898		616,690
			<u>423,898</u>		<u>616,690</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 24.1.18....


P J Martin
Trustee

Company Registration No. 05751702

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Charity information

Moody Bible Institute of the United Kingdom is a private company limited by guarantee incorporated in England and Wales. The registered office is Tenison House, 45 Tweedy Road, Bromley, Kent, BR1 3NF.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and 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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Under Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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.

1.3 Incoming resources

Income is recognised in the year in which the company is entitled to receipt.

Dividend income is recognised when the securities concerned are quoted ex-dividend.

1.4 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The Charitable Company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT. Management and administration expenses comprise costs of running the Charitable Company itself as an organisation.

Grants and donations payable are included in the Statement of Financial Activities when approved by the Trustees and agreed with the receiving organisation or individual. The value of any such grants unpaid at the year-end is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

1.5 Investments

Investments are included at the year end market value. Gain or loss on the revaluation of the investments are included in charity's fund.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity 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.

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 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.

1.8 Unrestricted general funds

General funds are unrestricted fund which are available for use at the discretion of the Trustees in furtherance of the general charitable objectives of the Charitable Company and which have not been designated for other purpose.

1.9 Foreign currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year-end. All differences are taken to the Statement of Financial Activities.

1.10 Taxation

The Charitable Company is a registered charity and is therefore exempt from taxation.

MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

2 Critical accounting estimates and judgements

In the application of the Moody Bible Institute of the United Kingdom'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.

3 Investment income

	2018	2017
	£	£
Income received from listed investments	16,733	15,353
Interest receivable on stock	1,754	1,000
	<u>18,487</u>	<u>16,353</u>

4 Charitable activities

	2018	2017
	£	£
Grants payable in the furtherance of the Charitable Company's objectives - scholarships to individuals	<u>187,000</u>	<u>126,000</u>

The grants made in the year included the following which were made to the Moody Bible Institute USA (MBI):

	Year ended 31 March 2018		Year ended 31 March 2017	
	No. of Scholarships	£	No. of Scholarships	£
Scholarships to cover fees of students at the MBI	-	-	-	-

5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

£6,052 (2017: £3,780) of expenses relating to travel were paid for by the Trustees and reimbursed by the Charitable Company during the year.

There were no employees during the year.

MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

6 Analysis of resources expended

	2018	2017
	£	£
Bank charges	45	-
Audit fee	1,000	2,500
Accountancy fee	448	920
Expenses of trustee meeting	6,052	3,780
Investment fund management charges	5,515	5,823
	<u>13,060</u>	<u>13,023</u>

7 Fixed asset investments

	Equities	Unit trusts	Fixed interest securities	2018 Total	2017 Total
	£	£	£	£	£
Valuation					
At 31 March 2017	232,978	214,746	56,742	504,466	614,097
Additions	9,079	14,000	-	23,079	91,057
Increase in market value of investments	(1,530)	1,344	(6,260)	(6,446)	63,270
Cost of disposals	(96,296)	(21,808)	-	(118,104)	(275,894)
Profit/(loss) on disposal	(4,019)	(754)	-	(4,773)	11,936
Reclassified within investments	(40,899)	(39,015)	79,914	-	-
At 31 March 2018	<u>99,313</u>	<u>168,513</u>	<u>130,396</u>	<u>398,222</u>	<u>504,466</u>

Investments represent primarily equity and fixed interest investments on the London stock exchange. The investments are held primarily to provide the charitable company with an investment return. The historical cost of investment assets is £315,687 (2017: £370,780).

8 Debtors

	2018	2017
	£	£
Cash held by investment manager	<u>20,267</u>	<u>29,409</u>

9 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals	<u>2,965</u>	<u>4,517</u>

MOODY BIBLE INSTITUTE OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Share capital

The Charitable Company is limited by guarantee and has no share capital. Every member of the Charitable Company guarantees to contribute a maximum of £1 on winding up, within one year after ceasing to be a member.

11 Related party transactions

No Trustee had any personal interest in any contract or transaction entered into by the charity during the year.

12 Ultimate controlling party

The ultimate controlling party is considered to be the Trustees as a body.