



**ELIM FOURSQUARE GOSPEL
ALLIANCE**

**CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED 30 September 2015**

LEGAL AND ADMINISTRATIVE DETAILS

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LEGAL AND ADMINISTRATIVE DETAILS

Charity registration

England and Wales 251549
Scotland SCO37754

Registered Office

De Walden Rd
West Malvern
Worcestershire
WR14 4DF

Property Trustee

The Elim Trust Corporation

Directors of the Elim Trust Corporation

Rev S Blount
Rev C P Cartwright (Chairman)
Rev C W Dye
Rev James J Glass
Rev G H Neale
Rev M Pugh

Rev D Campbell
Rev D Clarke
Rev S D Foster
Rev John J Glass (Chairman) – resigned May 2016
Rev K M Peat
Rev R Millar

National Leadership Team and Trustees

Rev D Campbell
Rev James J Glass
Rev C W Dye
Rev S D Foster
Rev S Blount
Rev D Clarke

Rev John J Glass (Chairman) – resigned May 2016
Rev M Pugh
Rev G H Neale
Rev K M Peat
Rev C P Cartwright (Chairman)

Principal Officers

General Superintendent

Executive Director
International Missions Director
Irish Superintendent
Principal of Regents Theological College
Director of Church Development
Evangelism Director
National Director of Youth Ministries
Administrator / Secretary
Finance Director

Rev John Glass – resigned May 2016
Rev C P Cartwright – appointed May 2016
Rev Alun Matthias – appointed January 2015
Rev Paul Hudson
Rev Edwin Michael
Rev David Newton - appointed January 2015
Rev Carl Beech - resigned December 2015
Rev Gary Gibbs
Rev Tim Alford
Rev Sarah Bale - appointed November 2014
Rev Robert Millar

LEGAL AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
130 High Street
CHELTENHAM
Gloucestershire
GL50 1EW

RBS/ National Westminster Bank Plc
31 Promenade
CHELTENHAM
Gloucestershire
GL50 1LH

Solicitors

Anthony Collins Solicitors LLP
134 Edmund St
Birmingham
B3 2ES

dfLegal
1 North Place
Cheltenham
Gloucestershire
GL50 4DW

Bates Wells & Braithwaite
2-6 Cannon Street
London
EC4M 6YH

Auditors

Grant Thornton UK LLP
Registered Auditors
11 – 13 Penhill Road
Cardiff
CF11 9UP

Other advisers

Pension Fund Solicitors

Dickinson Dees
NEWCASTLE
NE1 3DX

Pension Fund Administrators

Punter Southall
Wellbar Central
Gallowgate
Newcastle
NE1 4TD

Pension Fund Actuaries

Punter Southall
33-35 Queen Square
Bristol
BS1 LU

Solicitors in Scotland

Beveridge Philip & Ross
22 Bernard St
Leith
EDINBURGH
EH6 6PS

Solicitors in Northern Ireland

Cunningham and Dickey
68 Upper Church Lane
BELFAST
BT1 4LG

REPORT OF THE TRUSTEES

Objectives and policies

The overall objective of the Alliance is the "Propagation of the Gospel of Jesus Christ". Each and every activity included in these financial statements represents our present endeavours to that end. Some of the means set out for the achievement of these objects are the training and sending out of Ministers and Evangelists, the establishment of Churches, the issue of Christian publications and operating of community and social programs.

Public Benefit

The Trustees have considered the Charity Commission's guidelines on public benefit and have reviewed the charities activities to ensure that they provide benefit to the public. In shaping and planning our activities the trustees always ensure that the programmes we undertake are in line with our main objective.

Constitution and legal status

The constitution of Elim Foursquare Gospel Alliance ("the Alliance") was established by a Deed Poll registered on 10 April 1934, as amended by Deeds of Variation dated 14 January 1942 and 12 September 2007 and a Deed disclosing the Irish Constitution in 1942. The Alliance is a registered charity in England and Wales (charity registration number 251549) and in Scotland (SCO37754)

Branches, connected trusts and subsidiary companies

The following entities are connected with Elim Foursquare Gospel Alliance.

Name	Country of Incorporation	Relationship	Address	Activity
Elim Church Incorporated	England & Wales	Common Directors	Elim International Centre De Walden Rd West Malvern WR14 4DF	Act as an association of churches to promote the Christian religion.
Elim Trust Corporation	England & Wales	Common Directors / Trustee	Elim International Centre De Walden Rd West Malvern WR14 4DF	Elim Trust Corporation acts as a Property Trustee for Elim Foursquare Gospel Alliance.
Elim Pentecostal Alliance Council	Northern Ireland	Common Directors / Trustee	Elim Corporate Office 14 Charlestone Ave PORTADOWN N Ireland BT63 5ZF	Trustee for certain properties in Northern Ireland
EPC Services Limited	England & Wales	Wholly owned subsidiary	Elim International Centre De Walden Rd West Malvern WR14 4DF	Carries out any trading aspect of the Alliance in relation to insurance and conferences and building development

A list of addresses and contacts for local churches is available from the Registered Office of the Alliance, or from the Charity website at www.elim.org.uk. This list includes details of churches associated through the Elim Church Incorporated (see above table).

Local churches are branches set up to conduct the business of the main charity in fulfilling its objectives.

Investments / management of resources

Agreement has been reached with the main bankers to the effect that an allowance is made on the credit balances held in current accounts which is then applied towards subsidising bank charges levied on church accounts.

REPORT OF THE TRUSTEES

Reserves Policy

The Alliance continues to hold general reserves, of which a significant proportion relates to provision of fixed assets. The general reserves are maintained in order to provide for the future operations of the charity, in recognition of the fact that its income mainly comes from voluntary sources. The present level of Free Reserves would support the activity of the Alliance for approximately six months if no further income were to materialise. The Reserves as at the 30 September 2015 are detailed on the Balance Sheet on page 17.

Payment Policy

Payment to suppliers is generally made within the terms agreed on confirmation of order for goods or services.

Funding

The Trustees are satisfied that the charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds. While individual activities are generally constructed so as to be self-funding the Trustees reserve the right to allocate finance from general unrestricted funds where this is felt to be essential or beneficial towards the fulfilment of our objectives.

Communication and Involvement of Members

The Alliance has continued its practice of maintaining communication to churches and their ministers and officers, on matters affecting them in fulfilment of their roles, and financial and statutory factors impacting the Movement as a charity.

Direction Magazine continues to serve as a general news vehicle to the members and the general public.

A monthly circular, "NETWORK" contains updates on issues of charity administration, including statutory developments, employment issues, etc. This despatch also includes communications from various other Christian organisations with whom we network. A database of email details is also maintained which facilitates correspondence on more pressing issues.

The Conference Agenda includes annual reports from Alliance officers and departments together with the Financial Statements and copies are supplied to all ministers and church lay representatives. Members of Conference, individually or on behalf of their church, are able to add items to the agenda or raise comment on others, for discussion during the Conference sessions.

Our central website www.elim.org.uk is continually updated. All the central departments publish their own site, as do most of our churches throughout the UK.

An online advice service ElimNET is maintained which focuses on administrative information and guidance for church leaders and officers, covering a wide range of topics including taxation, Health and Safety, and Gift Aid procedures. Much of the information is available for download in PDF format. The national ministry departments also use the site to disseminate resources and communicate policy.

The General Superintendent publishes regular separate podcasts to ministers, church elders, and members.

Annual reviews on administrative matters are issued to treasurers and church administrators.

The Alliance has 10 Regions across the UK. Each is supervised by a Regional Leader / Superintendent, and has a co-ordinating committee made up from ministers and individuals from churches in that region. These regions have established their own local communications programs.

The activities of the Alliance would be impossible without the willing and generous participation of its members and friends. It would be impossible to number those involved, but research has shown that at least 60% of members will be directly involved in regularly sharing responsibilities in the activities of the

REPORT OF THE TRUSTEES

Church. We would place on record our wholehearted appreciation for this ongoing support and look forward with our members to enjoying the fruit of their labours.

GOVERNANCE

Conference: The legislative body is the Conference, which meets at least annually and is comprised of a Representative and a Ministerial Session. The Representative Session consists of all ministers, and lay representatives appointed by the Churches. The Ministerial Session, which consists of ministers only, deals with all ministerial and pastoral subjects. All other matters, including the making of General Rules and Working Arrangements, are exclusively within the province of the Representative Session.

National Leadership Team: The National Leadership Team (NLT) is appointed from among members of the Conference. The General Superintendent is nominated by the NLT of the day and submitted to Conference for a confirmatory vote. The individual so appointed serves for four years but is eligible for re-election. The General Superintendent nominates the members of the NLT on a rotational basis and these nominees are again subject to a confirmatory vote of the Conference, and successful candidates serve for four years. All the Ministers, and Lay Representatives from each Church, have votes in the election, which is conducted by postal ballot. Members of this team serve as trustees of the Alliance and meet at least five times per annum and are responsible for ensuring that procedures and working arrangements of the Constitution are applied in the activities of the Alliance and in the course of administration of the affairs of the Alliance.

Officers and Committees are also appointed to help the smooth running of the various Departments.

Management Board: This body is constituted by Conference and consists of the three members of the National Leadership Team, the Executive Director, the Administrator, the Finance Director and up to three Lay appointments which are approved by the National Leadership Team. The Board is responsible for supervision and monitoring the management and application of the charity's assets, and also operates as the Audit Committee for the Alliance. The Lay representatives on the board also serve as the **Salary Committee** for the Charity.

Regions: These are comprised of groups of churches. A Regional Leader supervises two regions, with the support in each of a regional co-ordinator and regional committee. The Committee consists of the Regional Co-ordinator, four co-optees and four members appointed from within the region.

Church Leadership Teams: Responsible for the administration and management of the local Churches, general purposes, finances and personnel. Capital projects and expenditure require the approval of the NLT / Management Board. Appointments to the Church Session and appointments of church officers are governed by the local Church Constitution.

Trustees / Directors

The Elim Trust Corporation, a company limited by guarantee, was legally constituted to serve as a trustee for the Alliance in matters of property and business. A few properties are still held in trust for the Alliance by local trustees under the terms of a Model Trust Deed, and a further few properties are held under the auspices of the Elim Pentecostal Alliance Council. Most of these properties have been transferred under the auspices of the Elim Trust Corporation, and the process will continue for the remainder.

The members of the National Leadership Team listed on page 1 and the Finance Director are the directors and served throughout the year unless a termination of office or appointment date has been reported. The Executive Director serves as Company Secretary.

Following discussions with the Charity Commissioners and since the constitutional changes confirmed by conference in prior years the members of the NLT are also now effectively trustees of the Alliance.

REPORT OF THE TRUSTEES

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the charity may continue. It is the policy of the charity that training, career development and promotion opportunities should be available to all employees.

Risk Management

The Alliance has historically been very pro-active in risk management. Current policies are subject to review by the NLT and Management Board. It is the responsibility of the Principal Officers to identify and assess areas of risk and formulate necessary controls and procedures.

The main procedures adopted by the Alliance include:

- Committee structure with regular meetings
- Detailed terms of reference for each committee, together with formal agendas and minutes of all meetings.
- Accountability of all national officers and lines of reporting clearly established.
- Formal written policies and operational requirements and developing database to monitor compliance.
- Retaining third party consultants in particularly sensitive areas such as Human Resources and Child Protection etc.
- Regular update training for trustees and officers.
- Budget and management accounting and regular finance reporting
- Strong internal controls
- Subscription to relevant journals, literature and regular "watchdog" reports from various advisors
- The development of the ElimNET website resource to keep local church ministers and administrators informed and updated.
- The provision of charity specific insurance policies covering not only fixed assets of the Alliance but also major public and employment liabilities.
- Full Health and Safety processes for Community programs, including Nurseries and playgroups etc to Ofsted requirements.
- Detailed process for Capital Projects ensuring financial viability and investment value.

The trustees recognise that the scope of our ministry and activity brings considerable responsibility and take seriously the need to ensure that the testimony of the Alliance is maintained at a high level and are satisfied that the major risks have been identified and the relevant processes are in place to manage those risks as far as humanly possible.

Grant Policy

No donations were made to political organisations. Grants to external bodies are only made to those organisations and activities, which are compatible with our charitable objectives. Grants to individuals are in keeping with the parameters of the relevant fund and restricted to those participating in ministry within the Alliance activities, or to alleviate poverty or hardship circumstances. Other national or central funds have been established from which grants are made to Elim churches towards the furtherance or maintenance of their activities.

Policy on funding of overseas activities

The Alliance maintains support for ministry and community projects overseas, both through its central Elim International Missions department and from local church resources. Many of the mission fields have now been developed and established with local indigenous government, operating under the statutory requirements of their national laws and regulations. The administration and application of the funds has therefore been placed in the hands of national leaders. Funding made available to other charities in respect of relief work etc is donated as restricted funds to the receiving charity. Such receiving charities are vetted by the International Missions Department and subject to approval by the National Leadership

REPORT OF THE TRUSTEES

Team. Payments can only be made to subsequently approved organisations and individuals, All funds to third parties overseas are processed through the offices of the International Missions.

Subsidiaries

EPC Services Ltd has traditionally operated to serve our needs in areas of commercial activity particularly Elim Leadership Summit and sundry trading activities. During the year the company ceased to provide the consultancy services on property development and architectural design for the churches of the Alliance.

Review of performance for the year

Fuller reports of the performance from the perspective of the Alliance officers and leaders of national departments are submitted separately in the annual Report to Conference, and those reports should be regarded as integral to these statements.

Due diligence and good stewardship continue to be the order of the day. The accounts again reflect a steady performance overall. The Alliance has maintained its level of operation and ministry in the continuing uncertain economic climate but has also embarked on a substantial programme to pioneer and plant new churches through the UK, financed mainly from the funds designated to the TBCA Fund, initiated as part of our special Centenary celebrations in 2015.

In January about 1000 leaders met at Birmingham Christian Centre for a "Consecration Service" as the launch event for Elim100 centenary celebrations.

A series of major events, in each Region, have been planned to occur from October to December 2015 alongside numerous local church projects. Serious 4 God are planning to hold at least 100 "mini-Gatherings" over one weekend!

Under the new TBCA church planting and pioneer program over fifty new church centres have been initiated. It has been very encouraging to see the commitment and enthusiasm of everyone involved:

Churches releasing members to launch new churches in other areas
Musicians and singers
Street ministries
Financial support

Lloyds and RBS/NatWest continue to be our main bankers. The review of facilities with RBS was completed in January 2015 and the new servicing arrangements have operated since then. The Lloyds agreement was restructured in January 2014 and we are considerably in advance of targets having already achieved 2018 objectives. In summary these arrangements provide for clearance of current long term liabilities within 15 years with provision for earlier lump sum repayment.

The facilities are fully secured by charges against Fixed Assets based on a Loan to Value minimum ratio of 70%. For new church projects requiring funding, support is provided by individual facilities from the banks, subject to Management Board approval on a viable business plan. Full advice for churches on the process is provided on ElimNET

During the year over 30 capital projects have been undertaken at a cost of approximately £6.1m (2014; £5m). Other than £3m provided by Lloyds the balance has been covered directly from Elim resources, namely Elim Loans Administration and local church funds. £5.4m was expended on 10 major projects for purchase or construction of new premises, while over 20 smaller schemes for renovation and refurbishment were completed at a cost of £770k.

Property assets are included at 1998 valuation and cost on additions since then. Recent extensive valuation exercises indicate a conservative potential current value of £279m against disclosed Balance Sheet amount of £190m (2014 : £187m).

REPORT OF THE TRUSTEES

Though we do not process revaluation assessments through the accounts we continue to apply an annual depreciation charge. Considerable sums are expended annually on maintenance and refurbishment of Alliance properties - £3.1m in the current year (2014 : £2.97m).

Revenue performance of the various activities are summarised in notes 1 to 4 (Income) and notes 5 to 8 (Expenditure).

Excluding the adjustments for FRS17 in respect of Pension Fund the results by way of **net incoming resources** accumulated £3.85m as against £6.78m in 2014, however last years performance benefited from extraordinary property sales generating a profit of £3.15m.

Overall income excluding Profit on sale matched 2014 performance.

Analysis of our core income from donations showed a very small increase though it is evident that areas of increase revolve around the stronger commitment of Gift Aid and more specific designated gifts. The impact of the "cashless society" is now clearly impacting us hence the increased program to provide for and encourage digital giving. However it does remain to be said that once again our members and friends have demonstrated their faithfulness and commitment by maintaining their support at this level.

Ancillary programs stayed strong through 2015, maintaining income levels of just over £18.7m (2014 : £18.2m), a 3% increase a commendable achievement in an increasingly competitive sector and reducing grant levels.

We are delighted that our Churches still look for opportunities to serve the practical needs of their communities, not only by making their buildings more accessible but also continuing to provide extensive care programs

Charitable Activities such as bookshops, cafes, etc. continue to provide churches with opportunities to interact with their communities while at the same time proving to be a consistent fundraiser, though this year saw a 10% decrease to £1.4m from 2014 level of £1.57m.

Similar to the performance on Income overall **expenditure** for the current year of £61.5m matched the preceding year total of £61.4m

As can be seen from **Note 6a** to the accounts Elim continues to commit to maintaining a high level of activity in ministry serving not only their congregations but also their wider communities. 87% (2014: 84%) of total income is applied to our church activities and programs.

The specific areas of costs incurred are summarised in the following table (Note 6b)

		Central Funds 2015	Churches 2015	Total % against 2015 prior year	Total 2014	
6b Summary by Costs						
Personnel costs	8	5,557,352	21,348,690	26,906,042	3.0	26,113,046
UK Events and ministry programs		978,961	6,882,193	7,861,154	-1.5	7,983,619
UK ancillary and community programs	6c	629,089	3,274,401	3,903,490	28.8	3,030,316
Overseas ministry		1,919,644	521,791	2,441,435	56.3	1,562,290
Training and development		43,543	236,312	279,855	0.3	279,044
Literature and material		4,831	220,982	225,813	-21.2	286,432
Premises costs		668,706	7,224,088	7,892,794	-26.5	10,745,115
Utilities costs		360,855	1,634,733	1,995,588	-3.1	2,059,871
Equipment costs		739,412	1,071,031	1,810,443	33.5	1,355,836
Office and administration costs		368,739	1,509,516	1,878,255	-10.2	2,090,810
Grants Made	6d	243,766	1,372,232	1,615,998	4.1	1,552,926
		11,514,898	45,295,969	56,810,867		57,059,305

REPORT OF THE TRUSTEES

As usual the major expend relates to remuneration for the personnel who faithfully serve in many expressions of ministry both in the UK and overseas.

International Missions continue to enhance and expand their activities overseas. Expenditure in the year increased by 53%.

Elim continues to invest in training for both ministers and laity. Besides the ministry of Regents Theological College, the new Director of Training Dave Newton has launched a successful series of seminars to support leadership development.

The national corporate arrangements with Kingdom Utilities has continued to reap benefit in a further reduction in Energy costs. However the recent changes by local Water Boards has seen a major reduction in discounts to charities (not just churches) during the year and this will continue to impact in the coming financial year.

Property Maintenance and Depreciation account for approximately 50% of Premises costs. The increasing statutory requirements relative to public buildings is a major factor as we seek to ensure the necessary compliance. Churches should continue to be alert to the ongoing changes in local council attitudes to relief for general rates / council tax on church premises.

Grants totalling £802k (2014: £780k) were made to individuals with a balance of £813k being to non-Elim charities and ministries, whose objectives were compatible with our own.

As indicate on the title page of these statements this report reflects the consolidated efforts and activities of the full spectrum of the Alliance. We pride ourselves in the concept of the Elim "Family". In many ways these statements do not do justice to the scope of ministries and programs operative at local church level. We are very mindful that they constitute a consolidation of the activities of individual churches and ministries together with those of Central Funds. Each activity has to deal with its own peculiar situation and local spiritual and economic climate. The consistency of the corporate performance therefore reflects the positive and active commitment at every level to the fulfilment of the charity objectives of the Elim Foursquare Gospel Alliance in the spread of the impact of the Gospel of Jesus Christ.

For the financial years to 2016 and 2017, we have identified the following goals:

- To facilitate strategic reviews following the appointment of Chris Cartwright as the General Superintendent.
- TBCA - The Big Centenary Ask – Following the launch of the fund in 2014 we will continue to support initiatives to plant churches and expand evangelistic programmes.
- Expand involvement by churches in community programs by way of demonstration of the Gospel of Jesus Christ.
- To continue the review of charity administration and to initiate the implementation of any conclusions.
- To maintain successful management and marketing strategies implemented in the activities of Regents Theological College and to pursue a new dimension on future strategy.
- To develop individuals for all aspects of ministry and church leadership.
- Serious4God will consider new programs to encourage churches with minimal youth works
- Elim International Missions will continue pursue their vision of core concepts and strategy particularly with regard to fundraising but also maintain their programme to launch of new fields of operation and placements of new missionary personnel.
- To finalise the review of processes relative to local church finance reporting to bring forward the date of submission of charity returns by a minimum of two months for the 2016 financial year
- Continue to develop the admin website, ElimNET, providing church officers with immediate access to resources and guidance and facilitate compliance reporting. To expand the online provision of resources for ministry leaders.
- To review existing funding arrangements to ensure sustainability of ministry programs and to meet the demands of growth.

REPORT OF THE TRUSTEES

Above all we seek to ensure that the primary objective of spreading the Gospel of Jesus Christ remains our first concern and major motivation, and that all ministries and projects are encouraged in fulfilling this "Great Commission".

Trustees' responsibilities for the financial statements

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and the Charities and Trustees Investment (Scotland) Act 2005 require the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources, and application of resources, including the income and expenditure, of the group for that period. This is achieved through the role of the National Leadership Team.

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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities and Trustees Investments (Scotland) Act 2005 and the Charity (Accounts and Reports) Regulations and the Constitution of the Alliance. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the National Leadership Team have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors.

Signed by order of the National Leadership Team



FINANCE DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ELIM FOURSQUARE GOSPEL ALLIANCE

We have audited the financial statements of ELIM Foursquare Gospel Alliance for the year ended 30 September 2015 which comprise the accounting policies, the consolidated statement of financial activities, consolidated and charity balance sheet, consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under sections 151 of the Charities Act 2011 and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 30 September 2015 and of the group's incoming resources and application of resources, including its income and expenditure 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff

28 July 2016

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Constitution of the Alliance, applicable accounting standards, and recommendations in the Statement of Recommended Practice: Accounting by Charities (the SORP), except as noted below.

They have been prepared under the historical cost convention except that certain freehold properties are shown at their previously revalued amounts.

The principal accounting policies of the Alliance are set out below, and have not changed from the previous year.

The financial statements represent the consolidated performance and position of the charity. The results for the trading subsidiaries are not significant in the context of the group, and any breakdown would not bring additional benefit to readers of the statements. Financial statements for the subsidiaries have been prepared, audited and submitted to the relevant statutory bodies. The charity has taken advantage of the provisions of paragraph 397 of the SORP and has not presented a separate Statement of Financial Activities for the charity.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the charity and its subsidiary undertakings drawn up to 30 September 2015. All intra-Alliance transactions and profits are eliminated on consolidation, unless indicative of an underlying impairment.

The results of the charity's charitable trading income have been incorporated on the basis of the summary income and summary expenditure.

The results of the local churches have been incorporated on a line by line basis.

Funds administered by overseas activities have been excluded in accordance with current policy.

BRANCHES

The financial statements of the charity incorporate those of all funds and branches which are governed by the terms of the Constitution of the Alliance. Branch returns and accounts have been prepared, and either examined or audited in accordance with the turnover limits provided by the Charities Act, by independent examiner and auditor.

INCOMING RESOURCES

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable. There are no donor-imposed restrictions as to the timing of the related expenditure.

Legacies are included when certain and the value can be measured with sufficient reliability.

Gifts-in-kind are accounted for at the trustees' estimate of value to the charity or sale value as follows:

- assets received for distribution by the Alliance are recognised only when distributed
- assets received for resale are recognised, where practicable, when receivable or otherwise when sold
- gifts of fixed assets for charity use, or funds for acquiring fixed assets for charity use are accounted for (as restricted funds), immediately on receipt.

ACCOUNTING POLICIES

Voluntary help is not included as income.

Cash collected to which the charity is legally entitled but which has not been received at the year end is included as income.

Donations under Gift Aid are credited as income when the donations are received. The associated income tax recoveries are also included on confirmation of the amount reclaimable by Her Majesty's Customs and Revenue.

All income on trading activities is the total amount receivable by the Alliance in the ordinary course of business for goods supplied and for services provided, excluding VAT. All income is recognised when the services are performed.

Contributions re Capital projects

Donations and gifts designated to major building renovation and refurbishment programs are included on receipt and treated as restricted funds until applied for their specific purpose. They are treated as unrestricted where although a preference of the donor is specified, a legal restriction has not been created by law.

Grants receivable

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipts have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Investment income

Investment income is recognised when receivable.

RESOURCES EXPENDED

Expenditure which is charged on an accruals basis is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objectives (direct charitable), including management and administration
- expenditure incurred directly in the effort to raise voluntary contributions (fundraising and publicity)
- Refurbishment or renovation costs on properties valued in October 1998 are not capitalised but included in as expenditure on the Statement of Financial Activities
- The purchase of properties overseas from funds provided by the International Missions Board is included in the statements under restricted funds expenditure and not as tangible fixed assets, except where held on behalf of the Board by the Elim Trust Corporation.

ACCOUNTING POLICIES

FUND ACCOUNTING

Restricted funds are applied for specified purposes laid down by the donor. The restriction on these funds is fulfilled on application to their specific purpose, and the expenditure for those purposes is charged to the fund. On Elim Relief Association 10% of income is allocated to the International Missions Fund in respect of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation, net of depreciation. No depreciation is charged during the year of acquisition, or period of construction. Under the transitional arrangements of Financial Reporting Standard 15: Tangible Fixed Assets, the Alliance will treat the revalued amount as the base cost and will not update the book value with subsequent valuations.

Website development costs are written off as incurred to the Statement of Financial Activities and not capitalised due to there being insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period or into the future.

Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets held for charity use other than freehold land, by equal annual instalments over their expected useful lives. The periods generally applicable are:

Freehold properties	0.79% reducing balance from June 1999 on valuation, or on cost incurred since that date
Leasehold properties	Period of lease
Plant and machinery	3 to 5 years
Fixtures and fittings	10 years

In accordance with FRS15 "Tangible Fixed Assets", assets in the course of construction are not depreciated. Depreciation will occur when assets in the course of construction are ready for use, being when the physical construction is complete.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the statement of financial activities.

ACCOUNTING POLICIES

BORROWINGS

Bank borrowings are stated net of issue costs. All attributable issue costs are amortised over the term of the loan.

Bank borrowings are secured by charges on certain properties of the Alliance as disclosed in note 15.

The borrowings are included within long term loans except for the element that is due within 12 months which is separately disclosed on the face of the Balance Sheet.

CONTRIBUTIONS TO PENSION FUNDS

Defined Benefit Scheme

The pension costs charged in the year are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities once the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs. Actuarial gains and losses are recognised immediately in the general fund through other gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the charity, in separate trustee administered funds. Pension scheme assets are measured at fair values and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

Consolidated Statement of Financial Activities
incorporating Income and Expenditure Account

	note	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
INCOMING RESOURCES					
Activities for generating income					
Voluntary Income	1	42,071,127	2,393,390	44,464,517	45,438,473
Income generated by ancillary programs	2	18,724,777		18,724,777	18,181,878
Income from charitable activities	3	1,406,566		1,406,566	1,572,300
Other Income resources	4	738,369		738,369	3,152,727
Total incoming resources		62,940,839	2,393,390	65,334,229	68,345,378
RESOURCES EXPENDED					
Costs of generating income	5	3,342,817		3,342,817	3,188,739
Charitable Activities	6	54,522,281	2,288,586	56,810,867	57,059,305
Governance Costs	7	1,325,586		1,325,586	1,024,116
FRS17 Costs		22,000		22,000	148,000
		59,212,684	2,288,586	61,501,270	61,420,160
Net incoming resources for the year		3,728,155	104,804	3,832,959	6,925,218
Actuarial Gain/(Loss) on Defined Benefit Scheme		2,228,000		2,228,000	(6,188,000)
Fund balances at 1 October 2014		130,050,690	511,337	130,562,027	129,824,809
Fund balances at 30 September 2015		136,006,845	616,141	136,622,986	130,562,027

All of the activities of the charity are classed as continuing

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2015

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2015

	Note	Unrestricted Funds 2015	Restricted Funds 2015	Total Funds 2015	Total Funds 2014
		£	£	£	£
Fixed Assets					
Tangible fixed assets	9	189,959,923		189,959,923	187,133,952
Long term loans advanced	12	991,377		991,377	1,019,171
		<u>190,951,300</u>	<u>0</u>	<u>190,951,300</u>	<u>188,153,123</u>
Current Assets					
Stocks	10	43,768		43,768	58,024
Debtors	11	1,270,115		1,270,115	926,936
Cash at bank and in hand	13	17,088,101	616,141	17,704,242	12,272,443
		<u>18,401,984</u>	<u>616,141</u>	<u>19,018,125</u>	<u>13,257,403</u>
Current Liabilities					
Creditors	14	1,226,201		1,226,201	1,177,563
Current portion on long term loans	15	1,884,702		1,884,702	400,000
		<u>3,110,903</u>	<u>0</u>	<u>3,110,903</u>	<u>1,577,563</u>
Net current assets		<u>15,291,081</u>	<u>616,141</u>	<u>15,907,222</u>	<u>11,679,840</u>
Total assets less current liabilities		<u>206,242,381</u>	<u>616,141</u>	<u>206,858,522</u>	<u>199,832,963</u>
Long term loans received and other liabilities	15	53,435,536		53,435,536	50,264,936
Pension obligations		16,800,000		16,800,000	19,006,000
		<u>136,006,845</u>	<u>616,141</u>	<u>136,622,986</u>	<u>130,562,027</u>
Reserves					
General free reserves		34,967,160		34,967,160	31,593,674
General property reserves	17	117,839,685		117,839,685	117,463,016
Restricted funds	16		616,141	616,141	511,337
Pension Reserve		(16,800,000)		(16,800,000)	(19,006,000)
		<u>136,006,845</u>	<u>616,141</u>	<u>136,622,986</u>	<u>130,562,027</u>

These financial statements were approved by the National Leadership Team on
and signed on its behalf by



Robert Millar, Finance Director

28 July 2016

The accounting policies on pages 12 to 15 and the notes on pages 20 to 30 form part of these financial statements.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2015

CHARITY BALANCE SHEET AS AT 30 SEPTEMBER 2015

	Note	Unrestricted Funds 2015	Restricted Funds 2015	Total Funds 2015	Total Funds 2014
		£	£	£	£
Fixed Assets					
Tangible fixed assets	9	189,959,923		189,959,923	187,130,352
Long term loans advanced	12	991,377		991,377	1,019,171
		<u>190,951,300</u>	<u>0</u>	<u>190,951,300</u>	<u>188,149,523</u>
Current Assets					
Stocks	10	43,768		43,768	58,024
Debtors	11	1,361,667		1,361,667	1,134,152
Cash at bank and in hand	13	16,973,184	616,141	17,589,325	12,170,594
			<u>0</u>	<u>0</u>	<u>-</u>
		<u>18,378,619</u>	<u>616,141</u>	<u>18,994,760</u>	<u>13,362,770</u>
Current Liabilities					
Creditors	14	1,279,157		1,279,157	1,332,578
Current portion on long term loans	15	1,884,702		1,884,702	400,000
		<u>3,163,859</u>	<u>0</u>	<u>3,163,859</u>	<u>1,732,578</u>
Net current assets		<u>15,214,760</u>	<u>616,141</u>	<u>15,830,901</u>	<u>11,630,192</u>
Total assets less current liabilities		<u>206,166,060</u>	<u>616,141</u>	<u>206,782,201</u>	<u>199,779,715</u>
Long term loans received and other liabilities	15	53,435,536		53,435,536	50,264,936
Pension obligations		16,800,000		16,800,000	19,006,000
		<u>135,930,524</u>	<u>616,141</u>	<u>136,546,665</u>	<u>130,508,779</u>
Reserves					
General free reserves		34,890,839		34,890,839	31,544,026
General property reserves	17	117,839,685		117,839,685	117,459,416
Restricted funds	16		616,141	616,141	511,337
		<u>(16,800,000)</u>		<u>(16,800,000)</u>	<u>(19,006,000)</u>
		<u>135,930,524</u>	<u>616,141</u>	<u>136,546,665</u>	<u>130,508,779</u>

These financial statements were approved by the National Leadership Team on
and signed on its behalf by



Robert Millar, Finance Director

28 July 2016

The accounting policies on pages 12 to 15 and the notes on pages 20 to 30 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Note	2015	2015	2014	2014
Net cash inflow from operating activities		4,466,648		6,227,047
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(6,152,274)		(5,057,356)	
Sale of tangible fixed assets	2,434,329		11,302,865	
Repayments of loans made	27,794			
Net cash inflow/(outflow) on capital projects		(3,690,151)		6,245,509
		776,497		12,472,556
Financing				
Increase/(decrease) in borrowing		4,655,302		(9,761,748)
Increase in cash		5,431,799		2,710,808
Reconciliation of changes in resources to net cash inflow/outflow from operating activities				
	2015		2014	
Net Incoming/outgoing resources	3,832,959		6,925,218	
Depreciation	1,630,343		1,398,628	
Profit on sale of tangible fixed assets	(738,369)		(3,152,727)	
Impairment of fixed asset investment	0		0	
(Increase)/decrease in stock	14,256		(5,738)	
(Increase)/decrease in debtors	(343,178)		1,304,261	
Decrease in creditors	48,637		(102,595)	
Adjustments in pension costs	22,000		(140,000)	
Net cash inflow from operating activities		4,466,648		6,227,047
Analysis of changes in cash in the year				
	1 October 2014	Cash flows	30 September 2015	
Cash in hand, at bank	12,272,443	5,431,799	17,704,242	
	12,272,443	5,431,799	0	17,704,242
Reconciliation of net cash flow to movement in net debt				
	2015		2014	
Increase in cash in the year	5,431,799		2,710,808	
Cash (inflow)/outflow from financing	(4,655,302)		9,761,748	
Movement in net debt	776,497		12,472,556	
Net debt at 1 October 2014	(38,392,493)		(50,865,049)	
Net debt at 30 September 2015	(37,615,996)		(38,392,493)	
Analysis of net debt				
	1 October 2014	Movement	30 September 2015	
Long term loans received	(50,264,936)	(3,170,600)	(53,435,536)	
Long term loans received repayable within one year	(400,000)	(1,484,702)	(1,884,702)	
	(50,664,936)	(4,655,302)	(55,320,238)	
Cash in hand, at bank	12,272,443	5,431,799	17,704,242	
	(38,392,493)	776,497	(37,615,996)	

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
	£	£	£	£
1. 'Activities for generating income				
1. Voluntary Income				
General Gifts and Offerings	889,189	18,633,799	19,522,988	20,355,756
Gift Aid donations and tax rebate	592,317	19,673,646	20,265,963	20,196,142
Designated gifts and offerings	607,815	1,977,417	2,585,232	2,469,139
Legacies	136,189	402,182	538,371	696,271
Grants received	117,645	1,385,776	1,503,421	1,601,814
Other donations	0	48,542	48,542	119,351
	2,343,155	42,121,362	44,464,517	45,438,473

1a. Grants received

Grants received from external sources during the year to 30 September 2015 and for the year to 30 September 2014, are included under income. We welcome and appreciate the support from the various grant makers and while the individual amounts are of considerable import to the relevant individual activity, the number involved renders it impracticable to list donors in detail. Branches report in more detail and we will schedule the more material grants received.

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
2. Income from ancillary programs				
Hire of premises	157,260	2,531,836	2,689,096	2,786,659
Church Seminars etc	370,164	2,282,335	2,652,499	1,892,523
Ministry and Skills training	2,238,248	0	2,238,248	2,512,724
Community Programs	172,533	437,250	609,783	0
Childcare programs	0	5,957,437	5,957,437	5,955,643
Nursing Homes	2,939,451	0	2,939,451	2,870,940
Other ancillary activities	988,294	649,969	1,638,263	2,163,389
	6,865,950	11,858,827	18,724,777	18,181,878

A proportion of the income for childcare and community programs is derived from Local Authority support for payment of fees on behalf of beneficiaries.

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
3. Income from charitable activities				
Coffee shops	0	457,534	457,534	420,815
Bookrooms	0	184,358	184,358	241,567
Charity shops	0	475,915	475,915	475,422
Sundry Activities	53,641	(45,484)	8,157	289,150
Interest Received	7,434	273,168	280,602	145,346
	61,075	1,345,491	1,406,566	1,572,300

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
4. Other Income resources				
Profit on sale of assets	738,369	0	738,369	3,152,727
	738,369	0	738,369	3,152,727
Total incoming resources	10,008,549	55,325,680	65,334,229	68,345,378

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
5. Costs of generating Income				
Promotion and publicity	58,070	212,143	270,213	228,351
Interest paid	2,127,564	0	2,127,564	1,922,251
Bank Charges	232,556	0	232,556	352,989
Taxation	0	0	0	0
Coffee shops	0	344,349	344,349	277,301
Bookrooms	89,588	48,551	138,139	171,412
Charity shops	0	229,996	229,996	236,435
	2,507,778	835,039	3,342,817	3,188,739

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
6. Charitable Activities Expenditure				
6a. Summary by Activity				
General church activity and ministry costs	4,701,808	38,024,620	42,726,428	45,088,955
Evangelistic events and programs	188,616	712,282	900,898	1,016,540
Youth events and programs	274,470	1,390,646	1,665,116	1,604,734
Overseas Missions	2,874,071	521,791	3,395,862	2,213,369
Training	2,603,075	0	2,603,075	2,552,465
Grants Made	243,766	1,372,232	1,615,998	1,552,926
Ancillary Programs	629,089	3,274,401	3,903,490	3,030,316
	11,514,895	45,295,972	56,810,867	57,059,305

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
6b Summary by Costs				
Personnel costs	5,557,352	21,348,690	26,906,042	26,113,046
UK Events and ministry programs	978,961	6,882,193	7,861,154	7,983,619
UK ancillary and community programs	629,089	3,274,401	3,903,490	3,030,316
Overseas ministry	1,919,644	521,791	2,441,435	1,562,290
Training and development	43,543	236,312	279,855	279,044
Literature and material	4,831	220,982	225,813	286,432
Premises costs	668,706	7,224,088	7,892,794	10,745,115
Utilities costs	360,855	1,634,733	1,995,588	2,059,871
Equipment costs	739,412	1,071,031	1,810,443	1,355,836
Office and administration costs	368,739	1,509,516	1,878,255	2,090,810
Grants Made	243,766	1,372,232	1,615,998	1,552,926
	11,514,898	45,295,969	56,810,867	57,059,305

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
6c. Expenditure re Ancillary Programs				
6a Church Seminars etc	98,457	863,602	962,059	110,083
Ministry and Skills training	208,427	0	208,427	209,036
Childcare programs	0	2,095,030	2,095,030	2,124,002
Community Programs		315,769	315,769	317,594
Nursing Homes	322,205	0	322,205	269,601
	<u>629,089</u>	<u>3,274,401</u>	<u>3,903,490</u>	<u>3,030,316</u>

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
6d. Grants Made				
6a Individuals	240,271	562,228	802,499	783,353
Other ministries and institutions	3,350	425,159	428,509	420,691
Other charities	145	384,845	384,990	348,882
	<u>243,766</u>	<u>1,372,232</u>	<u>1,615,998</u>	<u>1,552,926</u>

Grants to other ministries and charities were mainly made by Churches. While specific details of each grant have not been collated but it is known that over 100 churches made such payments. The trustees are satisfied that churches are adequately advised as to the parameters relative to the making of grants and that any misapplication would not have created any material misrepresentation in the financial statements.

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
7. Governance costs				
Principal auditor fee	97,133	0	97,133	90,720
Other accountants fees	0	129,146	129,146	130,866
Legal and advisory fees	515,958	569,717	1,085,675	790,214
Trustee and management committees	7,528	6,104	13,632	12,316
	<u>620,619</u>	<u>704,967</u>	<u>1,325,586</u>	<u>1,024,116</u>

NOTES TO THE FINANCIAL STATEMENTS

8. EMPLOYEES	Central Funds 2015	Churches 2015	Total 2015	Total 2014
STAFF COSTS DURING THE YEAR WERE AS FOLLOWS:				
Wages and salaries - ministry	4,697,897	16,296,546	20,994,443	23,991,488
Wages and salaries - administration	0	2,997,077	2,997,077	59,814
Social security costs	604,529	506,953	1,111,482	686,001
Other pension costs	237,351	1,477,352	1,714,703	1,297,335
Private health insurance	17,575	70,762	88,337	78,408
	<u>5,557,352</u>	<u>21,348,690</u>	<u>26,906,042</u>	<u>26,113,046</u>
	Number 2015			Number 2014
Church and ministry staff	591			714
Youth Ministry	99			94
Administration	255			270
Care - Nursing and childcare	456			450
Community Programs	233			231
Premises maintenance	164			161
	<u>1,798</u>			<u>1,920</u>
	Number 2015			Number 2014
£40,001 to £50,000	52			46
£50,001 to £60,000	7			8
£60,001 to £70,000	5			11
Over £70,000	9			4
Trustees	2015			2014
Remuneration re offices held	<u>743,353</u>			<u>768,770</u>
Disbursement of expenses in fulfilment of duties	<u>98,798</u>			<u>104,812</u>

As required by the Constitution of the Alliance all members of the National Leadership Team (the Trustees) are serving ministers of the Alliance. During the year all members received remuneration commensurate with thier ministerial or executive role. The total amount including pension contributions was £704,914 (2014 : £726,275).

No other payment was made during the year to persons related to a trustee other than those due under contract of employment. In the period to September 2015 the number employed was NIL (2014: 3)

NOTES TO THE FINANCIAL STATEMENTS

9. Tangible Fixed Assets

Group	Freehold property & leasehold improvements	Assets in the course of Construction	Fixtures, fittings & equipment	Total
Cost as at 30 September 2014	197,617,900	80,000	4,048,446	201,746,346
Additions	6,139,824	-	12,450	6,152,274
Disposals	(1,809,096)	-	(5,600)	(1,814,696)
Cost as at 30 September 2015	201,948,628	80,000	4,055,296	206,083,924
Accumulated depreciation as at 30 September 2014	12,072,968	-	2,539,426	14,612,394
Charge in the year	1,334,835	-	295,508	1,630,343
Depreciation on disposals	(118,736)	-	-	(118,736)
Accumulated depreciation as at 30 September 2015	13,289,067	-	2,834,934	16,124,001
Net book value at 30 September 2015	188,659,561	80,000	1,220,362	189,959,923
Net book value at 30 September 2014	185,544,932	80,000	1,509,020	187,133,952

Charity	Freehold property & leasehold improvements	Assets in the course of Construction	Fixtures, fittings & equipment	Total
Cost as at 30 September 2014	197,617,900	80,000	4,044,846	201,742,746
Additions	6,139,824	-	12,450	6,152,274
Disposals	(1,809,096)	-	(5,600)	(1,814,696)
Cost as at 30 September 2015	201,948,628	80,000	4,051,696	206,080,324
Accumulated depreciation as at 30 September 2014	12,072,968	-	2,539,426	14,612,394
Charge in the year	1,334,835	-	291,908	1,626,743
Depreciation on disposals	(118,736)	-	-	(118,736)
Accumulated depreciation as at 30 September 2015	13,289,067	-	2,831,334	16,120,401
Net book value at 30 September 2015	188,659,561	80,000	1,220,362	189,959,923
Net book value at 30 September 2014	185,544,932	80,000	1,505,420	187,130,352

On 31 October 1998, the freehold property in England, Scotland, Wales and the Channel Islands was revalued by Messrs GVA Grimley (RICS). The basis of the valuation used was depreciated replacement cost for the specialised properties, existing use value assuming vacant possession for non-specialised properties and open market value assuming vacant possession for properties, which are surplus to requirements. This valuation was included in the 1998 financial statements and the surplus arising transferred to the general reserve.

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
10. STOCKS				
Group and Charity				
Goods for resale	7,950	21,825	29,775	44,858
Office stock	11,828	2,165	13,993	13,166
	<u>19,778</u>	<u>23,990</u>	<u>43,768</u>	<u>58,024</u>

Goods for resale are held by local church and Bible College bookrooms

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
11. DEBTORS				
Group				
Trade Debtors	0	365,180	365,180	307,927
Prepayments	0	0	0	0
Other debtors	525,497	379,438	904,935	619,009
	<u>525,497</u>	<u>744,618</u>	<u>1,270,115</u>	<u>926,936</u>

Charity				
Trade Debtors		365,180	365,180	307,928
Intercompany	91,552		91,552	207,215
Other debtors	525,497	379,438	904,935	619,009
	<u>617,049</u>	<u>744,618</u>	<u>1,361,667</u>	<u>1,134,152</u>

	Central Funds 2015	Churches 2015	Total 2015	Total 2014
12. LONG TERM LOANS ADVANCED				
Group and Charity				
Advances to individuals	207,757	0	207,757	86,145
Sundry advances less provisions	783,620	0	783,620	933,026
	<u>991,377</u>	<u>0</u>	<u>991,377</u>	<u>1,019,171</u>

a. Includes advances to 5 officers of the Alliance secured against fixed assets and repayable by date of sale £54,218 (2014: £27,845) No individual loan exceeds £30,000.

Other advances are repayable over a maximum period of 15 years and bear interest at 1% over prevailing cost of funds.

	Unrestricted Funds 2015	Restricted Funds 2015	Total Funds 2015	Total Funds 2014
13. CASH AT BANK AND IN HAND				
Group				
Net balance held in local church accounts	13,154,669	0	13,154,669	12,371,424
Central Funds	3,933,432	616,141	4,549,573	-98,981
	<u>17,088,101</u>	<u>616,141</u>	<u>17,704,242</u>	<u>12,272,443</u>

	Unrestricted Funds 2015	Restricted Funds 2015	Total Funds 2015	Total Funds 2014
The charity				
Net balance held in local church accounts	13,154,669	0	13,154,669	12,269,575
Central Funds	3,818,515	616,141	4,434,656	-98,981
	<u>16,973,184</u>	<u>616,141</u>	<u>17,589,325</u>	<u>12,170,594</u>

NOTES TO THE FINANCIAL STATEMENTS

14. CREDITORS Group	Central Funds 2015	Churches 2015	Total 2015	Total 2014
Trade creditors	393,540	470,958	864,498	767,992
Social security and other taxes	(4,266)	101,435	97,169	183,124
Other creditors	245,431	19,103	264,534	226,447
Accruals and deferred income	0	0	0	0
	634,705	591,496	1,226,201	1,177,563

Charity	Central Funds 2015	Churches 2015	Total 2015	Total 2014
Trade creditors	393,540	470,958	864,498	767,992
Social security and other taxes	(4,266)	101,435	97,169	183,124
Other creditors	208,816	55,718	264,534	226,447
Intercompany	52,956	0	52,956	155,015
Accruals and deferred income	0	0	0	0
	651,046	628,111	1,279,157	1,332,578

15. LONG TERM LOANS RECEIVED	Central Funds 2015	Churches 2015	Total 2015	Total 2014
Unsecured liabilities:-				
Amounts due to other trusts	868,475		868,475	575,916
Amounts due to individuals	0	1,916,427	1,916,427	618,543
Amounts due to individuals payable within one year		(1,034,702)	(1,034,702)	0
	868,475	881,725	1,750,200	1,194,459
Secured liabilities:-				
Bank loans	52,535,336	0	52,535,336	49,470,477
Bank loan portion payable within one year	(850,000)		(850,000)	-400,000
Total Long Term Loans	52,553,811	881,725	53,435,536	50,264,936

Bank loan projected repayments				
Within one year			850,000	400,000
After one and within two years			5,000,000	5,000,000
After two and within five years			7,000,000	7,000,000
After five years			39,685,336	37,070,477
			52,535,336	49,470,477

Bank loans are secured by charges on certain properties of the Alliance.
Interest is charged at LIBOR related rates.
£6 million is structured as a fixed rate facility.
The balance is governed by roll-over arrangements with Lloyds/TSB and RBS/NatWest.

NOTES TO THE FINANCIAL STATEMENTS

16. MOVEMENT ON RESTRICTED FUNDS

Group and charity

	CHURCH RESTRICTED FUNDS	ELIM RELIEF ASSOC. FUND	TOTAL RESTRICTED FUNDS	TOTAL RESTRICTED FUNDS
			£	£
At 1 October 2014	327,788	183,549	511,337	414,147
Incoming resources	2,218,546	174,844	2,393,390	1,992,979
Expenditure	(2,057,749)	(230,837)	(2,288,586)	-1,895,789
At 30 September 2015	488,585	127,556	616,141	511,337

Churches hold various funds as a result of specific donations, which are awaiting the relevant allocation. The major portion of these funds are church building funds.

Elim Relief Association is a fund from which to provide relief overseas through humanitarian and development programs.

17. MOVEMENT ON DESIGNATED FUNDS

The Group

	REGENTS COLLEGE FUNDS	CAPITAL ASSETS FUND	TOTAL DESIGNATED FUNDS	TOTAL DESIGNATED FUNDS
At 1 October 2014	0	117,463,016	117,463,016	114,889,678
Incoming resources	0	0	0	0
Expenditure	0	0	0	0
Transfers	0	376,669	376,669	2,573,338
At 30 September 2015	0	117,839,685	117,839,685	117,463,016

The charity

	REGENTS COLLEGE FUNDS	CAPITAL ASSETS FUND	TOTAL DESIGNATED FUNDS	TOTAL DESIGNATED FUNDS
At 1 October 2014	0	117,459,416	117,459,416	114,886,078
Incoming resources	0	0	0	0
Expenditure	0	0	0	0
Transfers	0	380,269	380,269	2,573,338
At 30 September 2015	0	117,839,685	117,839,685	117,459,416

Local Church leaderships have set aside monies from unrestricted funds for various specific purposes.

The balance on the College funds has now been full expended.

Capital Assets funds represents the accumulation of contributions applied to, held for, the acquisition of property used in pursuit of our charity objectives.

NOTES TO THE FINANCIAL STATEMENTS

18. CONTINGENT LIABILITIES

There are no contingent liabilities (2014 : £nil)

19. CAPITAL COMMITMENTS

The Alliance has capital commitments for church building projects contracted as at 30 September 2015. The Alliance has sufficient funding available to support the capital expenditure.

20. OPERATING LEASES

The Churches utilise non-cancellable operating leases which does impose a commitment on the Charity. These operating leases largely consist of office equipment and rental commitments.

Operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

21. PENSIONS

The charity operates a defined benefit occupational pension scheme, the Elim Ministers' Pension Fund to provide retirement benefits for its current and previous employees.

A full actuarial valuation was carried out as at 31 December 2012.

The total employer contributions during the year to 31 December 2015 amounted to £1,651,000 (2014: £1,635,000).

Contributions to the scheme for the year ending 31 December 2016 are expected to be £1,651,000.

The scheme is funded by payment of contributions from the Alliance to a trustee administered fund (members are not required to contribute).

Benefits were built up in the scheme during the year on a 'final salary' basis, whereby the associated pension benefits are calculated with reference to a member's Final Pensionable Salary at the time they leave service or retire.

Principal Assumptions

The ELIM Ministers Pension Fund prepares its accounts to 31 December each year. As a result the valuation of the pension fund is performed at that date rather than the year end date of the charity. The Trustees are satisfied that there would be no material difference on the valuation of the scheme between the Charity and Pension fund year end dates.

Employee benefit obligations

	<u>31/12/2015</u>	<u>31/12/2014</u>
	£	£
Present value of funded obligations	48,014,000	49,868,000
Fair value of scheme assets	(31,214,000)	(30,862,000)
Deficit	<u>16,800,000</u>	<u>19,006,000</u>

NOTES TO THE FINANCIAL STATEMENTS

The amounts recognised in the statement of financial activities are as follows:

	31/12/2015	31/12/2014
	£	£
Current service cost	1,594,000	1,347,000
Interest cost	1,738,000	1,881,000
Expected return on scheme assets	(1,716,000)	(1,733,000)
Total	1,616,000	1,495,000
Actual return on scheme assets	682,000	1,857,000
FRS 17 costs	22,000	148,000
Changes in present value of obligation		
	31/12/2015	31/12/2014
	£	£
Opening defined benefit obligation	49,868,000	41,964,000
Current service cost	1,594,000	1,347,000
Interest cost	1,738,000	1,881,000
Actuarial gain / (losses)	(3,262,000)	6,312,000
Group life policy premiums	0	0
Benefits paid	(1,924,000)	(1,636,000)
Closing defined benefit obligation	48,014,000	49,868,000
Scheme assets		
	31/12/2015	31/12/2014
	£	£
Opening fair value of scheme assets	30,862,000	29,006,000
Expected return on scheme assets	1,716,000	1,733,000
Actuarial gains / (losses)	(1,034,000)	124,000
Employer contributions	1,651,000	1,635,000
Benefits paid	(1,981,000)	(1,636,000)
Closing fair value of scheme assets	31,214,000	30,862,000

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	31/12/2015	31/12/2014
Equities	51.6%	53.5%
Property	32.5%	31.5%
Bonds	8.1%	5.6%
Cash and net current assets	7.8%	9.4%
	100.0%	100.0%

NOTES TO THE FINANCIAL STATEMENTS

Actuarial assumptions

	31/12/2015	31/12/2014
Discount rate	3.80%	3.50%
Inflation assumption (RPI)	3.10%	3.10%
Inflation assumption (CPI)	1.90%	1.90%
Future salary increases	1.80%	1.80%
Future pension increases		
Benefits accrued prior to 6 April 1997 (nil increases)	0.00%	0.00%
Benefits accrued post 6 April 1997 and prior to 6 April 2005 (CPI max 5% increases)	1.95%	1.95%
Benefits accrued post 6 April 2005 (CPI max 2.5% increases)	1.65%	1.65%

Assumed life expectancies on retirement at age 65 are:

	31/12/2015	31/12/2014
Males retiring immediately	87.1	87.3
Females retiring immediately	89.1	89.3
Males retiring in 20 years time	88.3	88.5
Females retiring in 20 years time	90.6	90.8

Historical disclosures

	31/12/2015	31/12/2014	31/12/2013	31/12/2012
	£	£	£	£
Defined benefit obligation	(48,014,000)	(49,868,000)	(41,964,000)	(39,522,000)
Scheme assets	31,214,000	30,862,000	29,006,000	26,095,000
Deficit	(16,800,000)	(19,006,000)	(12,958,000)	(13,427,000)
Experience adjustments on liabilities	456,000	(266,000)	(221,000)	2,268,000
Experience adjustments on assets	(1,034,000)	124,000	1,644,000	413,000