



**ELIM FOURSQUARE GOSPEL
ALLIANCE**

**CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED 30 September 2018**

SECTION 2

	PAGE
INDEX	
Legal and administrative details	2 - 4
Report of the trustees	5 - 16
Report of the independent auditors	17 - 19
Accounting policies	20 - 22
Consolidated statement of financial activities	24
Statement of financial activities - Charity only	25
Consolidated balance sheet	26
Charity balance sheet	27
Consolidated cash flow statement	28
Notes to the financial statements	29 - 41

**ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018**

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 D Campbell
Rev C P Cartwright (Chairman)	Rev D Clark
Rev D De Souza – appointed May 2018	Rev C W Dye
Rev S D Foster – resigned 1 October 2018	Rev J J Glass
Rev A P Hudson – appointed May 2018	Rev E Michael – appointed May 2018
Rev R Millar	Rev G H Neale – resigned May 2018
Rev K M Peat	Rev M Pugh - resigned May 2018
Rev S Ball - appointed 1 October 2018	

National Leadership Team and Trustees

Rev S Blount	Rev D Campbell
Rev C P Cartwright (Chairman)	Rev D Clark
Rev D De Souza – appointed May 2018	Rev C W Dye
Rev S D Foster – resigned 1 October 2018	Rev J J Glass
Rev A P Hudson – appointed May 2018	Rev E Michael – appointed May 2018
Rev G H Neale – resigned May 2018	Rev K M Peat
Rev M Pugh - resigned May 2018	Rev S Ball - appointed 1 October 2018

Principal Officers

General Superintendent	Rev Chris Cartwright
Director of Ministry	Rev Stuart Blount
International Missions Director	Rev Paul Hudson
Irish Superintendent	Rev Edwin Michael
Director of Training	Rev David Newton
Evangelism Director	Rev Gary Gibbs
National Director of Youth Ministries	Rev Tim Alford
Executive Director	Rev Olivia Amartey
National Administrator	Rev Sarah Bale
Finance Director	Rev Robert Millar

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

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

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

Auditors

Kingston Smith LLP
Chartered Accountants and Business Advisors
Devonshire House
60 Goswell Rd
London
EC1M 7AD

Other advisers

Pension Fund Solicitors

Pennington Manches
125 Wood Street
LONDON
EC2V 7AW

Pension Fund Administrators

Spence & Partners Limited
Linen Loft
27-37 Adelaide Street
Belfast
BT2 8FE

Pension Fund Actuary

Hugh Nolan
Spence & Partners Limited
46 New Broad Street
London
EC2M 1JH

Solicitors in Scotland

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

Solicitors in Northern Ireland

Cunningham and Dickey
18 May Street
BELFAST
County Antrim
BT1 4NL

**ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018**

TRUSTEES REPORT

Constitution and legal status

The constitution of the 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).

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 the operation of community and social programs.

As a movement, our four main strategic priorities at the core of our DNA are:

MAKING DISCIPLES

To plant the gospel of Jesus Christ in a relevant way in individual lives. To establish one family of authentic people embedded in their communities to gather, recruit and equip a network of positive disciples with a shared confession that Jesus Christ is Lord and a personal commitment to advance the Kingdom and make more lifelong disciples.

PLANTING AND GROWING CHURCHES

To facilitate the Movement's ever-increasing and effective planting of Elim churches worldwide, with fully trained church planters inspiring more people to plant churches, and increasing our positive impact in the communities we serve. Our mission is to resource ONE movement to be the best it can be at evangelism and church planting at a time when the church is more marginalised in our society than ever before

REACHING NATIONS

To be an international, disciple-making Movement with strategies for church-planting and leadership development in every nation. There is a stirring for Elim to deliver a global message of hope through our shared confession that Jesus Christ is Lord, and our personal commitment to nurture and grow His universal family where we are in our unique communities, towns and cities, in the UK and overseas. We work together to break down every barrier to minister to all people from all nations at local, national and international level

TRAINING AND DEVELOPING LEADERS

To train, develop and support leaders across the Elim Movement and beyond, seeking to develop servant leaders who are committed to working on behalf of others and have a positive contribution to make in wider community life. We aim to discover, develop and deploy generations of transformational leaders across Elim, who are willing to work collaboratively and united in the purpose of one movement and one mission

For more extensive details on our vision and performance relative to these objectives please see Section One of these statements, which forms an essential element of this Trustees Report. We would encourage you to access the Elim website using the following link. <https://www.elim.org.uk>

Public Benefit

The Trustees have considered the Charity Commission's guidelines on public benefit and have reviewed the charity's 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. We share with other Christian denominations a core belief in the gospel of Jesus Christ and in the personal transformation that results from

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

believing in and following Him. Our churches and members are committed not just to speaking about Him but to demonstrating Christ's love in practical action and service within their neighbourhoods and communities.

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 Charleston 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 with the major activity being the Elim Leadership Summit

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

As the major demand for the Alliance is for property the majority of resources are applied toward the acquisition and capital renovation programs and manses for our ministers. Surplus funds across the charity will be invested internally via Elim Loans Administration towards these capital projects.

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.

Reserves Policy

The Reserves as at the 30 September 2018 are detailed on the Balance Sheet on page 26.

The Alliance continues to hold general reserves, of which a significant proportion relates to funds applied in the provision of fixed assets, as an essential resource to the accommodation of local church activities.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

The general free reserves are maintained in order to secure the future operations of the charity, in recognition of the fact that its income mainly comes from voluntary sources, but also that 29% of income is generated by Ancillary programs. Historically voluntary income has been very stable due to the commitment of support from church members and friends. However the trustees seek to provide for a potential impact of the cashless society and the ongoing development of alternative methods of receiving donations, including digital resources.

To maintain the basic level on current activities for a period between 3 and 6 months, and fulfil annual obligations on liabilities our immediate target for free reserves will be a range of £12m to £20m. As at the financial year end the free reserves totalled £12.2m (2017: (deficit £2.1m))

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.

We have produced an annual Review booklet in which we seek to represent Elim's vision, strategy and performance in a more informal publication. Much of this is replicated in these statements.

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 maintains regular communications on major issues to ministers, church elders, and members.

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

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

The Alliance has 10 Regions across the UK. Each is supervised by a Regional Leader / Superintendent, and has a co-ordinating committee made up of 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 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.

Trustees and Related Parties

The members of the National Leadership Team listed on page 2 are the Trustees of the Alliance and served throughout the year unless a termination of office or appointment date has been reported.

The National Leadership Team (NLT) is appointed from the minster 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.

No salary is paid for holding position as a member of the NLT and therefore ex officio as a trustee of the Alliance. Since qualification for appointment requires that candidates must be credentialed ministers and serving in full time roles all the individuals will be in receipt of payment of remuneration solely related to that function and not as trustees. In line with SORP requirements we have included details of those payments in the schedule below.

Salaries for the General Superintendent and Regional Leaders are reviewed and set by the Salary Committee, which consists of the lay-men serving on the Management Board. The NLT are responsible managing the salary payments for executive officers and heads of national departments. The Salary Committee also participate in reviews and recommendations on remuneration level for those serving as ministers in Elim churches and the relevant pensionable salary scales.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

Summary of Salaried roles held by Trustees

	2018	2018	2018	2017	2017	2017	
Name	Salary	Employers N.I	Pension	Salary	Employers N.I	Pension	Position salaried
Chris Cartwright	85,283	10,625	5,184	85,000	10,607	5,184	Chris serves as General Superintendent, the most senior full time position in Elim, and global leader of the charity
Stuart Blount	62,404	7,468	5,184	62,197	7,460	5,184	Stuart is serving as national Director of Ministry
David Campbell	61,705	7,302	5,884	61,297	7,336	6,084	Serves as Regional Leader for the Metropolitan East and West Regions
Duncan Clark	51,564		5,184	45,564		5,184	Serves as Senior Minister of our church at Coventry
Colin Dye	98,216			98,216			Serves as Senior Minister of our largest church, Kensington Temple in London and also as Regional Leader of the London City Region
Simon Foster	66,639	7,640	5,184	63,440	7,632	5,184	Serves as Regional Leader for the Southern and Wales and South West Regions
James Glass	39,766		5,184	39,766		5,184	Serves as Senior Minister of our church in Glasgow
Gordon Neale	25,465	2,757	18,000	38,197	4,148	29,184	Served as Regional Leader for the Midlands and North East Regions. Ceased to be a trustee in May 2018
Kevin Peat	62,405	7,468	5,184	62,201	7,460	5,184	Serves as Regional Leader for Scotland and North West Regions
Edwin Michael	53,996		5,184				Serves as Superintendent of Elim Ireland. Appointed as trustee 1 May 2018
Paul Hudson	21,338	2,557	1,296				Served as International Missions Director until May 2018. Now serves as Regional leader. Appointed as trustee in May 2018
Dominic De Souza	14,700						Serves as Senior minister at Norwich One church. Appointed as Trustee May 2018
Mark Pugh	40,664		3,456	48,996		5,184	Serves as Senior Minister of or church in Exeter. Ceased to be a Trustee in May 2018
	684,144	45,816	64,924	604,875	44,645	71,556	
Total per note 8 to the accounts	794,884			721,075			

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

Similarly the following table provides details for parties related to trustees.

Trustee - related Parties Name	2018 Salary	2017 Salary	Position salaried
Amanda Dye	50,000	50,000	Full time senior administration and ministry role in the church at Kensington Temple, London
Amanda Campbell	8,240	8,240	Part-time role within the Elim International Missions department.
Beryl Glass	6,206	6,206	Part-time administrative role in the church in Glasgow since 2011, prior to her husband becoming a trustee. Now also a credentialed minister in training.
Jane Foster	7,800	7,800	Part-time administrative and support role in the church in Bristol until May 2016, then with the Southern and Wales Regions
Margaret Michael	5,420		Part-time administration in Elim Ireland office
Kay Neale	1,320	1,320	Part-time administrative and support role for Midlands and North East Regions
Catherine De Souza	3,733		Pastoral assistance at Norwich One church
Margaret Peat	7,800	7,800	Part-time administrative and support role for Scotland and North West Regions
Total per note 8 to the accounts	90,519	81,366	

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 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. The executive officers together with the Audit and Governance Committee are commissioned to a perennial review of risk elements to ensure that the major risks have been identified and the relevant processes are in place to manage those risks as far as humanly possible.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

1. Safeguarding:

Safeguarding the vulnerable in our churches, activities and within the communities in which we work, both here and overseas is of paramount importance and reflects the nature of Jesus Christ.

To ensure that safeguarding is fully supported and maintained policies and procedures have been developed and presented so as to be accessible and understood by all those that have a legitimate interest in the welfare of our children, young people and vulnerable adults. Our formal activities will be operated in line with this policy and support at a regional and national level will always be available to ensure effective, sensitive and robust implementation. The policy and guidelines are published on ElimNET with the latest review conducted in April 2018.

2. Financial Management:

We are mindful of the trust assigned to us when church members and friends commit to support us financially. It is important that we do not jeopardise our main source of income through voluntary donations and maintain a solid case for support. Financial protocols and disciplines have been well established, and performance at all levels is a specific matter of verification during annual audit process. Discipline in process is critical in maintaining the high integrity levels which are foundational to encouraging the trust of our supporters.

Elim is registered to the anti-fraud campaign with CFG. Fraud prevention videos have been obtained from our bankers and made available on ElimNET to all church leaders.

Our biggest challenge is the development of the digital banking facilities and the threat to the "Cheque" which is still the major means of donation. For the last few years we have been developing alternative resources including direct debit arrangements, text donation and mobile banking apps.

3. Property Ownership

As Elim is a single entity charity it has exposure and responsibility across a wide spectrum of compliance requirements related to property ownership. Detailed policies with relevant operational guidance are provided on ElimNET and reviewed by the Management Board. The latest review is in process at the time of writing. All capital property projects require approval from this Board, who consider implications on condition, structure, planning and finances. Health and Safety risk assessment policies and guidance is provided to all the churches and monitored and updated by the Elim Administrator. Elim has negotiated insurance cover which addresses all areas of liability and protection for its assets.

4. Data Protection

With the introduction of GDPR Elim has launched a new Data Management Department to more specifically address and review the processes for handling information across the wide spectrum of church activity. Many protocols were already in place but are being reviewed in the context of new legislation.

Alongside these major areas of sensitivity, which have potential subsequential financial risk Elim continues to monitor all operation protocols and processes. Seeking to ensure best practice across the many aspects of national and international ministry, we maintain a framework to receive and provide support including the following:

- 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.
- 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.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

- 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.
- An independent Audit and Governance Committee is in place with primary responsibility to review governance and processes.

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 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 insurance, and conferences. As the insurance business now relates entirely to Alliance activities this function has become an internal operation of EFGA under the auspices of the Finance Department.

Fundraising Policy

The majority of our funds arise from voluntary donations received in the form of freewill church offerings including Gift aid donations. While we also accept direct donations via church websites and mobile text giving we do not promote this via any direct marketing activity. Elim is a member of the Institute of Fundraising and registered with the Fundraising Regulator, receiving monthly reports relative to any complaints – no complaints were reported last year nor received at our central denominational offices in Malvern. Legacy Elim is a low cost will writing scheme promoted via local churches and administered by as a confidential independent advice service to members by Frodsham solicitors.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

FINANCE DIRECTORS REPORT -- Review of performance for the year

As will be evident from reports in recent years a fresh approach as to vision and strategy for the future development of Elim has been evolving. It is natural that processes for managing and reporting must also evolve. Centrally some changes have already been introduced which are bringing wider engagement in financial responsibility and performance at all levels.

During the coming year we will be considering similar strategic aspects which impact Elim's financial operations on a national scale, such as capital project management and related funding arrangements, as well as management of and reporting on local church funds.

The financial statements confirm yet another busy but solid performance across the Alliance in 2018. The year ended with an operational surplus of almost £3.9m.

Overall income for the year was £70.9m (2017: £68m) an increase of 4%.

Voluntary income remained very static for the year at almost £47m. We are extremely grateful to our members and friends whose faithful support generated 68% of total income for Elim. It is important for the future that churches increase digital facilities for use by donors and supporters. 45% of voluntary income was donated under Gift Aid generating £5.4m of tax rebate. It is noted that only 35% of reported attendance have engaged in the Gift Aid scheme.

Church engagement with their community is clearly increasing as evident from note 2 to the accounts – **Ancillary Programs**. Income from various programs rose by £1.5m during the year, an increase of 8% (2017: 7%). It is encouraging to see the income from hire of premises, which again reflects increased community involvement. Testimonies to the blessing and impact of Elim in the community are represented throughout the earlier pages of these statements.

Total Expenditure for the year was £67m (2017: £65m) an increase of 3%, representing 94% of total income.

As will be seen from the charts below income to Elim is substantially applied through ministry and service in spreading the good news of the Gospel. 94% of revenue is expended in fulfilment of our charitable purpose. Governance and management costs take less than 5% of this.

Elim employs 1978 individuals at a total cost of £31.7m. A growing number of our ministry are engaged on a bi-vocational basis and over a third of all paid staff are part-time. We are thankful for their high level of commitment and also to our many volunteers. We estimate that about 10,000 people are directly involved on a weekly basis. THANK YOU all.

CONSOLIDATED BALANCE SHEET

The Consolidated Balance Sheet continues to affirm the solidity of the Alliance's financial position. Much of this strength is vested in property, namely about just over 300 Church buildings, and 64 manses alongside the central properties at Malvern. As we are not in business as a property developers, these assets represent pockets of ministry and activity across the country. A few property assets have now been classified as investment assets and revalued accordingly adding a further £3.8m to reserves.

In the last year Churches expended approximately £13 million (2017: £14m) on property maintenance and refurbishment, absorbing 18% of the total Elim income. Included in these costs, £1.9m related to 47 capital projects. All the relevant finance was provided from Elim funds without recourse to any external borrowing.

The major liabilities currently £48.6m (2017: £51.4m), in the form of bank loans, continue to be serviced within agreed terms. By the end of the 2018 financial year we are £5m ahead of the agreed repayment schedule. We do appreciate the ongoing support of our main bankers – Lloyds and RBS/NatWest. However we are encouraged that all capital projects in 2018 were all funded from Elim resources and no external facilities were required.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

The Pension Fund liability as assessed under FRS102 has improved by £3.8m to a level of £18.7m (2017: £21.9m).

The liability in respect of the Pension Fund is based on the FRS assessment as calculated by our Actuaries. This calculation includes standard parameters as dictated by the Government. The actuarial Pension Fund shortfall is between thirty and forty percent of the figures quoted. This amount is due for review after Pension fund year end in December 2018.

Reserves have increased to £151.3m (2017: £139.9m) with the impact of the revaluation of Investment assets and improvement in the pension deficit being £7.5m and an operational surplus of £3.9m.

We thank God for His faithfulness and blessing on Elim. Continue to pray for His guidance as we seek to progress our developments and to align with His strategy for leading the movement from strength to strength.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

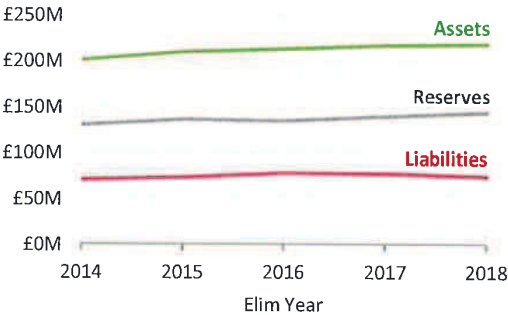
TRUSTEES REPORT

FINANCE SUMMARY

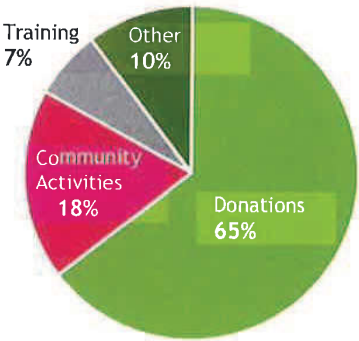
INCOME STATEMENT



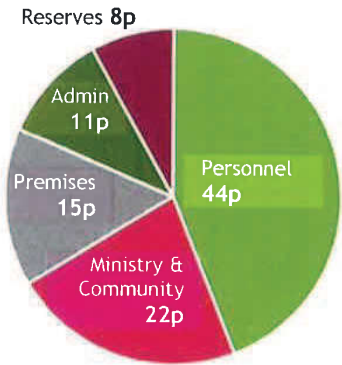
BALANCE SHEET



WHERE INCOME CAME FROM | 2018



WHERE INCOME WENT PER POUND | 2018



EXPENDITURE BY ACTIVITY | 2018



ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

TRUSTEES REPORT

Trustees' responsibilities for the financial statements

Trustees' Responsibilities Statement

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

The Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, and the regulations made thereunder, requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, which 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 the resources, including the income and expenditure, of the charity and group 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 set out in the Charities SORP (FRS 102);
- 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 continue in operation.

The trustees are responsible for keeping proper accounting records that 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, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust Deed. The trustees 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.

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

Auditors

Following a review undertaken by the Audit and Governance Committee it has been decided to appoint new auditors as from the new financial year to 30 September 2018. We have enjoyed a long relationship with Grant Thornton UK LLP and thank them for their support and excellent service since their original appointment.

The new auditors are Kingston Smith LLP.

Signed by order of the National Leadership Team meeting of

11 June 2019



ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

AUDITORS REPORT

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

Opinion

We have audited the financial statements of Elim Foursquare Gospel Alliance for the year ended 30 September 2018 which comprise the Consolidated Statement of Financial Activities, the Charity only Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement, the Accounting Policies and the notes to the financial statements. 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 group's and the parent charity's affairs as at 30 September 2018 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 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

AUDITORS REPORT

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 or 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
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out above, the trustees 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 group and parent 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 group or charity 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 auditor under section 144 of the Charities Act 2011 and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

**ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018**

AUDITORS REPORT

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and to the charity's trustees, as a body, in accordance with 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 which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.



Kingston Smith LLP
Statutory auditor

20 June 2019
[Date]

Devonshire House
60 Goswell Road
London
EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

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 FRS102 (the SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Charities Act 2011 except as noted below.

They have been prepared under the historical cost convention as modified by the revaluation of investments to fair value, and on a going concern basis.

Elim Foursquare Gospel Alliance constitutes a public benefit entity as defined by FRS102.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the charity and its subsidiary undertakings drawn up to 30 September 2018. 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.

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

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.

INCOMING RESOURCES

Donations and gifts

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

Legacies are included when probable 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.

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 if the relevant claim has been submitted to HMRC.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

ACCOUNTING POLICIES

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 to major building renovation and refurbishment programs are included on receipt and treated as restricted funds until applied for their specific purpose.

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 support costs
- expenditure incurred directly in the effort to raise voluntary contributions (fundraising and publicity)
- the purchase of properties overseas from funds provided by the International Missions Board is included in the statements under restricted funds expenditure and not treated as tangible fixed assets, except where held on behalf of the Board by the Elim Trust Corporation.
- Direct costs attributable to a single activity are allocated directly to that activity. Support costs and governance costs are allocated by management based on the most appropriate categorisation and split between categories where appropriate. See note 6a.
- grants payable as approved by management, charged against the relevant fund

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. For 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 102: Tangible Fixed Assets, the Alliance treated the revalued amount as the base cost and will not update the book value with subsequent valuations.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

ACCOUNTING POLICIES

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	0.35% - 0.79% reducing balance from June 1999 on valuation, or on cost incurred from that date
Leasehold properties	Period of lease
Fixtures, fittings and equipment	10 years

In accordance with FRS 102 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.

INVESTMENT POLICY

Investments comprise those properties that are held solely for either their rental income and /or capital appreciation. They are carried at fair value. Any movement in fair value is recognised in the Statement of Financial Activities.

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.

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

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the charity, in separate trustee administered funds. Under FRS102 valuation 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. This is a prescriptive valuation process determined by the Pensions Regulator purely for Employer Balance Sheet purposes. The FRS102 valuation for 2018 is £18.9m (2017: £22m). The main actuarial valuations for Trustee management are obtained at least triennially. These results however are not reported via the Balance Sheet for the Alliance. The latest triennial report for 3 years ended 31 December 2015 indicates a resulting pension shortfall of £7.6m, with a recovery plan targeted at 2028.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2018

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

JUDGEMENTS AND ESTIMATES

The key judgements and estimates made by the charity management relate to the following:

1. Depreciation on property assets
2. Assumptions for the Defined Benefit Pension scheme
3. The recoverability of Debtors
4. Revaluation on Investment assets

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

Consolidated Statement of Financial Activities
incorporating Income and Expenditure Account

	note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
INCOMING RESOURCES					
Activities for generating income					
Voluntary Income	1	45,836,582	2,140,014	47,976,596	47,867,002
Income generated by ancillary programs	2	21,074,006		21,074,006	20,224,029
Income from charitable activities	3	783,368		783,368	215,088
Investment income	4	605,891		605,891	
Other Income resources	5	449,696		449,696	(249,730)
Total incoming resources		68,749,543	2,140,014	70,889,557	68,056,389
RESOURCES EXPENDED					
Costs of raising funds	5	660,517		660,517	669,796
Charitable Activities	6	64,033,020	2,260,459	66,293,479	64,356,651
		64,693,537	2,260,459	66,953,996	65,026,447
Surplus of income over Expenditure		4,056,006	(120,445)	3,935,561	3,029,942
Investment Asset revaluation		3,776,997		3,776,997	
Net incoming resources for the year		7,833,003	(120,445)	7,712,558	3,029,942
Actuarial Gain on Defined Benefit Scheme		3,757,000		3,757,000	1,838,000
Fund balances at 1 October 2017		139,236,915	621,369	139,858,284	134,990,342
Fund balances at 30 September 2018		150,826,918	500,924	151,327,842	139,858,284

All of the activities of the charity are classed as continuing

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

Statement of Financial Activities - CHARITY ONLY
incorporating Income and Expenditure Account

	note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
INCOMING RESOURCES					
Activities for generating income					
Voluntary Income	1	45,836,582	2,140,014	47,976,596	47,867,002
Income generated by ancillary programs	2	21,074,006		21,074,006	19,987,365
Income from charitable activities	3	519,269		519,269	215,088
Investment income	4	605,891		605,891	
Other Income resources	5	449,696		449,696	(249,730)
Total incoming resources		68,485,444	2,140,014	70,625,458	67,819,725
RESOURCES EXPENDED					
Costs of raising funds	5	660,517		660,517	1,330,600
Charitable Activities	6	63,762,791	2,260,459	66,023,250	63,463,009
		64,423,308	2,260,459	66,683,767	64,793,609
Surplus of income over Expenditure		4,062,136	(120,445)	3,941,691	3,026,116
Investment Asset revaluation		3,776,997		3,776,997	
Net incoming resources for the year		7,839,133	(120,445)	7,718,688	3,026,116
Actuarial Gain on Defined Benefit Scheme		3,757,000		3,757,000	1,838,000
Fund balances at 1 October 2017		139,164,750	621,369	139,786,119	134,922,003
Fund balances at 30 September 2018		150,760,883	500,924	151,261,807	139,786,119

All of the activities of the charity are classed as continuing

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018
CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Fixed Assets					
Tangible fixed assets	9	189,922,516		189,922,516	194,480,661
Investments	9a	8,626,410		8,626,410	
Long term loans advanced	12	793,528		793,528	943,559
		199,342,454		199,342,454	195,424,220
Current Assets					
Stocks	10	43,431		43,431	42,047
Debtors	11	1,857,585		1,857,585	2,366,745
Cash at bank and in hand	13	20,968,866	500,924	21,469,790	18,538,712
		22,869,882	500,924	23,370,806	20,947,504
Current Liabilities					
Creditors	14	1,345,951		1,345,951	1,442,584
Current portion on long term loans	15	2,740,000		2,740,000	1,740,000
		4,085,951		4,085,951	3,182,584
Net current assets		18,783,931	500,924	19,284,855	17,764,920
Total assets less current liabilities		218,126,385	500,924	218,627,309	213,189,140
Long term loans received and other liabilities	15	48,610,467		48,610,467	51,442,856
Pension obligations		18,689,000		18,689,000	21,888,000
		150,826,918	500,924	151,327,842	139,858,284
Reserves					
General reserves		30,943,869		30,943,869	19,827,110
less Pension reserve		(18,689,000)		(18,689,000)	(21,888,000)
General free reserves		12,254,869		12,254,869	(2,060,890)
General property reserves	17	138,572,049		138,572,049	141,297,805
Restricted funds	16		500,924	500,924	621,369
		150,826,918	500,924	151,327,842	139,858,284

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

11 June 2019

The accounting policies on pages 11 to 14 and the notes on pages 18 to 24 form part of these financial statements.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

CHARITY BALANCE SHEET AS AT 30 SEPTEMBER 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Fixed Assets					
Tangible fixed assets	9	189,921,592		189,921,592	194,478,574
Investments	9a	8,626,410		8,626,410	
Long term loans advanced	12	793,528		793,528	943,559
		<u>199,341,530</u>		<u>199,341,530</u>	<u>195,422,133</u>
Current Assets					
Stocks	10	29,031		29,031	35,334
Debtors	11	1,836,292		1,836,292	2,342,862
Cash at bank and in hand	13	20,929,885	500,924	21,430,809	18,492,780
		<u>22,795,208</u>	<u>500,924</u>	<u>23,296,132</u>	<u>20,870,976</u>
Current Liabilities					
Creditors	14	1,336,389		1,336,389	1,436,134
Current portion on long term loans	15	2,740,000		2,740,000	1,740,000
		<u>4,076,389</u>		<u>4,076,389</u>	<u>3,176,134</u>
Net current assets		<u>18,718,819</u>	<u>500,924</u>	<u>19,219,743</u>	<u>17,694,842</u>
Total assets less current liabilities		<u>218,060,350</u>	<u>500,924</u>	<u>218,561,274</u>	<u>213,116,975</u>
Long term loans received and other liabilities	15	48,610,467		48,610,467	51,442,856
Pension obligations		18,689,000		18,689,000	21,888,000
		<u>150,760,883</u>	<u>500,924</u>	<u>151,261,807</u>	<u>139,786,119</u>
Reserves					
General reserves		30,878,757		30,878,757	19,757,032
less Pension reserve		(18,689,000)		(18,689,000)	(21,888,000)
General free reserves		12,189,757		12,189,757	(2,130,968)
General property reserves	17	138,571,125		138,571,125	141,295,718
Restricted funds	16		500,924	500,924	621,369
		<u>150,760,883</u>	<u>500,924</u>	<u>151,261,807</u>	<u>139,786,119</u>

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

C. Carberry 11 June 2019

The accounting policies on pages 11 to 14 and the
notes on pages 18 to 24 form part of these financial

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Fixed Assets					
Tangible fixed assets	9	189,922,516		189,922,516	194,480,661
Investments	9a	8,626,410		8,626,410	
Long term loans advanced	12	793,528		793,528	943,559
		199,342,454		199,342,454	195,424,220
Current Assets					
Stocks	10	43,431		43,431	42,047
Debtors	11	1,857,585		1,857,585	2,366,745
Cash at bank and in hand	13	20,968,866	500,924	21,469,790	18,538,712
		22,869,882	500,924	23,370,806	20,947,504
Current Liabilities					
Creditors	14	1,345,951		1,345,951	1,442,584
Current portion on long term loans	15	2,740,000		2,740,000	1,740,000
		4,085,951		4,085,951	3,182,584
Net current assets		18,783,931	500,924	19,284,855	17,764,920
Total assets less current liabilities		218,126,385	500,924	218,627,309	213,189,140
Long term loans received and other liabilities	15	48,610,467		48,610,467	51,442,856
Pension obligations		18,689,000		18,689,000	21,888,000
		150,826,918	500,924	151,327,842	139,858,284
Reserves					
General reserves		30,943,869		30,943,869	19,827,110
less Pension reserve		(18,689,000)		(18,689,000)	(21,888,000)
General free reserves		12,254,869		12,254,869	(2,060,890)
General property reserves	17	138,572,049		138,572,049	141,297,805
Restricted funds	16		500,924	500,924	621,369
		150,826,918	500,924	151,327,842	139,858,284

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

11 June 2019

The accounting policies on pages 11 to 14 and the notes on pages 18 to 24 form part of these financial statements.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

CONSOLIDATED CASH FLOW STATEMENT

	2018	2017
Net cash inflow from operating activities	3,935,561	3,029,942
Adjustments for:		
Depreciation	1,668,054	1,821,420
Interest received	(385,405)	(44,147)
Interest paid	2,594,274	1,922,902
Movement in stock	(1,384)	18,426
Movement in debtors	509,160	(99,926)
Movement in creditors	(96,633)	65,654
Non cash movement re Defined Benefit Pension Scheme	558,000	677,000
Profit on disposal of fixed assets	(449,696)	249,730
Net cash from operating activities	8,331,930	7,641,001
Cash Flows from investing activities:		
Purchase of Property, plant and equipment	(2,521,158)	(3,203,073)
Sale of Property, plant and equipment	1,011,533	997,938
Interest received	385,405	44,147
Repayment of loans made	150,031	(165,083)
	(974,189)	(2,326,071)
Cash flows from financing activities		
Movement in loans	(1,832,389)	(423,589)
Interest paid	(2,594,274)	(1,922,902)
	(4,426,663)	(2,346,491)
Change in cash and cash equivalents in the reporting period	2,931,078	2,968,439
Cash and cash equivalents at the beginning of the reporting period	18,538,712	15,570,273
Cash and cash equivalents at the end of the reporting period	21,469,790	18,538,712

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2018	Churches 2018	Total 2018	Total 2017
	£	£	£	£
1. Activities for generating income				
1. Voluntary Income				
General Gifts and Offerings	625,892	20,801,006	21,426,898	21,194,485
Gift Aid donations and tax rebate	592,315	21,100,786	21,693,101	21,163,186
Designated gifts and offerings	708,826	1,885,074	2,593,900	3,125,132
Legacies	33,722	732,856	766,578	545,324
Grants received	1a	1,455,165	1,455,165	1,807,254
Other donations		40,954	40,954	31,621
	1,960,755	46,015,841	47,976,596	47,867,002

Included with Voluntary income is £2,140,014 which relates to restricted funds (2017: £2,086,326).

1a. Grants received

Grants received from external sources during the year to 30 September 2018 and for the year to 30 September 2017, 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. Branch reports contain more detail.

	Central Funds 2018	Churches 2018	Total 2018	Total 2017
2. Income from ancillary programs				
Hire of premises	67,430	3,004,509	3,071,939	2,930,095
Church Seminars etc	480,390	1,812,146	2,292,536	2,029,973
Ministry and Skills training	2,125,066	359,353	2,484,419	2,155,737
Coffee shops		489,083	489,083	443,657
Bookrooms		133,890	133,890	183,524
Charity shops		559,508	559,508	623,070
Community Programs	232,804	1,691,219	1,924,023	1,765,851
Childcare programs		6,942,644	6,942,644	7,154,864
Nursing Homes	3,036,761		3,036,761	2,851,423
Other ancillary activities	53,423	85,780	139,203	85,835
	5,995,874	15,078,132	21,074,006	20,224,029

A proportion of the income for childcare and community programs is derived from Local Authority support for payment of fees on behalf of beneficiaries. Included within the above is £264,098 which relates to the group's subsidiary company (2017: £236,664).

	Central Funds 2018	Churches 2018	Total 2018	Total 2017
3. Income from charitable activities				
Sundry Activities	99,575	298,388	397,963	170,941
Interest Received		385,405	385,405	44,147
	99,575	683,793	783,368	215,088

	Central Funds 2018	Churches 2018	Total 2018	Total 2017
4. Investment income				
Income generated from investment assets		605,891	605,891	
		605,891	605,891	

	Central Funds 2018	Churches 2018	Total 2018	Total 2017
5. Other Incoming resources				
Profit on sale of assets	449,696		449,696	(249,730)
	449,696		449,696	(249,730)
Total incoming resources	8,505,900	61,777,766	70,889,557	68,056,390

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2018	Churches 2018	Total 2018	Total 2017
5. Costs of raising funds				
Promotion and publicity	40,611	223,200	263,811	257,779
Bank Charges	148,343	248,363	396,706	412,017
	188,954	471,563	660,517	669,796

**ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018**

NOTES TO THE FINANCIAL STATEMENTS

6a Summary by Costs		Church Activity 2018	Evangelism 2018	Youth 2018	Missions 2018	Training 2018	Ancillary 2018	Total 2018	Total 2017
	8								
Personnel costs		22,012,885	227,536	1,112,602	271,180	1,412,857	6,699,462	31,736,522	31,037,864
UK Events and ministry programs		7,108,613	584,996	963,412		433,942		9,090,963	7,676,262
UK ancillary and community program	6c	0					3,261,274	3,261,274	3,880,808
Overseas ministry		1,374,690			461,229		1,835,919	1,835,919	1,629,181
Training and development		284,806					15,092	299,898	315,398
Literature and material		75,595	82,086	99,544	5,799	8,534	9,310	280,868	286,066
Premises costs		7,803,372	799	4,082	13,679	379,572	563,393	8,764,897	9,125,706
Utilities costs		1,779,106				61,832	163,915	2,004,853	1,971,683
Equipment costs		1,454,895	814	42,202	4,030	123,935	96,669	1,722,545	1,854,526
Office and administration costs		1,385,878	2,574	4,796	6,159	20,044	264,395	1,683,846	1,822,256
Grants Made	6d	200,735	42,564	21,537	1,486,384	(11,108)	145,069	1,885,181	1,695,786
Governance costs		815,439		432	12,000	132,140	172,428	1,132,439	1,158,213
Interest Costs		2,594,274						2,594,274	1,922,902
		46,890,288	941,369	2,248,607	2,260,460	2,561,748	11,391,007	66,293,479	64,356,651

Support costs amount to £2,147,309 (2017: £1,962,690) and are split out by cost type in Note 7 below.
These cost have allocated to "Church Activity", as this is considered appropriate as this is the main activity of the charity.

Included in the above £270,229 (2017: £232,839) which relates to the group's subsidiary company. Included in the above is £2,260,549 (2017: £1,961,703) which relate to restricted funds.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

		Central Funds 2018	Churches 2018	Total 2018	Total 2017
6c Expenditure re Ancillary Programs	6a				
Church Seminars etc		123,057	339,028	462,085	344,954
Ministry and Skills training			133,164	133,164	128,897
Coffee shops		15,128	282,825	297,953	321,136
Bookrooms			20,796	20,796	105,436
Charity shops			209,524	209,524	234,231
Childcare programs			5,528,632	5,528,632	6,063,856
Community Programs		390,160	1,135,067	1,525,227	1,119,423
Nursing Homes		3,213,626		3,213,626	3,150,896
		3,741,971	7,649,036	11,391,007	11,468,829

		Central Funds 2018	Churches 2018	Total 2018	Total 2017
6d. Grants Made	6a				
Individuals		186,283	372,276	558,559	677,495
Other ministries and institutions		11,703	774,169	785,872	452,083
Other charities		225,969	314,781	540,750	566,208
		423,955	1,461,226	1,885,181	1,695,786

Grants to other ministries and charities were mainly made by Churches. While specific details of each grant have not been collated 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 2018	Churches 2018	Total 2018	Total 2017
7. Governance costs				
Central and Regional Salaries	1,623,494		1,623,494	1,485,330
Central office premises	145,942		145,942	166,707
Central Equipment	108,911		108,911	99,470
Central administration costs	268,962		268,962	192,453
Principal auditor fee	118,823		118,823	107,607
Consultancy fees	41,780		41,780	44,692
Legal and advisory fees	536,350	401,804	938,154	972,830
Trustee and management committees	32,463	1,219	33,682	33,083
	2,876,725	403,023	3,279,748	3,102,172

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

8. EMPLOYEES	Central Funds 2018	Churches 2018	Total 2018	Total 2017
STAFF COSTS DURING THE YEAR WERE AS FOLLOWS:				
Wages and salaries - ministry	5,695,497	19,821,312	25,516,809	24,678,176
Wages and salaries - administration		2,812,142	2,812,142	2,797,915
Agency Costs	23,533		23,533	30,902
Social security costs	235,054	710,236	945,290	945,391
Other pension costs	184,133	2,159,198	2,343,331	1,803,791
Private health insurance	30,111	65,306	95,417	104,689
	<u>6,168,328</u>	<u>25,568,194</u>	<u>31,736,522</u>	<u>30,360,864</u>

	Number 2018	Number 2017
Church and ministry staff	638	623
Youth Ministry	114	107
Administration	318	319
Care - Nursing and childcare	474	477
Community Programs	251	247
Property Services	183	185
	<u>1,978</u>	<u>1,958</u>

	Number 2018	Number 2017
£90,001 - £100,000	2	1
£80,001 - £90,000	2	2
£70,001 - £80,000	7	2
£60,001 - £70,000	5	8
£50,001 - £60,000	9	8
£40,001 - £50,000	61	58
£30,001 - £40,000	157	151
£20,001 - £30,000	280	261
£10,001 - £20,000	671	670
£1 - £9,000	784	797

Total	<u>1,978</u>	<u>1,958</u>
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Trustees and Officers	2018	2017
Remuneration re offices held	<u>901,644</u>	<u>933,656</u>
Disbursement of expenses in fulfilment of duties	<u>57,851</u>	<u>73,728</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 their ministerial or executive role. The total amount including pension contributions was £794,884 (2017 : £721,075). A breakdown of this amount is included within the Trustees Report. Loans provided to trustees, primarily as vehicle loans, are listed in note 12(a2). Please read these in conjunction with this report.

Included in the disbursement of Expenses above are payments to 13 trustees

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 2018 the number employed was 8 (2017: 6) with a total salary of £90,519 (2017: £81,366). A breakdown of this amount is included within the Trustees Report. Please read this in conjunction with this report

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

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 2017	209,055,201		4,467,203	213,522,404
Additions	1,815,579	530,000	175,579	2,521,158
Transfer to Investments	(4,849,413)			(4,849,413)
Disposals	(536,597)		(25,240)	(561,837)
Cost as at 30 September 2018	205,484,770	530,000	4,617,542	210,632,312
Accumulated depreciation as at 30 September 2017	15,215,381		3,826,361	19,041,742
Charge in the year	1,392,500		294,078	1,686,578
Depreciation on disposals			(18,524)	(18,524)
Accumulated depreciation as at 30 September 2018	16,607,881		4,101,915	20,709,796
Net book value at 30 September 2018	188,876,889	530,000	515,627	189,922,516
Net book value at 30 September 2017	193,839,820		640,842	194,480,661

9. Tangible Fixed Assets

Charity	Freehold property & leasehold improvements	Assets in the course of Construction	Fixtures, fittings & equipment	Total
Cost as at 30 September 2017	209,055,201		4,454,151	213,509,352
Additions	1,815,579	530,000	175,579	2,521,158
Transfer to Investments	(4,849,413)			(4,849,413)
Disposals	(536,597)		(24,950)	(561,547)
Cost as at 30 September 2018	205,484,770	530,000	4,604,780	210,619,550
Accumulated depreciation as at 30 September 2017	15,215,381		3,815,397	19,030,778
Charge in the year	1,392,500		293,204	1,685,704
Depreciation on disposals	(18,524)			(18,524)
Accumulated depreciation as at 30 September 2018	16,589,357		4,108,601	20,697,958
Net book value at 30 September 2018	188,895,413	530,000	496,179	189,921,592
Net book value at 30 September 2017	193,839,820		638,754	194,478,574

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. Subsequently the 1998 valuation has been treated as the deemed cost for the relevant properties.

9a Investments

Investment property

Transferred from Tangible Fixed Assets	4,849,413
Revaluation in year	3,776,997
Value as at 30 September 2018	8,626,410

During the year 5 properties were identified as being held solely for income generation and capital appreciation so have been transferred from Tangible Fixed Assets. They have revalued to fair value at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

10. STOCKS	Central Funds 2018	Churches 2018	Total 2018	Total 2017
Group				
Goods for resale		27,539	27,539	33,866
Office stock	15,892		15,892	8,181
	15,892	27,539	43,431	42,047

Goods for resale are held by local church bookrooms and EPC Services Shop

Charity				
Goods for resale		27,539	27,539	33,864
Office stock	1,492		1,492	1,470
	1,492	27,539	29,031	35,334

Goods for resale are held by local church bookrooms

11. DEBTORS	Central Funds 2018	Churches 2018	Total 2018	Total 2017
Group				
Trade Debtors		341,224	341,224	292,477
Other debtors	1,318,680	197,681	1,516,361	2,074,268
	1,318,680	538,905	1,857,585	2,366,745

Charity				
Trade Debtors		340,365	340,365	282,331
Intercompany	0		0	0
Other debtors	1,318,680	177,247	1,495,927	2,060,531
	1,318,680	517,612	1,836,292	2,342,862

12. LONG TERM LOANS ADVANCED	Central Funds 2018	Churches 2018	Total 2018	Total 2017
Group and Charity				
Advances to individuals	91,156	110,709	201,865	188,943
Sundry advances less provisions	591,663		591,663	754,616
	682,819	110,709	793,528	943,559

a1. Includes advances to 2 officers of the Alliance secured against house property and repayable by date of sale £27,845 (2017: £44,300) No individual loan exceeds £30,000.

a2. Also includes the following advances to trustees :

Colin Dye in the sum of £30,085 (2017: £5,000)

Edwin Michael £10,488 (2017: £13,667)

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

13. CASH AT BANK AND IN HAND	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
Net balance held in local church accounts	14,290,887		14,290,887	13,219,682
Central Funds	6,677,979	500,924	7,178,903	5,319,030
	20,968,866	500,924	21,469,790	18,538,712

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

14. CREDITORS Group	Central Funds 2018	Churches 2018	Total 2018	Total 2017
Trade creditors	458,429	391,144	849,573	899,630
Social security and other taxes	1,428	62,065	63,493	72,371
Other creditors	317,442	115,443	432,885	470,583
	777,299	568,652	1,345,951	1,442,584
Charity	Central Funds 2018	Churches 2018	Total 2018	Total 2017
Trade creditors	454,153	390,282	844,435	897,088
Social security and other taxes	(905)	62,970	62,065	69,462
Other creditors	303,996	125,893	429,889	465,836
Intercompany				3,748
	757,244	579,145	1,336,389	1,436,134
15. LONG TERM LOANS RECEIVED	Central Funds 2018	Churches 2018	Total 2018	Total 2017
Unsecured liabilities:-				
Amounts due to other trusts	1,651,720		1,651,720	1,947,819
Amounts due to individuals	260,657	1,527,328	1,787,985	1,457,077
Amounts repayable within one year		(890,000)	(890,000)	(890,000)
	1,912,377	637,328	2,549,705	2,514,896
Secured liabilities:-				
Bank loans (b)	47,910,762		47,910,762	49,777,960
Bank loan portion payable within one year	(1,850,000)		(1,850,000)	(850,000)
Total Long Term Loans	47,973,139	637,328	48,610,467	51,442,856
Bank loan projected repayments				
Within one year			1,850,000	850,000
After one and within two years			3,000,000	5,000,000
After two and within five years			7,000,000	7,000,000
After five years			36,060,762	36,927,960
			47,910,762	49,777,960

Bank loans are secured by charges on certain properties of the Alliance.

£27.25m is provided by Lloyds as a Fixed Rate loan

The balance of the bank facilities is provided at LIBOR related rates by Lloyds and RBS and is being repaid over an agreed 15 year term by 2028.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

16. MOVEMENT ON RESTRICTED FUNDS
Group and charity

	CHURCH RESTRICTED FUNDS	ELIM RELIEF ASSOC. FUND	2018 TOTAL RESTRICTED FUNDS	2017 TOTAL RESTRICTED FUNDS
At 1 October 2017	573,189	48,180	621,369	496,746
Incoming resources	2,106,431	33,583	2,140,014	2,086,326
Expenditure	(2,171,828)	(88,631)	(2,260,459)	(1,961,703)
Transfer of funds collected for Relief project	(48,647)	48,647		
At 30 September 2018	459,145	41,779	500,924	621,369

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

	CAPITAL ASSETS FUND	2018 TOTAL DESIGNATED FUNDS	2017 TOTAL DESIGNATED FUNDS
At 1 October 2017	136,448,392	136,448,392	140,740,231
Incoming resources			
Expenditure	(2,725,757)	(2,725,757)	(4,291,839)
Transfers			
At 30 September 2018	133,722,635	133,722,635	136,448,392

The charity

	CAPITAL ASSETS FUND	2018 TOTAL DESIGNATED FUNDS	2017 TOTAL DESIGNATED FUNDS
At 1 October 2017	136,446,304	136,446,304	140,738,720
Incoming resources			
Expenditure	(2,724,592)	(2,724,592)	(4,292,416)
Transfers			
At 30 September 2018	133,721,712	133,721,712	136,446,304

Local Church leaderships have invested monies from unrestricted funds for various specific purposes particularly building projects

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

18. Allocation of Assets by Fund

18.1 Group	General	Designated	Restricted	Total
Fixed Assets		189,922,516		189,922,516
Investments	8,626,410			8,626,410
Loan Advances	793,528			793,528
Current Assets	22,869,882		500,924	23,370,806
Current Liabilities	(1,345,951)	(2,740,000)		(4,085,951)
Long term Liabilities		(48,610,467)		(48,610,467)
Pension obligation	(18,689,000)			(18,689,000)
	12,254,869	138,572,049	500,924	151,327,842
18.2 Charity	General	Designated	Restricted	Total
Fixed Assets		189,921,592		189,921,592
Investments	8,626,410			8,626,410
Loan Advances	793,528			793,528
Current Assets	20,929,885		500,924	23,296,132
Current Liabilities	(1,336,389)	(2,740,000)		(4,076,389)
Long term Liabilities		(48,610,467)		(48,610,467)
Pension obligation	(18,689,000)			(18,689,000)
	10,324,434	138,571,125	500,924	151,261,807

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

19. CONTINGENT LIABILITIES

There are no contingent liabilities (2017 : £nil)

20. CAPITAL COMMITMENTS

The Alliance has no major capital commitments other than for church building projects contracted as at 30 September 2018.

21. OPERATING LEASES

At the year end the charity had commitments under non-cancellable operating leases expiring as below.

Group	2018 £000s Office Equipment	2017 £000s Office Equipment
Not later than 1 year	151	146
Later than 1 year but not later than 5 years	276	366
	<u>427</u>	<u>512</u>

Charity only	2018 £000s Office Equipment	2017 £000s Office Equipment
Not later than 1 year	151	146
Later than 1 year but not later than 5 years	275	365
	<u>426</u>	<u>511</u>

22. 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 2015.

The total employer contributions during the year to 31 December 2017 amounted to £1,769,000 (2015: £1,651,000).

Contributions to the scheme for the year ending 31 December 2018 are expected to be £1.7 million.

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. In previous years as result the valuation of the pension fund was performed at that date rather than the year end date of the charity. As from the current year valuations are calculated in line with the Alliance year end at 30 September

Employee benefit obligations	Value at 2018 £000s £	Value at 2017 £000s £
Present value of benefit obligation	55,529	57,601
Fair value of scheme assets	(36,840)	(35,713)
Net Pension Liability	<u>18,689</u>	<u>21,888</u>

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

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

	2018	2017
	£000s	£000s
Current service cost	1,644	1,731
Net Interest cost on the net defined benefit liability	547	578
Total	<u>2,191</u>	<u>2,309</u>

Remeasurements of the net defined benefit liability recognised in Other gains and losses

	2018	2017
	£000s	£000s
Actuarial losses/ (gains)	3,434	(744)
Actual return on assets excluding interest income	323	(1,094)
	<u>3,757</u>	<u>(1,838)</u>

Changes in present value of benefit obligation

	2018	2017
	£000s	£000s
Opening defined benefit obligation	57,601	57,011
Current service cost	1,644	1,731
Interest cost	1,439	1,458
Actuarial loss / (gain)	(3,434)	(744)
Benefits paid	(1,721)	(1,855)

Closing defined benefit obligation	<u>55,529</u>	<u>57,601</u>
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Change in fair value of scheme assets

	2018	2017
	£000s	£000s
Opening fair value of scheme assets	35,713	33,962
Interest in scheme assets	892	880
Return on assets excluding interest income	323	1,094
Employer contributions	1,633	1,632
Benefits paid	(1,721)	(1,855)

Closing fair value of scheme assets	<u>36,840</u>	<u>35,713</u>
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The assets of the scheme were:

	2018	2017
UK Equities	22%	23%
Overseas equities	26%	22%
Gilts	1%	3%
Corporate bonds	10%	2%
Property	26%	26%
Cash/ other	16%	19%
	<u>100</u>	<u>100</u>

The actual Return on assets over the period was:	<u>1,667</u>	<u>1,974</u>
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ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

Principle Actuarial assumptions

	2018	2017
Discount rate	2.85%	2.50%
Inflation assumption (RPI)	3.32%	3.20%
Inflation assumption (CPI)	2.32%	2.00%
Future salary increases	2.05%	1.85%
Deferred pension revaluation	2.32%	2.00%
Benefits accrued pre 6 April 1997	0.00%	0%
Benefits accrued April 1997 to 6 April 2005	2.33%	2.05%
Benefits accrued post 6 April 2005	1.86%	1.70%

Assumed life expectancies on retirement at age 65 are:

	2018	2017
Male Mortality	100% of S3NMA	100% of S2NMA
Females Mortality	100% of S3NFA	100% of S2NFA
Mortality improvements	CMI 2018 long term improvement of 0.75% using core parameters	CMI 2017 long term improvement of 0.75% using core
Cash Commutation	75% members take maximum	75% members take maximum

Historical disclosures

	2018	2017	2016	2015
	£	£	£	£
Defined benefit obligation	(55,529)	(57,601)	(57,011)	(48,014)
Scheme assets	36,840	35,713	33,962	31,214
Deficit	(18,689)	(21,888)	(23,049)	(16,800)