



**ELIM FOURSQUARE GOSPEL  
ALLIANCE**

**CONSOLIDATED  
FINANCIAL STATEMENTS  
YEAR ENDED 30 September 2019**

	PAGE
INDEX	
Legal and administrative details	2 - 4
Report of the trustees	5 - 20
Report of the independent auditors	21 - 23
Accounting policies	24 - 27
Consolidated statement of financial activities	28
Statement of financial activities - Charity only	29
Consolidated balance sheet	30
Charity balance sheet	31
Consolidated cash flow statement	32
Notes to the financial statements	33 – 44

### 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	Rev C W Dye
Rev J J Glass	Rev A P Hudson
Rev E Michael	Rev R Millar
Rev K M Peat	Rev S Ball

### National Leadership Team and Trustees

Rev S Blount	Rev D Campbell
Rev C P Cartwright (Chairman)	Rev D Clark
Rev D De Souza	Rev C W Dye
Rev J J Glass	Rev A P Hudson
Rev E Michael	Rev K M Peat
Rev S Ball	

### 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

## 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

Moore 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

## 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, 12 September 2007, 25 May 2016 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 (SC037754).

### 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 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.

**ELIM FOURSQUARE GOSPEL ALLIANCE**  
**FINANCIAL STATEMENTS YEAR ENDED 30 September 2019**

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**Values**

**Consistently MISSIONAL** - intentional, adaptable, focused on Elim's four main priorities  
**Courageous INTEGRITY** - honest, trustworthy, consistent, discreet *"Doing the right thing, even when nobody is watching."* **C. S. Lewis**  
**Courteous SERVICE** - politely passionate, humble, generous  
**Clear ACCOUNTABILITY** - transparent stewardship, clear communication, excellent work ethic  
**Creative TEAMWORK** - innovative, 'can do,' collaborative

**Branches, connected trusts and subsidiary companies**

The following entities are connected with Elim Foursquare Gospel Alliance:

<b>Name</b>	<b>Country of Incorporation</b>	<b>Relationship</b>	<b>Address</b>	<b>Activity</b>
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](http://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 2019 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.

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 indicate a deficit of £6.3m (2018: £12.2m ) solely due to an extraordinary FRS102 Pension shortfall assessment. This was largely due to the impact of negative market conditions on fund investments. It has been agreed that the contingent asset charge on property asset to the pension fund will increase as part of a revised Recovery Plan, and thereby relieve pressure on free reserves by £23m.

Coincident with the earlier completion of these statements the impact of the **Covid19** pandemic and the statutory restrictions was becoming apparent. We immediately mobilised a strategy to make available alternative options, mainly digital, so that our supporters could continue to make donations. Church ministry and activities have successfully transferred to virtual media and increased levels of direct, albeit remote communication which has actually seen an increase in community engagement. Our primary core income by way of gifts and offerings has been sustained at a level where cash reserves have increased over the lock-down period introduced in March 2020. Income from childcare programs and secondary income from hire of halls and events has been most seriously affected but offset by considerable reductions in related costs. The detail on this will be more clearly identified in results for the financial year to September 2020.

The trustees are committed to ensuring that free reserves will be re-instated to original target levels, by maintaining and introducing such disciplines as are necessary.

## 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](http://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.

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 minister 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.

On appointment any new trustee is required to undergo an induction program to ensure awareness of responsibilities and current issues and circumstances, including sessions with charity executives and



**ELIM FOURSQUARE GOSPEL ALLIANCE**  
**FINANCIAL STATEMENTS YEAR ENDED 30 September 2019**

officers. Each year trustees will be provided with ongoing training including input on statutory and regulatory developments from professional advisors.

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.

Summary of Salaried roles held by Trustees							
	2019	2019	2019	2018	2018	2018	
Name	Salary	Employers N.I	Pension	Salary	Employers N.I	Pension	Position salaried
Chris Cartwright	86,023	10,673	5,382	85,283	10,625	5,184	Chris serves as General Superintendent, the most senior full time position in Elim, and global leader of the charity
Stuart Blount	64,115	10,673	5,382	62,404	7,468	5,184	Stuart is serving as national Director of Ministry
David Campbell	62,819	7,327	6,384	61,705	7,302	5,884	Serves as Regional Leader for the Metropolitan East and West Regions
Duncan Clark	53,172	-	5,184	51,564		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	Serves as a minister at Kensington Temple since October 2018
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	Served as Regional Leader for the Midlands and North East Regions. Ceased to be a trustee in May 2018
Kevin Peat	62,819	7,492	5,184	62,405	7,468	5,184	Serves as Regional Leader for Scotland and North West Regions
Edwin Michael	53,996	-	5,184	53,996		5,184	Serves as Superintendent of Elim Ireland. Appointed as trustee 1 May 2018
Paul Hudson	64,013	7,327	5,184	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	49,085	-	5,184	14,700			Serves as Senior minister at Cardiff City Temple church. Appointed as Trustee May 2018
Steve Ball	52,348	6,241	4,168				Serves as Regional Leader for Wales and South West England
Mark Pugh	-	-	-	40,664		3,456	Serves as Senior Minister of our church in Exeter. Ceased to be a Trustee in May 2018
	<b>686,372</b>	<b>49,733</b>	<b>52,420</b>	<b>684,144</b>	<b>45,816</b>	<b>64,924</b>	
<b>Total per note 8 to the ac</b>	<b>788,525</b>			<b>794,884</b>			

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**ELIM FOURSQUARE GOSPEL ALLIANCE**  
**FINANCIAL STATEMENTS YEAR ENDED 30 September 2019**

	<b>686,372</b>	<b>49,733</b>	<b>52,420</b>	<b>684,144</b>	<b>45,816</b>	<b>64,924</b>
<b>Total per note 8 to the accounts</b>	<b>788,525</b>			<b>794,884</b>		

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

<b>Trustee - related Parties Name</b>	<b>2019 Salary</b>	<b>2018 Salary</b>	<b>Position salaried</b>
Amanda Dye	50,000	50,000	Full time senior administration and ministry role in the church at Kensington Temple, London
Amanda Campbell	11,040	8,240	Part-time role as leader of Lifelink 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	Part-time administrative and support role with the Southern and Wales Regions until September 2018.
Margaret Michael	5,485	5,420	Part-time administration in Elim Ireland office
Kay Neale	-	1,320	Part-time administrative and support role for Midlands and North East Regions
Catherine De Souza	26,178	3,733	Minister at Cardiff City church
Margaret Peat	7,800	7,800	Part-time administrative and support role for Scotland and North West Regions
<b>Total per note 8 to the accounts</b>	<b>106,709</b>	<b>90,519</b>	

**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.

### **Safeguarding:**

Safeguarding the employees, volunteers and 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 2019.

### **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.

### **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.

### **Data Protection**

With the introduction of GDPR Elim has Data Management Department to more specifically address and review the processes for handling information across the wide spectrum of church activity. Established practices and protocols are reviewed to strengthen compliance with improved understanding of the evolving legislation. The Privacy Policy is published on our main central website.

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 financial 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.
- 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 exists to provide for the administration of those central commercial activities which have been classified as trading and therefore subject to tax and VAT. Elim Leadership Summit is the major operation under its governance.

### **Fundraising Policy**

The majority of our funds arise from voluntary donations received in the form of freewill church offerings including Gift aid donations. In recent years we have been very conscious of the growth of the “cashless society” and the “disappearing chequebook”. We seek to provide viable alternative opportunities for members and supporters to continue with their contributions. These are mainly in the form of online digital options which enable direct donations via church websites, Paythru mobile text giving and the new app-based donor resource from GIVT. While we seek to facilitate our donors with these options we do not promote them via any direct marketing activity. As a result of Covid19 lockdown restrictions we have seen a substantial increase in the use of these digital options and anticipate that many donors will continue to access these facilities following a return to a more normal lifestyle

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.

## FINANCE DIRECTORS REPORT -- Review of performance for the year

While the following comments and financial schedules do reflect a constant stable financial performance it would be wrong to assume that of repetitive and unchanging activity and ministry. On the contrary, as reported in the Elim Annual Review which is available on our website ([www.elim.org.uk](http://www.elim.org.uk)) considerable progress has been made in stepping into our four new strategic mission objectives. Advancing into the new decade we will seek to make further adjustments towards the fulfilment of our goals.

With input from the Audit and Governance Committee, we will continue to review further aspects of our financial procedures and protocols, with particular emphasis on funding of capital projects .

The results for the financial year to September 2019 reflect a consistent steady period of activity and ministry. The year ended with an operational surplus of almost £3.2m (2018: £3.9m).

### Overall income for the year was £70.87m (2018: £70.89m)

**Voluntary income** remained very static for the year at almost £48.3m (2018: £47.98m). We are extremely grateful to our members and friends whose faithful support generated 68% of total income for Elim. 87% of that voluntary income came through church offerings and donations. We continue to review and introduce options for digital donations at church events and online via websites and social media.

33% of church donations received via voluntary income was donated under Gift Aid, generating £5.8m of tax rebate. It is noted that only 35% of reported attendance have engaged in the Gift Aid scheme.

Elim Churches have maintained their engagement in community impact projects, In the face of increasing and costly statutory compliance requirements. Income generated by these activities has matched last year's performance at £21m. Nursing homes and Childcare ministries look to have stabilised following the struggles of recent years. Local church premises have continued to be available to other compatible activities within their communities. Income from hire of premises was £3.2m (2018: £3.07m). Please be sure to read section 1 of these statements which will reflect on the more critical impact of Elim's community engagement.

### Total Expenditure for the year was £67.7m (2018: £66.95m) an increase of 1%, representing 96% of total income.

Elim is extremely focused on its purpose and mission. 96% of revenue is expended in fulfilment of our charitable purpose. Governance and management costs take less than 5% of this.

As at the end of the year Elim employed 1,859 members of staff (see note 8) at a total cost of £33.1m (2018: £31.7m). The majority, 1192, are directly engaged in church activity. Of these 730 are serving in ministry, supported by 462 working in administration and property services. A further 667 paid staff operate in care and community services. A growing number of our ministry are engaged on a bi-vocational basis and over a third of all paid staff are part-time. Alongside these faithful individuals we estimate that about 10,000 people are directly involved on a weekly basis in ensuring that all aspects of Elim life can function effectively. We are massively grateful to all these individuals.

## CONSOLIDATED BALANCE SHEET

As stated in previous years these statements represent a consolidation of performance and assets and liabilities of approximately 450 churches operating throughout the UK and Ireland.

The chart below confirms that much of Elim's strength is derived from extensive property holdings, namely about just over 300 Church buildings, and 64 manses alongside the central properties at Malvern. During the year £2.1m was added to the value by way of capital projects – see note 9. However, this increase is offset by provision for depreciation of £1.4m. The net Fixed Asset value at 30 September 2019 is £190m. The capital projects were again fulfilled without recourse to external loan funding. Over £5.5m was repaid on existing loan facilities. £1.5m on deposit from the Pension fund was repaid due to legal changes, and £750K repaid to individuals who had supported local church building projects, A further £3.3m was repaid on bank loans as we continue to service agreed facilities provided mainly by our central banks, namely Lloyds and RBS/NatWest. .

The liability of £35.4m (2018: £18.7m) 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.

**ELIM FOURSQUARE GOSPEL ALLIANCE**  
**FINANCIAL STATEMENTS YEAR ENDED 30 September 2019**

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The triennial valuation for the Pension Fund, reports an actuarial shortfall of £11.8m. Following the 31 December 2018 actuarial valuation, the Trustee and the Employer have agreed a contribution plan of 16 years and 11 months from 31 December 2018 i.e. the last payment to be made by 1 December 2035. A working group consisting of representatives from the Alliance and pension trustees has been established to monitor performance on the recovery plan which has been determined taking into account the following factors :

- The size of the funding shortfall and the affordability of additional contributions
- Review of Benefit levels
- Assessment of the Employer (the Alliance) covenant
- Contingent security provided by the Alliance and associated employers

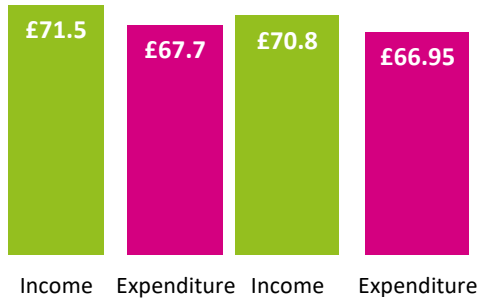
Contributions have been fully paid at the expected rate during Covid19 to date, and this is expected to continue.

**Reserves** as at year stand at £138.5m (2018: £151.3m) with the positive impact the operational surplus of £3.17m and of the pension deficit being £15.95m

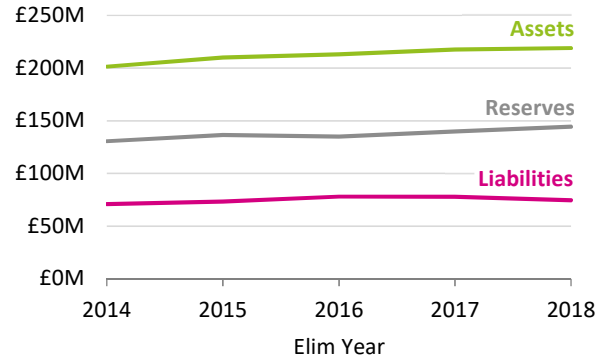
Please continue to pray for God's ongoing blessing and guidance as we seek to advance in His will and purpose for Elim.

## FINANCE SUMMARY

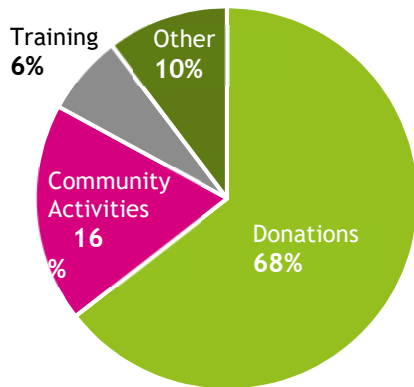
### INCOME STATEMENT



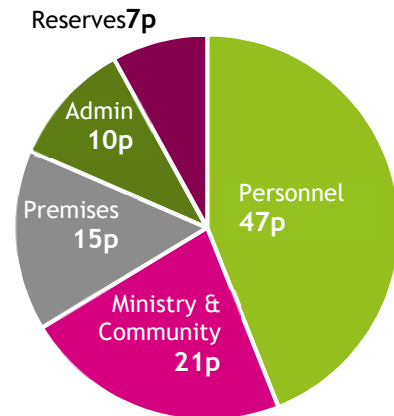
### BALANCE SHEET



### WHERE INCOME CAME FROM | 2019



### WHERE INCOME WENT PER POUND | 2019



### EXPENDITURE BY ACTIVITY | 2019





## EFGA CHARITY COVID19 RESUMEE

In common with most charities any major impact on our activities is generally reflected in our cashflow, and ultimate results visible in the cash at bank.

As can be seen from the chart attached the overall balance of monies held in EFGA bank accounts has not only been remarkably stable since 23 March 2020, the launch date for COVID19 lockdown, but has increased by nearly £2m over that period.

Please note this only reflects the account details obtained via online banking resources provided by NatWest, and Lloyds. Besides these, there are a number of church accounts held by other banks and the also for our churches in Ireland, where the accumulated balances add a further £2.5m to £3m.

The visible dips are at month end and reflect the impact of salary payments, but each time the balance has been more than recovered during the intervening period.

The decrease in Central fund bank balances over the longer period since 2018 reflects the lump sum repayments towards long term loans from banks and individuals.

We have traditionally operated on a policy of payment of suppliers within 30 days. While the quantum has considerably reduced we have maintained this practice without any undue stress on cashflow throughout the Covid period to date.

Servicing on bank loans has been in full compliance with existing agreements

Contributions to Elim Ministers Pension Fund have been and will be maintained without reduction for the foreseeable future.

### **INCOME:**

While many churches have reported a 20% drop of donation income, but this has been largely offset by savings on expenditure. Since adopting digital donation facilities some churches have even reported an increase in gift income.

For many income has been maintained by an increased use of digital donation options, namely Paythru Text giving and GIVT, a new app based facility. Weekly donations have averaged about £60k via these two portals alone, and increase from £9k per month previously. While there have been a few large gifts, the vast majority of donations reflect the normal offering levels.

A large number have also benefited from a rise in members registering Standing Orders to the church.

Churches with paid staff have also benefited from the Government Furlough Scheme, securing savings on payroll outlay but mainly for April onwards.

The major impact on income has been the loss of return from community programs, nurseries and rents/hire of halls due to lockdown restrictions. Some of the nurseries are planning to begin a phase re-opening in September 2020 subject to Government advice. It is the churches who have suffered this loss which provided an important source of income of the very few who have sought temporary relief on loan repayments.

The Nursing Homes in Ireland have had a strong year to date and their management during the Covid crisis has been excellent drawing commendations from regulators.

So far 95% of borrowing churches have maintained full repayments on their loans, while any concessions have only been for a capital holiday. Most churches have sought to maintain full instalments seeking to avoid any deferred or increased debt.

EFGA insurance policy includes income protection and we have registered intent to claim with our insurers. It is clear from their initial response that they will seek to mitigate against the scope of the claim. Having anticipated

this we have already commissioned expert legal advice and registered our details with the FCA who are currently engaged in a High Court test case against a number of named insurance companies to clarify terminology and scope on COVID insurance claims. We still feel quite positive that the only limitation relative to our claim is the condition that an “incident” must have happened within 10 miles of church premises.

#### **EXPENDITURE**

Personnel costs will be reduced until the end of October due to the Furlough scheme for which has been accessed for church support staff and those working on community related programs such as nurseries etc. No credentialed ministers have been put on furlough.

Centrally some staff have been put on furlough - over £90k has been realised in the first month(April) on our central payrolls, and others prepared for a decrease in salary.

The Salary Committee have already withdrawn their annual report relative to a potential increase on recommended levels for Ministers, which originally reflected an average of RPI CPI and Average weekly Earnings indices.

To date all EMPF / pension contributions have been maintained, with only a very few seeking relief.

Since travel has been restricted considerable savings have been made on related costs – mileage, accommodation, hospitality etc. All Central committees have been held via Zoom or TEAMS, including a weekly NLT meet.

Premises overheads have considerable reduced – particularly on utility costs. Major maintenance and refurbishment programs have been deferred. Some of these will still be essential but will be addressed only when the church is fully operational and income flow restored.

It is anticipated that churches will face additional costs in providing PPE and other hygiene products for people attending their premises. This cost could be in the region of £100k to £250k.

#### **Centrally at Malvern a number of major steps have been taken.**

All **central Admin** staff are working from home with schedule visits to the office if absolutely necessary. A full service function is being maintained. . We have sought to manage with a priority for salary preservation while cashflow permits. To date full salaries have been paid other than for 5 staff have been furloughed at 85%.

All committees including NLT, are meeting virtually, a considerable saving on expenses.

**RTC – College** - Most residential students had returned home early in April . As Accommodation is normally paid on receipt of SLC grants we have not had to make refunds. A small disbursement was made to those staying on site as we are not providing canteen catering. A full lecturing program has been maintained, albeit virtually, until the end of the college year in May. Currently it is planned that full residential college program will resume in September 2020 including a fresh intake of first year students.

Conference bookings for this summer have been refunded. Loss of income from our summer bookings is in the region of £250k. Only the manageress remains active and has been busy taking bookings for 2021 season! Other staff furloughed. Also as a result of this the kitchen has been closed and staff furloughed.

#### **Conclusion**

Elim has continued to fulfil, and to some degree, expand its activity towards addressing its primary charitable objective. Under the direction of the National Leadership Team, a process was quickly established to disseminate advice and practical resources to enable churches to respond to a very new and challenging environment.

**ELIM FOURSQUARE GOSPEL ALLIANCE**  
**FINANCIAL STATEMENTS YEAR ENDED 30 September 2019**

General church activity was “virtualised” using online media to maintain programs for ministry, prayer, group meetings and youth and children’s work. The “viewing attendance” for most churches has matched if not exceeded normal attendance. To be fair this may reflect a positive impact of the lockdown in that, with workplaces being closed, individuals were more available for engagement.

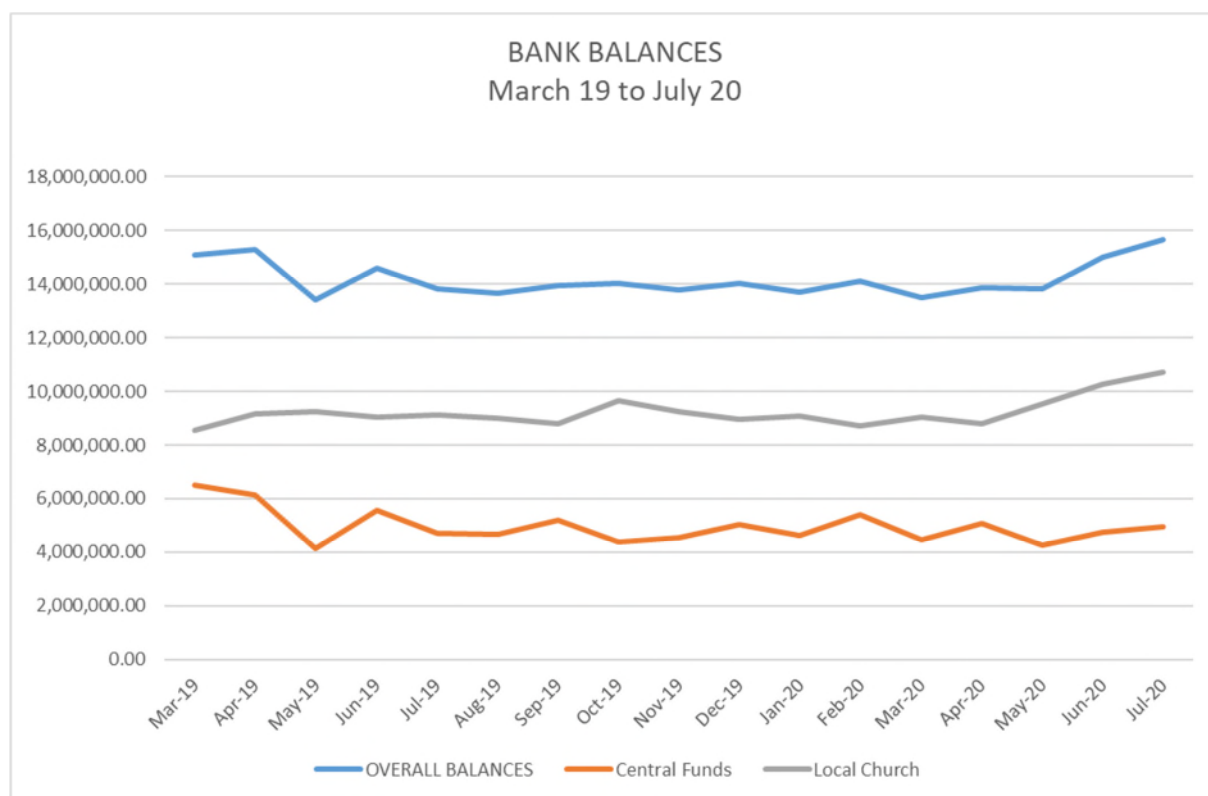
Pastoral care and support programs were initiated by local church ministers and leaders to engage with and encourage those in their fellowships and the wider communities. Foodbank ministry face an unprecedented increase in demand for their services, and thankfully also enjoyed increased support from volunteer helpers and in their finances.

Our extensive chaplaincy team continued to meet the massive demand for service and ministry to the wider community including the NHS.

A wide range of weekly support “zoominars” have been held at national and regional level including one for local finance officers with a good number “joining” each time.

An extensive program of local and national events / services has been warmly received. A virtual national Leadership all day event was held last week with over 3,000 “visitors” and prayer events with over one thousand in support.

At the time of writing the Annual Leadership Summit which was postponed in May is being revised for virtual delivery in October 2020.



### 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

Moore Kingston Smith LLP, having indicated willingness to continue as auditors, will be retained serve as such for the new financial year.

Signed by order of the National Leadership Team



Chris Cartwright

General Superintendent

DATE : 27 August 2020

## 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 2019 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 2019 and of the group and parent charity'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 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.
- 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.

*Moore Kingston Smith LLP*

**Moore Kingston Smith LLP**  
Statutory auditor

28 August 2020

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as 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 Charities Act 2011 and the Statement of Recommended Practice: Accounting by Charities FRS102 (the SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland 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 2019. 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.

### 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 together with the associated income tax recoveries.



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.

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 2019 is £35.4m (2018: £18.9m). 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 2018 indicates a resulting pension shortfall of £11.8m, with a recovery plan targeted at 2035.

## 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

## GOING CONCERN

The trustees have considered the impact of the COVID-19 pandemic, and the measures taken to contain it, on the charity when considering their assessment of going concern. The charity has been able to adapt to the pandemic by measures such as conducting worship virtually and also has significant cash reserves. Whilst the ultimate impact cannot be quantified, the trustees do not expect the pandemic to adversely affect the ability of the charity to continue in operation for at least twelve months from the date of approval of the financial statements.

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

Consolidated Statement of Financial Activities  
incorporating Income and Expenditure Account

	note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOMING RESOURCES</b>					
<b>Activities for generating income</b>					
Voluntary Income	1	46,060,303	2,208,434	48,268,737	47,976,596
Income generated by ancillary programs	2	21,054,664		21,054,664	21,074,006
Income from charitable activities	3	700,908		700,908	783,368
Investment income	4	605,891		605,891	605,891
Other Income resources	5	239,450		239,450	449,696
<b>Total incoming resources</b>		<b>68,661,216</b>	<b>2,208,434</b>	<b>70,869,650</b>	<b>70,889,557</b>
<b>RESOURCES EXPENDED</b>					
Costs of raising funds	6	731,441		731,441	660,517
Charitable Activities	6a	64,917,410	2,053,534	66,970,944	66,293,479
		<b>65,648,851</b>	<b>2,053,534</b>	<b>67,702,385</b>	<b>66,953,996</b>
<b>Surplus of income over Expenditure</b>		3,012,365	154,900	3,167,265	3,935,561
Investment Asset revaluation					3,776,997
<b>Net incoming resources for the year</b>		<b>3,012,365</b>	<b>154,900</b>	<b>3,167,265</b>	<b>7,712,558</b>
Actuarial loss on Defined Benefit Scheme	22	(15,956,000)		(15,956,000)	3,757,000
Fund balances at 1 October 2018		150,826,918	500,924	151,327,842	139,858,284
<b>Fund balances at 30 September 2019</b>		<b>137,883,283</b>	<b>655,824</b>	<b>138,539,107</b>	<b>151,327,842</b>

All of the activities of the charity are classed as continuing

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

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

	note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOMING RESOURCES</b>					
<b>Activities for generating income</b>					
Voluntary Income	1	46,060,303	2,208,434	48,268,737	47,976,596
Income generated by ancillary programs	2	20,778,656		20,778,656	21,074,006
Income from charitable activities	3	700,908		700,908	519,269
Investment income	4	605,891		605,891	605,891
Other Income resources	5	239,450		239,450	449,696
<b>Total incoming resources</b>		<b>68,385,208</b>	<b>2,208,434</b>	<b>70,593,642</b>	<b>70,625,458</b>
<b>RESOURCES EXPENDED</b>					
Costs of raising funds	6	731,441		731,441	660,517
Charitable Activities	6a	64,638,758	2,053,534	66,692,292	66,023,250
FRS17 Costs					
		<b>65,370,199</b>	<b>2,053,534</b>	<b>67,423,733</b>	<b>66,683,767</b>
<b>Surplus of income over Expenditure</b>		3,015,009	154,900	3,169,909	3,941,691
Investment Asset revaluation					3,776,997
<b>Net incoming resources for the year</b>		<b>3,015,009</b>	<b>154,900</b>	<b>3,169,909</b>	<b>7,718,688</b>
Actuarial Loss on Defined Benefit Scheme	22	(15,956,000)		(15,956,000)	3,757,000
Fund balances at 1 October 2018		150,760,883	500,924	151,261,807	139,786,119
<b>Fund balances at 30 September 2019</b>		<b>137,819,892</b>	<b>655,824</b>	<b>138,475,716</b>	<b>151,261,807</b>

All of the activities of the charity are classed as continuing

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2019

	Note	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019	Total Funds 2018
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	9	189,977,493		189,977,493	189,922,516
Investments	9a	8,626,410		8,626,410	8,626,410
Long term loans advanced	12	2,177,181		2,177,181	793,528
		<b>200,781,084</b>		<b>200,781,084</b>	<b>199,342,454</b>
<b>Current Assets</b>					
Stocks	10	27,754		27,754	43,431
Debtors	11	2,795,812		2,795,812	1,857,585
Cash at bank and in hand	13	16,720,697	655,824	17,376,521	21,469,790
		<b>19,544,263</b>	<b>655,824</b>	<b>20,200,087</b>	<b>23,370,806</b>
<b>Current Liabilities</b>					
Creditors	14	1,281,758		1,281,758	1,345,951
Current portion on long term loans	15	2,740,000		2,740,000	2,740,000
		<b>4,021,758</b>		<b>4,021,758</b>	<b>4,085,951</b>
Net current assets		15,522,505	655,824	16,178,329	19,284,855
Total assets less current liabilities		216,303,589	655,824	216,959,413	218,627,309
Long term loans received and other Pension obligations	15	43,064,306 35,356,000		43,064,306 35,356,000	48,610,467 18,689,000
		<b>137,883,283</b>	<b>655,824</b>	<b>138,539,107</b>	<b>151,327,842</b>
<b>Reserves</b>					
General reserves		29,066,096		29,066,096	30,943,869
Pension reserve		(35,356,000)		(35,356,000)	(18,689,000)
General property reserves	17	144,173,187		144,173,187	138,572,049
Restricted funds	16		655,824	655,824	500,924
		<b>137,883,283</b>	<b>655,824</b>	<b>138,539,107</b>	<b>151,327,842</b>

These financial statements were approved by the National Leadership Team on 27 AUGUST 2020  
and signed on its behalf by



GENERAL SUPERINTENDENT

The accounting policies on pages 23 to 26 and the notes on pages 36 to 44 form part of these financial statements.

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

CHARITY BALANCE SHEET AS AT 30 SEPTEMBER 2019

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>Fixed Assets</b>					
Tangible fixed assets	9	189,977,493		189,977,493	189,921,592
Investments	9a	8,626,410		8,626,410	8,626,410
Long term loans advanced	12	2,177,181		2,177,181	793,528
		<u>200,781,084</u>		<u>200,781,084</u>	<u>199,341,529</u>
<b>Current Assets</b>					
Stocks	10	15,853		15,853	29,031
Debtors	11	2,770,052		2,770,052	1,836,292
Cash at bank and in hand	13	16,688,832	655,824	17,344,656	21,430,810
		<u>19,474,737</u>	<u>655,824</u>	<u>20,130,561</u>	<u>23,296,133</u>
<b>Current Liabilities</b>					
Creditors	14	1,275,623		1,275,623	1,336,389
Current portion on long term loans	15	2,740,000		2,740,000	2,740,000
		<u>4,015,623</u>		<u>4,015,623</u>	<u>4,076,389</u>
Net current assets		<u>15,459,114</u>	<u>655,824</u>	<u>16,114,938</u>	<u>19,219,744</u>
Total assets less current liabilities		<u>216,240,198</u>	<u>655,824</u>	<u>216,896,022</u>	<u>218,561,274</u>
Long term loans received and other Pension obligations	15	43,064,306 35,356,000		43,064,306 35,356,000	48,610,467 18,689,000
		<u>137,819,892</u>	<u>655,824</u>	<u>138,475,716</u>	<u>151,261,807</u>
<b>Reserves</b>					
General reserves		29,002,705		29,002,705	30,878,758
less Pension reserve		(35,356,000)		(35,356,000)	(18,689,000)
General property reserves	17	144,173,187		144,173,187	138,571,125
Restricted funds	16		655,824	655,824	500,924
		<u>137,819,892</u>	<u>655,824</u>	<u>138,475,716</u>	<u>151,261,807</u>

These financial statements were approved by the National Leadership Team on 27 August 2020  
and signed on its behalf by



GENERAL SUPERINTENDENT

The accounting policies on pages 23 to 26 and the notes on pages 36 to 44 form part of these financial statements.

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

CONSOLIDATED CASH FLOW STATEMENT

	2019	2018
<b>Net cash inflow from operating activities</b>	3,167,265	3,935,561
<b>Adjustments for:</b>		
Depreciation	1,483,869	1,668,054
Interest received	(457,034)	(385,404)
Interest paid	2,470,867	2,594,274
Movement in stock	15,677	(1,384)
Movement in debtors	(938,227)	509,160
Movement in creditors	(64,193)	(96,633)
Non cash movement re Defined Benefit Pension Scheme	711,000	558,000
Profit on disposal of fixed assets	(239,450)	(449,696)
Net cash from operating activities	<u>6,149,774</u>	<u>8,331,932</u>
<b>Cash Flows from investing activities:</b>		
Purchase of Property, plant and equipment	(2,233,593)	(2,521,158)
Sale of Property, plant and equipment	934,197	1,011,533
Interest received	457,034	385,404
(Loans Advanced) / Repayment of loans advanced	(1,383,653)	150,031
	<u>(2,226,015)</u>	<u>(974,190)</u>
<b>Cash flows from financing activities</b>		
Movement in loans	(5,546,161)	(1,832,389)
Interest paid	(2,470,867)	(2,594,274)
	<u>(8,017,028)</u>	<u>(4,426,663)</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(4,093,269)</b>	<b>2,931,078</b>
Cash and cash equivalents at the beginning of the reporting period	<b>21,469,790</b>	18,538,712
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><b>17,376,522</b></u>	<u><b>21,469,790</b></u>



NOTES TO THE FINANCIAL STATEMENTS

1. 'Activities for generating income	Total 2019 £	Total 2018 £
<b>1. Voluntary Income</b>		
General Gifts and Offerings	19,251,487	21,426,897
Gift Aid donations and tax rebate	22,373,756	21,693,101
Designated gifts and offerings	2,496,694	2,593,900
Legacies	420,402	766,578
Grants received <b>1a</b>	1,798,792	1,455,166
Other donations	1,927,606	40,954
	<b>48,268,737</b>	<b>47,976,596</b>

Included with Voluntary income is £2,208,434 which relates to restricted funds (2018: £2,140,014).

**1a. Grants received**

Grants received from external sources during the year to 30 September 2019 and for the year to 30 September 2018, 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.

2. Income from ancillary programs	Total 2019	Total 2018
Hire of premises	3,192,782	3,071,939
Church Seminars etc	2,149,518	2,292,536
Ministry and Skills training	2,316,667	2,484,419
Coffee shops	606,760	489,083
Bookrooms	139,971	133,890
Charity shops	487,544	559,508
Community Programs	2,032,323	1,924,023
Childcare programs	6,744,914	6,942,644
Nursing Homes	3,196,403	3,036,761
Other ancillary activities	187,782	139,203
	<b>21,054,664</b>	<b>21,074,006</b>

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 £276,008 which relates to the group's subsidiary company (2018: £264,098).

ELIM FOURSQUARE GOSPEL ALLIANCE  
 FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS

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	<b>Total 2019</b>	<b>Total 2018</b>
<b>3. Income from charitable activities</b>		
Sundry Activities	243,873	397,963
Interest Received	457,034	385,405
	<u><b>700,907</b></u>	<u><b>783,368</b></u>

	<b>Total 2019</b>	<b>Total 2018</b>
<b>4. Investment income</b>		
Income generated from investment assets	<u>605,891</u>	<u>605,891</u>
	<u><b>605,891</b></u>	<u><b>605,891</b></u>

	<b>Total 2019</b>	<b>Total 2018</b>
<b>5. Other Incoming resources</b>		
Profit on sale of assets	<u>239,450</u>	<u>449,696</u>
	<u><b>239,450</b></u>	<u><b>449,696</b></u>
<b>Total incoming resources</b>	<u><b>70,869,650</b></u>	<u><b>70,889,557</b></u>

	<b>Total 2019</b>	<b>Total 2018</b>
<b>6 Costs of raising funds</b>		
Promotion and publicity	284,662	263,812
Bank Charges	446,779	396,706
	<u><b>731,441</b></u>	<u><b>660,518</b></u>

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS

		Church Activity 2019	Evangelism 2019	Youth 2019	Missions 2019	Training 2019	Ancillary 2019	Total 2019
<b>6a Summary by Costs</b>								
Personnel costs	8	23,851,835	234,208	971,889	248,802	1,400,731	7,120,378	33,827,843
UK Events and ministry programs		5,986,720	569,158	1,018,986		505,247	532,041	8,612,152
UK ancillary and community programs	6c	186,927					2,704,886	2,891,813
Overseas ministry		1,350,805			418,842			1,769,647
Training and development		338,626						338,626
Literature and material		253,407	457	176	7,719	8,989		270,748
Premises costs		7,373,322	773	39,378	3,824	532,168	832,720	8,782,185
Utilities costs		1,878,141						1,878,141
Equipment costs		1,504,125	2,161	15,353	1,652	152,012	150,043	1,825,346
Office and administration costs		1,382,242	1,796	4,181	4,470	20,333	137,261	1,550,283
Grants Made	6d	(196,898)	41,701	43,627	1,383,230	4,326	204,190	1,480,176
Governance costs	7b	945,667		35,153	13,156	124,549	154,593	1,273,118
Interest Costs		2,448,779			7,124		14,964	2,470,867
		<b>47,303,697</b>	<b>850,254</b>	<b>2,128,743</b>	<b>2,088,819</b>	<b>2,748,355</b>	<b>11,851,076</b>	<b>66,970,944</b>

Support costs amount to £1,964,810 (2018: £2,147,309) and are split out by cost type in Note 7a 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 £278,652 (2018: £270,229) which relates to the group's subsidiary company. Included in the above is £2,053,534 (2018: £2,260,549) which relate to restricted funds.

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

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

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS

		Total 2019	Total 2018
<b>6c Expenditure re Ancillary Programs</b>	<b>6a</b>		
Church Seminars etc		143,945	462,085
Ministry and Skills training		119,041	133,164
Coffee shops		611,893	297,953
Bookrooms		98,310	20,796
Charity shops		272,569	209,524
Childcare programs		5,597,401	5,528,632
Community Programs		1,757,724	1,525,227
Nursing Homes		3,250,193	3,213,626
		<u>11,851,076</u>	<u>11,391,007</u>
		<b>Total 2019</b>	<b>Total 2018</b>
<b>6d. Grants Made</b>	<b>6a</b>		
Individuals		616,611	558,559
Other ministries and institutions		347,108	785,872
Other charities		516,457	540,750
		<u>1,480,176</u>	<u>1,885,181</u>

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.

		Total 2019	Total 2018
<b>7a. Support costs</b>			
Central and Regional Salaries		1,633,312	1,623,494
Central office premises		12,436	145,942
Central Equipment		100,584	108,911
Central administration costs		218,478	268,962
		<u>1,964,810</u>	<u>2,147,310</u>
<b>7b. Governance Costs</b>			
Principal auditor fee		126,029	118,823
Consultancy fees		721	41,780
Legal and advisory fees		1,098,278	938,153
Trustee and management committees		48,090	33,682
		<u>3,237,928</u>	<u>3,279,748</u>

**ELIM FOURSQUARE GOSPEL ALLIANCE**  
**FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>8. EMPLOYEES</b>	<b>Total 2019</b>	<b>Total 2018</b>
<b>STAFF COSTS DURING THE YEAR WERE AS FOLLOWS:</b>		
Wages and salaries - ministry	27,294,183	25,516,809
Wages and salaries - administration	2,959,339	2,812,142
Agency Costs	18,310	23,533
Social security costs	938,170	945,290
Other pension costs	1,816,773	2,343,331
Private health insurance	90,068	95,417
	<u>33,116,844</u>	<u>31,736,523</u>

	<b>Number 2019</b>	<b>Number 2018</b>
Church and ministry staff	617	638
Youth Ministry	113	114
Administration	298	318
Care - Nursing and childcare	429	474
Community Programs	238	251
Property Services	164	183
	<u>1,859</u>	<u>1,978</u>

	<b>Number 2019</b>	<b>Number 2018</b>
£90,001 - £100,000	2	2
£80,001 - £90,000	2	2
£70,001 - £80,000	6	7
£60,001 - £70,000	3	5
£50,001 - £60,000	12	9
£40,001 - £50,000	68	61
£30,001 - £40,000	154	157
£20,001 - £30,000	274	280
£10,001 - £20,000	618	671
£1 - £9,000	720	784
<b>Total</b>	<u><b>1,859</b></u>	<u><b>1,978</b></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 £788,527 (2018 : £794,884). 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 2019 the number employed was 6 (2018: 8) with a total salary of £106,710 (2018: £90,519) . A breakdown of this amount is included within the Trustees Report. Please read this in conjunction with this report

NOTES TO THE FINANCIAL STATEMENTS

9. Tangible Fixed Assets

Group	Freehold property & leasehold improvements	Assets in the course of Construction	Fixtures, fittings & equipment	Total 2019
Cost as at 30 September 2018	206,014,770		4,617,542	210,632,312
Additions	2,104,759		128,834	2,233,593
Transfer to Investments				
Disposals	(694,747)			(694,747)
Cost as at 30 September 2019	207,424,782		4,746,376	212,171,158
Accumulated depreciation as at 30 September 2018	16,607,881		4,101,915	20,709,796
Charge in the year	1,394,233		89,636	1,483,869
Depreciation on disposals				
Accumulated depreciation as at 30 September 2019	18,002,114		4,191,551	22,193,665
Net book value at 30 September 2019	189,422,668		554,825	189,977,493
Net book value at 30 September 2018	189,406,889		515,627	189,922,516

9. Tangible Fixed Assets

Charity	Freehold property & leasehold improvements	Assets in the course of Construction	Fixtures, fittings & equipment	Total 2019
Cost as at 30 September 2018	206,014,770		4,604,780	210,619,550
Additions	2,104,759		128,834	2,233,593
Transfer to Investments				
Disposals	(694,747)			(694,747)
Cost as at 30 September 2019	207,424,782		4,733,614	212,158,396
Accumulated depreciation as at 30 September 2018	16,589,357		4,108,601	20,697,958
Charge in the year	1,394,233		88,712	1,482,945
Depreciation on disposals				
Accumulated depreciation as at 30 September 2019	17,983,590		4,197,313	22,180,903
Net book value at 30 September 2019	189,441,192		536,301	189,977,493
Net book value at 30 September 2018	189,425,413		496,179	189,921,592

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
Value at 30 September 2018	8,626,410
Revaluation in year	
Value as at 30 September 2019	8,626,410

5 properties were identified as being held solely for income generation and capital appreciation so were transferred from Tangible Fixed Assets in the previous year. The valuation is reviewed annually to establish fair value at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

10. STOCKS	Total 2019	Total 2018
<b>Group</b>		
Goods for resale	13,684	27,539
Office stock	14,070	15,892
	<u>27,754</u>	<u>43,431</u>

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

<b>Charity</b>		
Goods for resale	13,683	27,539
Office stock	2,170	1,492
	<u>15,853</u>	<u>29,031</u>

Goods for resale are held by local church bookrooms

11. DEBTORS	Total 2019	Total 2018
<b>Group</b>		
Trade Debtors	948,718	341,224
Prepayments		
Other debtors	1,847,094	1,516,361
	<u>2,795,812</u>	<u>1,857,585</u>

<b>Charity</b>		
Trade Debtors	948,718	340,365
Intercompany		
Other debtors	1,821,334	1,495,927
	<u>2,770,052</u>	<u>1,836,292</u>

12. LONG TERM LOANS ADVANCED	Total 2019	Total 2018
<b>Group and Charity</b>		
Advances to individuals	1,656,008	201,865
Sundry advances less provisions	521,173	591,663
	<u>2,177,181</u>	<u>793,528</u>

a1. Includes advances to 3 officers of the Alliance secured against assets and repayable by date of sale £37,128 (2018: £27845) No individual loan exceeds £30,000.

a2. Also includes the following advances to trustees :

Colin Dye in the sum of £30,085 (2018: £30,085)

Edwin Michael £6,733 (2018: £10,488)

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 2019	Restricted Funds 2019	Total Funds 2019	Total Funds 2018
Net balance held in local church accounts		13,513,853	13,513,853	14,290,887
Central Funds	3,862,668		3,862,668	7,178,903
	<u>16,720,697</u>	<u>655,824</u>	<u>17,376,521</u>	<u>21,469,790</u>

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS

14. CREDITORS Group	Total 2019	Total 2018
Trade creditors	854,434	849,573
Social security and other taxes	52,625	63,493
Other creditors	374,699	432,885
Accruals and deferred income		
	<u>1,281,758</u>	<u>1,345,951</u>
	<b>Total 2019</b>	<b>Total 2018</b>
<b>Charity</b>		
Trade creditors	851,795	844,435
Social security and other taxes	50,129	62,065
Other creditors	373,699	429,889
Intercompany		
Accruals and deferred income		
	<u>1,275,623</u>	<u>1,336,389</u>
	<b>Total 2019</b>	<b>Total 2018</b>
<b>15. LONG TERM LOANS RECEIVED</b>		
<b>Unsecured liabilities:-</b>		
Amounts due to other trusts	181,212	1,651,720
Amounts due to individuals	1,034,970	1,787,985
<b>Amounts repayable within one year</b>	<u>(890,000)</u>	<u>(890,000)</u>
	326,182	2,549,705
<b>Secured liabilities:-</b>		
Bank loans (b)	44,588,124	47,910,762
Bank loan portion payable within one year	<u>(1,850,000)</u>	<u>(1,850,000)</u>
Individual loan portion payable within one year		
<b>Total Long Term Loans</b>	<u>43,064,306</u>	<u>48,610,467</u>
<b>Bank loan projected repayments</b>		
Within one year	1,850,000	1,850,000
After one and within two years	3,000,000	3,000,000
After two and within five years	7,000,000	7,000,000
After five years	32,738,124	36,060,762
	<u>44,588,124</u>	<u>47,910,762</u>

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.



NOTES TO THE FINANCIAL STATEMENTS

16. MOVEMENT ON RESTRICTED FUNDS

Group and charity	CHURCH RESTRICTED FUNDS	ELIM RELIEF ASSOC. FUND	2019 TOTAL RESTRICTED FUNDS	2018 TOTAL RESTRICTED FUNDS
			£	£
At 1 October 2018	459,145	41,779	500,924	621,369
Incoming resources	2,097,032	111,402	2,208,434	2,140,014
Expenditure	(1,969,217)	(84,317)	(2,053,534)	(2,260,459)
At 30 September 2019	<b>586,960</b>	<b>68,864</b>	<b>655,824</b>	<b>500,924</b>

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	2019 TOTAL DESIGNATED FUNDS	2018 TOTAL DESIGNATED FUNDS
At 1 October 2018	138,572,049	138,572,049	136,448,392
Incoming resources			
Expenditure			
Transfers	5,601,138	5,601,138	2,123,657
At 30 September 2019	<b>144,173,187</b>	<b>144,173,187</b>	<b>138,572,049</b>

The charity

	CAPITAL ASSETS FUND	2019 TOTAL DESIGNATED FUNDS	2018 TOTAL DESIGNATED FUNDS
At 1 October 2018	138,571,125	138,571,125	136,446,304
Incoming resources			
Expenditure			
Transfers	5,602,062	5,602,062	2,124,821
At 30 September 2019	<b>144,173,187</b>	<b>144,173,187</b>	<b>138,571,125</b>

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		189,977,493		189,977,493
Investments	8,626,410			8,626,410
Loan Advances	2,177,181			2,177,181
Current Assets	19,544,263		655,824	20,200,087
Current Laibilities	(1,281,758)	(2,740,000)		(4,021,758)
Long term Liabilities		(43,064,306)		(43,064,306)
Pension obligation	(35,356,000)			(35,356,000)
	<b>(6,289,904)</b>	<b>144,173,187</b>	<b>655,824</b>	<b>138,539,107</b>

18.2 Charity

	General	Designated	Restricted	Total
Fixed Assets		189,977,493		189,977,493
Investments	8,626,410			8,626,410
Loan Advances	2,177,181			2,177,181
Current Assets	19,474,737		655,824	20,130,561
Current Laibilities	(1,275,623)	(2,740,000)		(4,015,623)
Long term Liabilities		(43,064,306)		(43,064,306)
Pension obligation	(35,356,000)			(35,356,000)
	<b>(6,353,295)</b>	<b>144,173,187</b>	<b>655,824</b>	<b>138,475,716</b>

NOTES TO THE FINANCIAL STATEMENTS

**19. CONTINGENT LIABILITIES**

There are no contingent liabilities (2018 :  
£nil)

**20. CAPITAL COMMITMENTS**

The Alliance has no major capital commitments other than for church building projects contracted at 30 September 2019.

**21. OPERATING LEASES**

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

<b>Group</b>	<b>2019 £000s Office Equipment</b>	<b>2019 £000s Office Equipment</b>
Not later than 1 year	213	151
Later than 1 year but not later than 5 years	511	276
	<u>724</u>	<u>427</u>

<b>Charity only</b>	<b>2019 £000s Office Equipment</b>	<b>2019 £000s Office Equipment</b>
Not later than 1 year	213	151
Later than 1 year but not later than 5 years	511	275
	<u>724</u>	<u>426</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 2018.

The total employer contributions during the year to 30 September 2019 amounted to £1,619,000 (2018: £1,633,000).

Contributions to the scheme for the year ending 30 September 2020 are expected to be £1.619 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.

<b>Employee benefit obligations</b>	<b>Value at 2019 £000s</b>	<b>Value at 2018 £000s</b>
	<u>£</u>	<u>£</u>
Present value of benefit obligation	73,151	55,529
Fair value of scheme assets	(37,795)	(36,840)
Net Pension Liability	<u>35,356</u>	<u>18,689</u>

ELIM FOURSQUARE GOSPEL ALLIANCE  
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS

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

	2019 £000s	2018 £000s
Current service cost	1,795	1,644
Net Interest cost on the net defined benefit liability	535	547
Total	<u>2,330</u>	<u>2,191</u>

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

	2019 £000s	2018 £000s
Actuarial losses/ (gains)	(16,563)	3,434
Actual return on assets excluding interest income	607	323
	<u>(15,956)</u>	<u>3,757</u>

Changes in present value of benefit obligation

	2019 £000s	2018 £000s
Opening defined benefit obligation	55,529	57,601
Current service cost	1,795	1,644
Interest cost	1,575	1,439
Actuarial loss / (gain)	16,563	(3,434)
Benefits paid	(2,311)	(1,721)
Closing defined benefit obligation	<u>73,151</u>	<u>55,529</u>

Change in fair value of scheme assets

	2019 £000s	2018 £000s
Opening fair value of scheme assets	36,840	35,713
Interest in scheme assets	607	892
Return on assets excluding interest income	1,040	323
Employer contributions	1,619	1,633
Benefits paid	(2,311)	(1,721)
Closing fair value of scheme assets	<u>37,795</u>	<u>36,840</u>

The assets of the scheme were:

	2019	2018
UK Equities	19%	22%
Overseas equities	32%	26%
Gilts	3%	1%
Corporate bonds	13%	10%
Property	25%	26%
Cash/ other	8%	16%
	<u>100</u>	<u>100</u>

Expected contribution for 2020 1,619,000

**ELIM FOURSQUARE GOSPEL ALLIANCE**  
**FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Principal Actuarial assumptions</b>	<b>2019</b>	<b>2018</b>
Discount rate	1.81%	2.85%
Inflation assumption (RPI)	3.36%	3.32%
Inflation assumption (CPI)	2.36%	2.32%
Future salary increases	2.05%	2.05%
for first 3 years post September 2019		
thereafter	2.08%	
Deferred pension revaluation	2.36%	2.32%
Benefits accrued pre 6 April 1997		
Benefits accrued April 1997 to 6 April		
2005	2.37%	2.33%
Benefits accrued post 6 April 2005	1.88%	1.86%

**Assumed life expectancies on retirement at age 65 are:**

Male Mortality	100% of S3NMA
Females Mortality	100% of S3NFA
Mortality improvements	CMI 2018 long term improvement of 0.75% using core parameters
Cash Commutation	75% members take maximum amount available
Expenses	Nil

**Historical disclosures**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Defined benefit obligation	(73,151)	(55,529)	(57,601)
Scheme assets	37,795	36,840	35,713
Deficit	<b>(35,356)</b>	<b>(18,689)</b>	<b>(21,888)</b>