

LIGHTFORCE INTERNATIONAL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

LIGHTFORCE INTERNATIONAL
(A company limited by guarantee)

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LIGHTFORCE INTERNATIONAL
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees George Ridley, Chairman
 Rachel Edwards
 Andrew Shearman
 Tim Miles
 Raymond Bowker

**Company registered
number** 3123629

**Charity registered
number** 1050871

Registered office Christian Centre
 Strudwick Drive, Oldbrook
 Milton Keynes
 Buckinghamshire
 MK6 2TG

Company secretary Rachel Edwards

Independent auditor MHA MacIntyre Hudson
 Chartered Accountants
 Moorgate House
 201 Silbury Boulevard
 Milton Keynes
 Buckinghamshire
 MK9 1LZ

LIGHTFORCE INTERNATIONAL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

LightForce International is a Christian mission specialising in humanitarian aid and development projects. It's work commenced in Eastern Europe in 1980 and LightForce is still active in Albania.

The dawn of the new millennium saw the work expand into Africa and India, the focus being child education, health, food & nutrition, care of orphans and rural village outreach.

Objectives and activities

a. Policies and objectives

The objects of LightForce International are:

To advance the Christian religion and to relieve persons in any part of the world who are in condition of need, hardship and distress by reason of their social and economic circumstances and in particular but not exclusively by deploying human and material resources to provide appropriate relief to such persons.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

a. Main achievements of the Charity

Uganda

We obtained licenses for our three schools in 2018 and full registration was not possible in 2020 but will be pursued as Covid restrictions relax and schools open fully. There was a reduction in staff due to Covid 19, but we continued to engage all agricultural and livestock workers. The number of students on our school sponsorship programme again increased but schools closed on 17th March until 2021. We ran a home-schooling program free of charge for 150 children. We assist children with disability as a priority followed by orphans and vulnerable children from the local community. We continue to have 2 qualified nursery and primary teachers from the UK assisting our staff and they are a great help. The Agricultural and Vocational School accepted new students but had to close under Presidential order. Farming has made good progress again this year. We have planted and harvested cassava and a variety of vegetable this year. We completed a silage bunker – the first in the area and made our own maize silage for cattle. We added new breeding stock at the piggery. Our new Poultry unit is going well. We have both layers and broilers. We increased the number of birds. Our eggs and broilers are popular and we sell all. In 2020 we were planning to have some dairy cows. We completed the housing but held off from bringing cows until our silage is ready. Our solar system for producing electricity has supplied us with power 24/7 throughout the year and continues to be an excellent investment. During the year we sunk a further 2 wells. Our Care Home for vulnerable children grew to 14 residents throughout the year. The program to assist vulnerable children has resulted in improved health, regular education and improved security for the beneficiaries. We sent all the children into the community in December for holidays and to review whether they need to remain in our care or not. The community clinic continues to serve the community. Our project for widows living with HIV continues to provide social support and counselling and oversees income generating projects managed by the four groups. We began a project supporting teenage girls with lifestyle advice and the provision of sanitary pads each month. They are 60 in number. Despite Covid 19 the Director of LightForce spent 10.5 months in Uganda overseeing the projects & Covid adjustments

India

We continued the excellent relationships with Home of Faith and IGM. At Home of Faith we provided food and support for key staff monthly. Sunitha Johnson continues to educate the children under her care. The number of children continues at 42. The area was severely affected during Covid 19. Thankfully staff implemented good measures to ensure all our children are safe. Our relationship with IGM continued and the works in Chennai area and Ooty both continue. Their children's' home in Chennai now enjoys a new purpose built facility. They have 22 branch churches, run medical camps monthly, and continue to provide vocational training, support the poor and marginalised with clothing and food, and assist in emergency situations. We continued to help IGM to support educational projects (tuition centres) linked to churches in Orissa state. The 12 Tuition Centres target tribal people in remote villages belonging to lower castes. The main aim and focus to provide partnership & quality education through the 12 free night schools in different villages. We support 12 bible school students for mission work. IGM continues to be a very active and an excellent partner. The CEO of IGM was honoured for his excellent work. A tailoring project for former street girls was going to close due to funding issues. We have raised money to ensure it continues throughout 2020. Covid 19 has restricted the work but also given opportunity to run community feeding programs. It has not been possible to visit in 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

Albania

Our camps were not able to operate in 2020. We were not able to visit. Our staff continued to run the small farm and maintain the property.

Kenya

LightForce continues to partner with Education for Life in Mombasa. The educational facilities include nursery, primary and secondary education, a small children's home and feeding program. We were happy to continue to provide some support during the year. Also many LightForce partners continue to support children directly with EFL.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

LightForce International seeks to raise funds for specific projects and endeavours to utilise such funds as wisely yet quickly as possible. Balances on the accounts generally reflect amounts of restricted funds being held but not yet utilised. Our policy is to ensure that we have funds in hand to operate for four months.

c. Financial risk management objectives and policies

Recognizing that we work in cash societies overseas we nevertheless seek to move funds and make payments by bank transfer and cheque where possible. We also do our best to ensure transactions are receipted. Close management of staff handling cash and regular reports and auditing are ensured to identify irregularities.

d. Grants

Whilst not generally provided we have given small income generation "seed money" for the purpose of starting small businesses/income generation project in Uganda.

In the second quarter of each year projects are identified for funding the following year. Donors commit to specific projects ensuring our continued development and guaranteeing core funding.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

a. Constitution

LightForce is a Registered Charity no: 1050871, governed by its Memorandum and Articles of Association incorporated on 8th November 1995.

b. Methods of appointment or election of Trustees

Management of the Charity is the responsibility of the Trustees who are elected in accordance with the Declaration of Trust.

There are four trustees of LightForce International and they are required to meet at least twice a year. Trustees may be removed from office if disqualified under the Charities Act 1993, if absent from two consecutive meetings, if removed by resolution by all other trustees, or if they resign trusteeship by notice in writing provided at least two continuing trustees.

Trustee replacement would be carried out with due reference to a prospective candidate having interest in the work of LightForce, they should share our Christian values, have cross cultural experience, bring something unique that adds value to the board. We would also give consideration to the gender balance of the board. Training would be provided for newly appointed trustees. They would serve alongside a serving trustee to ensure they understand legal responsibility, the objectives of the charity and how to ensure LightForce International continues to be compliant.

Day to day management of LightForce is delegated to the International Director.

c. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Uganda

We want to realise 400 students in our schools. We will re-open schools and develop the dairy project. Land registry and property transfer is taking place for all our assets. We will seek final licensing of our schools.

Albania

Our camp facility in Lezhe will open when Covid 19 restrictions are lifted.

India

to continue to support the growth and development of all projects in line with the respective vision of our partners. Some aspects are currently restricted by the pandemic.

Volunteer issues

In accordance with LightForce International's equal opportunities policy, LightForce International has long established fair practices in the recruitment, selection, retention and training of all volunteers. We have looked at the safeguarding requirements for all our projects and ensure that volunteers are thoroughly checked before travelling to the field.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Public Benefit Report

LightForce International continues to run projects that meet genuine needs within the community. We provide benefit to the public chiefly through feeding, health services and education. Our mid term objective is to establish sustainable projects. Covid 19 has put many constraints on our work during the year, but we have advanced with care.

FOOD & NUTRITION

In India LFI continues, through it's partners, to be committed to providing supplementary feeding to some of the most marginalised members of society. These include lower caste, lepers, former sex workers, street children and gypsies. Working through various partnerships we seek to ensure that there is also adequate social support, counselling and education available to these beneficiaries.

Our summer camps in Albania continued to provide a balanced diet for children from some of the poorer families in Albanian society.

The Education for Life project in Kenya provides a lunch each school day for all the beneficiaries of its education project as well as for children attending other schools.

In Uganda, our Nursery & Primary School as well as our Agricultural and Vocational School provide two meals a day that help to sustain our students. Our Care Home residents get 3 meals daily. All staff take lunch and dinner when on duty.

HEALTH & HIV/AIDS

Our emergency medical fund enables us to provide medical care where needed and where the absence of finance leaves people vulnerable through sickness. Our children in the Nursery & Primary school benefit from health checks, through the clinic, in the year they receive (height, weight, sight, and hearing tests). The children who live within our Care Home also receive free medical care through our clinic. We have 4 successful small projects supporting HIV widows with regular meetings, counsel and income generating support. We added a project to support teenage girls with lifestyle advice and sanitary pads.

EDUCATION

Our Uganda office provides school sponsorship for children including some with Special Needs. Most are physically challenged but some are orphans and come from extremely vulnerable circumstances. We are now totalling 140 children on the Sponsorship Programme. We give serious consideration to providing access to education for girls. Our Nursery and Primary schools have 250 students.

Our Agricultural and Vocational School offer courses in tailoring, crop and livestock management as well as a certificate in agricultural studies. Our farm is developing to provide practical experience too.

Our program of camps at our Centre in Albania provides education on life principles for children amidst a fun program of activity and social interaction which is enjoyed by all.

Children in the Children's homes in India are enrolled in local schools. Through Home of Faith in India we are endeavouring to ensure children embraced by the project attend school (42 in all). Our partners at IGM have all their 150 children in full time education.

Education for Life in Kenya continues to receive support through LightForce; this vibrant project provides education from nursery to 'A' level.

LIGHTFORCE INTERNATIONAL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

SUSTAINABILITY

It is recognised that projects need to be sustained. Donor dependency and fatigue are problems we seek to avoid. Means of income generation are encouraged at each of the International office locations to ensure long term sustainability. These include piggery, goat rearing, poultry, purchase & sale of produce, participant contributions to programs and small income generation projects. In 2020, we again ran a successful year of farming in Uganda harvesting and growing a variety of crops. We began to sell eggs, chickens and other items from our farm shop with good success. The income from this will support our work towards sustainability. In addition we provide employment for 70 local people and casual labour for 30 more.

TRUSTEE COMPLIANCE

The trustees declare they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, MHA MacIntyre Hudson, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
George Ridley

Date: 27th September 2021

LIGHTFORCE INTERNATIONAL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHTFORCE INTERNATIONAL

Opinion

We have audited the financial statements of Lightforce International (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Except for the possible effects of the matter described in the Basis for Opinion Section of our report, in our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its 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.

Basis for opinion

As part of overseas mission and aid work, a stock of animals are farmed by rural farmers in Albania. At any point in time, the number and value of the animals held will vary. The responsibility for farm management and the animals is undertaken by selected/approved farmers, and their operations are regularly monitored on site by the main representative of the charity. At the year end stock was quantified and valued, but as in the previous year, due to the location and practicalities of observing a date sensitive stock take, the animals have not been physically seen and hence we are unable to generate sufficient appropriate audit evidence to confirm the physical existence and therefore the value shown as stock in the financial statements. Alternative records and representations indicate their existence and there has been no management limitation to this area of audit work.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

LIGHTFORCE INTERNATIONAL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHTFORCE INTERNATIONAL
(CONTINUED)

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 contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

LIGHTFORCE INTERNATIONAL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHTFORCE INTERNATIONAL
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rational of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

LIGHTFORCE INTERNATIONAL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHTFORCE INTERNATIONAL
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Elizabeth Newell BA (Hons) FCA (Senior statutory auditor)
for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Milton Keynes

Date: 29/09/2021

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

LIGHTFORCE INTERNATIONAL
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	-	43,503	43,503	121,211
Charitable activities	4	244,967	-	244,967	237,782
Investments	5	-	17	17	13
Other income	6	-	10,056	10,056	11,002
		<u>244,967</u>	<u>53,576</u>	<u>298,543</u>	<u>370,008</u>
Total income					
Expenditure on:					
Charitable activities	7	223,812	58,896	282,708	357,941
		<u>223,812</u>	<u>58,896</u>	<u>282,708</u>	<u>357,941</u>
Total expenditure					
		<u>21,155</u>	<u>(5,320)</u>	<u>15,835</u>	<u>12,067</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		59,874	950,220	1,010,094	998,027
Net movement in funds		21,155	(5,320)	15,835	12,067
		<u>81,029</u>	<u>944,900</u>	<u>1,025,929</u>	<u>1,010,094</u>
Total funds carried forward					

LIGHTFORCE INTERNATIONAL
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REGISTERED NUMBER: 3123629

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	865,606	887,048
Investments	12	266	266
		<u>865,872</u>	<u>887,314</u>
Current assets			
Stocks	13	42,209	30,714
Debtors	14	22,646	24,248
Cash at bank and in hand		100,593	78,732
		<u>165,448</u>	<u>133,694</u>
Creditors: amounts falling due within one year	15	(5,391)	(10,914)
Net current assets		<u>160,057</u>	<u>122,780</u>
Total assets less current liabilities		<u>1,025,929</u>	<u>1,010,094</u>
Total net assets		<u><u>1,025,929</u></u>	<u><u>1,010,094</u></u>
Charity funds			
Restricted funds	17	81,029	59,874
Unrestricted funds	17	944,900	950,220
Total funds		<u><u>1,025,929</u></u>	<u><u>1,010,094</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

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REGISTERED NUMBER: 3123629

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020



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George Ridley

Date: 27th September 2021

The notes on pages 16 to 29 form part of these financial statements.

LIGHTFORCE INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and is a registered in England and Wales. The address of the registered office is Strudwick Drive, Oldbrook, Milton Keynes, MK6 2TG.

The accounts have been prepared in sterling and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lightforce International meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Property and improvements	- 2-10%
Plant and machinery	- 25-33.3%
Motor vehicles	- 33.3-50%

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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2. Accounting policies (continued)

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations			
Individuals and businesses	17,103	17,103	56,945
Gifts in kind	26,400	26,400	64,266
	<u>43,503</u>	<u>43,503</u>	<u>121,211</u>
Total 2020			
	<u>43,503</u>	<u>43,503</u>	<u>121,211</u>
	<u>43,503</u>	<u>43,503</u>	<u>121,211</u>
<i>Total 2019</i>	<u>121,211</u>	<u>121,211</u>	

Gifts in kind are from Milton Keynes Christian Centre, a related party, and comprise of £13,750 (2019: £13,750) for the provision of serviced offices and £12,650 (2019: £50,516) being staff costs of personnel working within Lightforce International.

4. Income from charitable activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Overseas aid - Albania	33,803	-	33,803	60,081
Overseas aid - India	46,199	-	46,199	37,868
Overseas aid - Africa	164,965	-	164,965	139,833
	<u>244,967</u>	<u>-</u>	<u>244,967</u>	<u>237,782</u>
Total 2020				
	<u>244,967</u>	<u>-</u>	<u>244,967</u>	<u>237,782</u>
	<u>244,967</u>	<u>-</u>	<u>244,967</u>	<u>237,782</u>
<i>Total 2019</i>	<u>207,632</u>	<u>30,150</u>	<u>237,782</u>	

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5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment income	17	17	13
	<u>17</u>	<u>17</u>	<u>13</u>
<i>Total 2019</i>	<u>13</u>	<u>13</u>	

6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Other income	10,056	10,056	11,002
	<u>10,056</u>	<u>10,056</u>	<u>11,002</u>
<i>Total 2019</i>	<u>11,002</u>	<u>11,002</u>	

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FOR THE YEAR ENDED 31 DECEMBER 2020

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Overseas aid - Uganda	149,554	7,099	156,653	130,779
Overseas aid - Kenya	-	-	-	1,397
Overseas aid - Albania	31,428	(11,495)	19,933	56,928
Overseas aid - India Home of Faith	22,229	-	22,229	25,283
Overseas aid - India NICOG	7,870	-	7,870	1,336
Overseas aid - India IGM	12,256	-	12,256	9,901
Salaries	-	-	-	4,083
General	-	39,923	39,923	106,312
Depreciation	475	22,485	22,960	21,922
P&L on disposal	-	884	884	-
	<u>223,812</u>	<u>58,896</u>	<u>282,708</u>	<u>357,941</u>
<i>Total 2019</i>	<u>193,082</u>	<u>164,859</u>	<u>357,941</u>	

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8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Overseas aid - Uganda	149,554	7,099	156,653	130,779
Overseas aid - Kenya	-	-	-	1,397
Overseas aid - Albania	19,933	-	19,933	56,928
Overseas aid - India Home of Faith	22,229	-	22,229	25,283
Overseas aid - India NICOG	7,870	-	7,870	1,336
Overseas aid - India IGM	12,256	-	12,256	9,901
Salaries	-	-	-	4,083
General	-	39,923	39,923	106,312
Depreciation	-	22,960	22,960	21,922
P&L on disposal	-	884	884	-
	<u>211,842</u>	<u>70,866</u>	<u>282,708</u>	<u>357,941</u>
<i>Total 2019</i>	<u>219,545</u>	<u>138,396</u>	<u>357,941</u>	

9. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	4,686	4,370

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

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11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Improvements to property £	Total £
Cost or valuation					
At 1 January 2020	476,636	100,561	22,631	427,365	1,027,193
Additions	-	2,278	346	971	3,595
Disposals	(2,077)	(265)	(481)	-	(2,823)
At 31 December 2020	<u>474,559</u>	<u>102,574</u>	<u>22,496</u>	<u>428,336</u>	<u>1,027,965</u>
Depreciation					
At 1 January 2020	-	73,017	21,331	45,797	140,145
Charge for the year	-	16,857	548	5,555	22,960
On disposals	-	(265)	(481)	-	(746)
At 31 December 2020	<u>-</u>	<u>89,609</u>	<u>21,398</u>	<u>51,352</u>	<u>162,359</u>
Net book value					
At 31 December 2020	<u>474,559</u>	<u>12,965</u>	<u>1,098</u>	<u>376,984</u>	<u>865,606</u>
At 31 December 2019	<u>476,636</u>	<u>27,544</u>	<u>1,300</u>	<u>381,568</u>	<u>887,048</u>

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12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	266
At 31 December 2020	<u>266</u>
Net book value	
At 31 December 2020	<u>266</u>
At 31 December 2019	<u>266</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding	Included in consolidation
Lightforce Trading Company Limited	03001342	Christian Centre, Strudwick Drive, Oldbrook, Milton Keynes, MK6 2TG	100%	No

The financial results of the subsidiary for the year were:

Name	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Lightforce Trading Company Limited	(456)	1,610

The Trustees consider LightForce Trading Company, in terms of size and operations, immaterial to the overall position of the Group. The Company made a loss of £456 (2019: £516) and have net assets of £1,610 (2019: £2,064). On this basis, the Trustees have agreed that the Company is immaterial to consolidate into the accounts.

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13. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>42,209</u>	<u>30,714</u>

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	7,953	8,158
Other debtors	14,693	14,015
Prepayments and accrued income	-	2,075
	<u>22,646</u>	<u>24,248</u>

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	27	1,327
Other creditors	2,408	3,101
Accruals and deferred income	2,956	6,486
	<u>5,391</u>	<u>10,914</u>

16. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>100,593</u>	<u>78,730</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Unrestricted funds					
General Funds	950,220	53,576	(58,896)	-	944,900
Restricted funds					
Uganda	29,546	163,663	(149,554)	(3,250)	40,405
Kenya	-	1,303	-	-	1,303
Albania	7,806	33,804	(31,428)	-	10,182
India Home of Faith	9,287	24,271	(22,229)	-	11,329
India NICOG	-	7,500	(7,500)	-	-
India IGM	4,215	13,101	(12,256)	-	5,060
Uganda container	8,000	-	-	-	8,000
Sudan	1,020	-	-	-	1,020
India NICOG V.Teams	-	1,325	(370)	-	955
Uganda - assets	-	-	(475)	3,250	2,775
	59,874	244,967	(223,812)	-	81,029
Total of funds	1,010,094	298,543	(282,708)	-	1,025,929

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2019 £</i>
Unrestricted funds					
General Funds	952,089	186,025	(189,255)	1,361	950,220
Restricted funds					
Uganda	35,512	108,047	(100,028)	(13,985)	29,546
Kenya	-	1,397	(1,397)	-	-
Albania	(4,004)	29,931	(30,741)	12,620	7,806
India Home of Faith	9,856	24,713	(25,282)	-	9,287
India NICO	-	1,336	(1,336)	-	-
India IGM	2,295	11,818	(9,902)	4	4,215
Uganda container	2,292	5,708	-	-	8,000
Sudan	1,020	-	-	-	1,020
	46,971	182,950	(168,686)	(1,361)	59,874
Total of funds	999,060	182,950	(357,941)	-	1,010,094

18. Summary of funds

Summary of funds - current year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2020 £</i>
General funds	950,220	53,576	(58,896)	-	944,900
Restricted funds	59,874	244,967	(223,812)	-	81,029
	1,010,094	298,543	(282,708)	-	1,025,929

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2019 £</i>
General funds	952,089	186,025	(189,255)	1,361	950,220
Restricted funds	46,971	182,950	(168,686)	(1,361)	59,874
	<u>999,060</u>	<u>368,975</u>	<u>(357,941)</u>	<u>-</u>	<u>1,010,094</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,250	862,356	865,606
Fixed asset investments	-	266	266
Current assets	77,779	87,669	165,448
Creditors due within one year	-	(5,391)	(5,391)
Total	<u>81,029</u>	<u>944,900</u>	<u>1,025,929</u>

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	22,064	864,984	887,048
Fixed asset investments	-	266	266
Current assets	37,810	95,882	133,692
Creditors due within one year	-	(10,914)	(10,914)
Total	<u>59,874</u>	<u>950,218</u>	<u>1,010,092</u>

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20. Related party transactions

LightForce International is the missions arm of Milton Keynes Christian Centre which pioneered the work of LightForce International. There is therefore a close link between the two charities. Lightforce Trading Company Limited is a wholly owned subsidiary company of LightForce International.

Milton Keynes Christian Centre made donations of services to LightForce International of £13,750 (2019: £13,750). The value of the donated services is included under "Donations" in the Statement of Financial Activities.

21. Contingent liability

There remain instances of legal dispute as to the ownership of title to some small areas of the land shown in the financial statements. In all cases, legal responses have been made, and the land in question is fully utilised, so no suggestion that any of the land shown within fixed assets, and any claim to title is very much seen as an attempt to seek some form of payment. The charity is confident that all land is properly titled in the charity's name.

Due to the locations where the charity operates, it is not always possible for a specific documents to be obtained as full evidence for an expense. Such documents are secured whenever possible and suitable records are kept of expenditure and cash payments, including larger transactions.

