

REGISTERED CHARITY NUMBER: 1051780

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 4 APRIL 2022
FOR
GOVERNANCE MINISTRIES CHARITY**

Higson APS Ltd

GOVERNANCE MINISTRIES CHARITY

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 4 APRIL 2022**

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 6
Statement of Financial Activities	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	12 to 20
Detailed Statement of Financial Activities	21 to 22

GOVERNANCE MINISTRIES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 4 APRIL 2022

The trustees present their report with the financial statements of the charity for the year ended 4 April 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Significant activities and future plans

During the year to 2022 Governance Ministries continued to broadcast simultaneously the channel TBN UK on Terrestrial Freeview Channel 66 and on Satellite Sky Channel 582.

TBN UK continues to put the gospel of Jesus Christ behind the front door of more than 95% of the approximate 29 million homes in the United Kingdom and 2m homes in Ireland.

The impact of TBNUK also continues to grow through Digital Media including on line through watch.tbn.uk and is viewed around the world.

The TBNUK management and leadership team continue to focus on generating business income through airtime sales to programmers, advertisers and sponsors, while tightly managing broadcasting costs, and in such a way we can build the TV business activity of engaging with increasing numbers of viewers on Freeview, Satellite and Digital Media.

It is quality programming with viewer engagement through encouragement, support, prayer and the Word of God, while teaching and training them in life based on biblical truth, that continues to attract viewers to TBNUK.

In turn we expect normal TV advertising and sponsorship sales to increase as we attract more viewers to TBN UK.

Public benefit

Governance Ministries furthers its primary objects by promoting the Gospel of Jesus Christ and extending the Christian faith through the channel, TBN UK, broadcasting 24/7 to the United Kingdom. The schedule content advances the education of the public by teaching and encouraging the adoption of Biblical principles and ethics and is supported by Radio, Web Site, watch.tbn.uk streaming on demand, Facebook, Twitter, Instagram, YouTube.Com/tbnuktv and Telephone support including Prayer lines.

Grantmaking

The Charity does not have any formal grant making policies.

FINANCIAL REVIEW

Principal funding sources and review of expenditure

The principle sources of income in the year were "air time sales" to other ministries whose programmes on TBN UK advances the christian religion by promoting the Gospel of Jesus Christ. In addition, advertisements and sponsorship sales were secured. TV viewers also decide to make gifts and donations.

Governance Ministries have been doing this for a number of years and all systems and processes are working well.

The trustees continue to tightly manage the expenditure process. Trustees approve every payment schedule by email, first knowing how much is in the bank account before and after they go to approve the schedule of payments.

We advance the Christian religion by promoting the gospel of Jesus Christ to millions of homes in the UK and Europe through the business activity of a broadcast TV channel, buying airtime on Digital Terrestrial Platform (Freeview) and Satellite Platform (Astra) seen through Sky electronic programme guide..

Programme production costs continue to bring more UK and European produced content to the TBNUK schedule.

Programme production is going to be an increasing area of expenditure in coming years. However the Trustees are pleased to report that 50% of the programmes in the TBN UK schedule are produced within the UK and Europe and already comply with Ofcom's requirements.

GOVERNANCE MINISTRIES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 4 APRIL 2022

FINANCIAL REVIEW

Reserves policy

Governance Ministries operates a Reserves Policy which is a designated figure for the sole purpose of supporting essential staff and building operations in the event of unforeseen difficulties.

The monies for the Reserves Policy have been built up from surplus income and are not grant funded or restricted.

The Trustees have agreed a reserves policy that requires reserves be maintained at a level which ensures that Governance Ministries core activity could continue during a period of unforeseen difficulty.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The object of the Trust is to advance the Christian faith by the proclamation and forbearance of the Gospel of God concerning His Son Jesus Christ our Lord and the preaching and teaching of the Word of God in the United Kingdom and Europe and such other places decided upon by the trustees consistent with the Doctrine and Articles of Belief set forth in the trust deed. We primarily achieve this through the business of broadcasting on Freeview, Sky and on Digital Media.

Recruitment and appointment of new trustees

There shall be at least three Trustees. Every future trustee shall be appointed by a resolution of the Trustees passed at a special meeting called under Clause 11.

In selecting persons to be appointed as Trustees, the Trustees shall take into account the benefits of appointing a person who is able by virtue of his or her personal or professional qualifications to make a contribution to the pursuit of the objects or the management of the Charity

Organisational structure

Governance Ministries has registered the Working Names of TBN Europe, (TV Channel) TBN UK, (TV Channel) , Workplace Ministers (Promoting and Establishing Workplace or Marketplace Church's across cities, Seminars, Teaching Materials, one to one mentoring), Living Seeds (Training and Business School Established in Sierra Leone), and One Palm Outreach Mission to Nepal (Establishing Workplace Church in Nepal).

Millions of people are reached and their needs ministered to with thousands making contact to tell us.

Trinity Broadcasting Network headquartered in California, USA is a visionary partner with Governance Ministries. Both organisations primary object is to advance the Christian Religion by the promotion of the Gospel of Jesus Christ and one area of co-operating is the securing and sustaining satellite and terrestrial airtime platforms. We are completely separate legal entities but we cooperate to achieve a mutual vision. Unity in the body of Christ is a key pursuit of Governance Ministries.

Induction and training of new trustees

The induction and training of trustees involves

1. Making Trustees aware of all Current Charity Commission Guidance sheets for Trustees and the best practice they should follow to carry out the role of trustee
2. Give each trustee a copy of the Governance Ministries trust deed and articles of belief and a number of historic Board Meeting Minutes to give some historical context.
3. Walk Trustees through the authorising/ approving of weekly/monthly schedules of expenditure, and how to contact the finance manager if they have queries or require more information.
4. R.A. Fleming as founder and senior trustee teaching them every aspect of the Charities business, their existing strategy and opportunities to improve, including visiting representative stakeholders in the Charity

GOVERNANCE MINISTRIES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 4 APRIL 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Charity pays Mr Richard Fleming (Trustee) a fee (on presentation of invoice) for consultancy services. This is in agreement with the Supplementary Deed to the Trust Deed dated 30 November 2006 and article 20b of the Trust Deed.

The Charity also pays rent on its offices to Voluntary Sector Centres (Charity number 1105259) to the value of £115,000 (2021 - £118,000) per annum, Voluntary Sector Centres has Trustees in Common with Governance Ministries.

Mr R Fleming is empowered by the Trustees to act as Chief Executive Officer and is responsible for the day to day management of the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1051780

Principal address

226 Church Road
Willesden
London
NW10 9NR

Trustees

R A Fleming
S D Mallison-Jones
N Marsh
Ms M Tuccillo
Mrs P Seward
M R Anuwe

Accountants

Higson APS Ltd

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

GOVERNANCE MINISTRIES CHARITY

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 4 APRIL 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 2 February 2023 and signed on its behalf by:

R A Fleming - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF GOVERNANCE MINISTRIES CHARITY

Opinion

We have audited the financial statements of Governance Ministries Charity (the 'charity') for the year ended 4 April 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 4 April 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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

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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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 Report of the Trustees 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF GOVERNANCE MINISTRIES CHARITY

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

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

Higson APS Ltd

2 February 2023

GOVERNANCE MINISTRIES CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 4 APRIL 2022

		2022 Unrestricted fund £	2021 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	1,663,404	1,660,656
Economic activities in furtherance of the Charity			
Objects	3	6,775,597	5,771,190
Investment income	4	<u>5,733</u>	<u>7,741</u>
Total		8,444,734	7,439,587
 EXPENDITURE ON			
Economic activities in furtherance of the Charity			
Objects	5	5,621,582	5,264,752
Charitable activities	6		
Donations		263,405	274,191
Support Costs		579,958	547,416
Life Campus		5,938	2,169
Living Seeds		266,031	966
Other		<u>80,873</u>	<u>-</u>
Total		6,817,787	6,089,494
 NET INCOME		1,626,947	1,350,093
 RECONCILIATION OF FUNDS			
Total funds brought forward		6,150,245	4,800,152
 TOTAL FUNDS CARRIED FORWARD		<u><u>7,777,192</u></u>	<u><u>6,150,245</u></u>

The notes form part of these financial statements

GOVERNANCE MINISTRIES CHARITY

**BALANCE SHEET
4 APRIL 2022**

	Notes	2022 Unrestricted fund £	2021 Total funds £
FIXED ASSETS			
Tangible assets	11	103,975	75,115
Investments	12	<u>300</u>	<u>1,182,000</u>
		104,275	1,257,115
CURRENT ASSETS			
Debtors	13	4,951,533	2,894,950
Cash at bank and in hand		<u>3,363,132</u>	<u>2,523,396</u>
		8,314,665	5,418,346
CREDITORS			
Amounts falling due within one year	14	(641,748)	(525,216)
		<u>7,672,917</u>	<u>4,893,130</u>
NET CURRENT ASSETS			
		<u>7,672,917</u>	<u>4,893,130</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>7,777,192</u>	<u>6,150,245</u>
NET ASSETS			
		<u><u>7,777,192</u></u>	<u><u>6,150,245</u></u>
FUNDS	16		
Unrestricted funds		<u>7,777,192</u>	<u>6,150,245</u>
TOTAL FUNDS		<u><u>7,777,192</u></u>	<u><u>6,150,245</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 2 February 2023 and were signed on its behalf by:

R A Fleming - Trustee

N Marsh - Trustee

The notes form part of these financial statements

GOVERNANCE MINISTRIES CHARITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 4 APRIL 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(289,070)</u>	<u>579,832</u>
Net cash (used in)/provided by operating activities		<u>(289,070)</u>	<u>579,832</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(52,893)	(18,127)
Purchase of fixed asset investments		(300)	-
Sale of fixed asset investments		1,182,000	-
Interest received		<u>-</u>	<u>96</u>
Net cash provided by/(used in) investing activities		<u>1,128,807</u>	<u>(18,031)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		839,737	561,801
Cash and cash equivalents at the beginning of the reporting period		<u>2,523,396</u>	<u>1,961,595</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>3,363,132</u></u>	<u><u>2,523,396</u></u>

The notes form part of these financial statements

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 4 APRIL 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	1,626,947	1,350,093
Adjustments for:		
Depreciation charges	24,034	30,083
Interest received	-	(96)
Increase in debtors	(2,056,583)	(958,981)
Increase in creditors	<u>116,532</u>	<u>158,733</u>
Net cash (used in)/provided by operations	<u>(289,070)</u>	<u>579,832</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 5.4.21 £	Cash flow £	At 4.4.22 £
Net cash			
Cash at bank and in hand	<u>2,523,396</u>	<u>839,736</u>	<u>3,363,132</u>
	<u>2,523,396</u>	<u>839,736</u>	<u>3,363,132</u>
Total	<u>2,523,396</u>	<u>839,736</u>	<u>3,363,132</u>

The notes form part of these financial statements

GOVERNANCE MINISTRIES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 4 APRIL 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Costs have been allocated as deemed appropriate by the Trustee's.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Programme Costs	- 33% on cost
Furniture & Equipment	- 25% on reducing balance
Motor vehicles	- 20% on cost
Computer & Sound Equipment	- 33% on reducing balance

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2022**

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations, gifts & offerings	1,661,920	1,646,434
Grants	<u>1,484</u>	<u>14,222</u>
	<u><u>1,663,404</u></u>	<u><u>1,660,656</u></u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Job Retention Scheme	<u>1,484</u>	<u>14,222</u>

3. ECONOMIC ACTIVITIES IN FURTHERANCE OF THE CHARITY OBJECTS

	2022	2021
	£	£
Contribution used to help meet operating commitments	4,013,070	3,155,200
Broadcast airtime sales	2,360,302	2,084,069
Programme sponsorship	208,200	211,950
Airtime spots & advertising sales	194,025	222,273
Recharged expenses	<u>-</u>	<u>97,698</u>
	<u><u>6,775,597</u></u>	<u><u>5,771,190</u></u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	5,733	7,645
Deposit account interest	<u>-</u>	<u>96</u>
	<u><u>5,733</u></u>	<u><u>7,741</u></u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2022**

5. ECONOMIC ACTIVITIES IN FURTHERANCE OF THE CHARITY OBJECTS

Other trading activities

	2022	2021
	£	£
Staff costs	274,238	269,187
Rent of studios	120,500	120,500
License & EPG costs	502,457	411,545
Programme costs	2,227,680	1,864,476
Freeview/Globecast airtime	<u>2,496,707</u>	<u>2,599,044</u>
	<u><u>5,621,582</u></u>	<u><u>5,264,752</u></u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Donations	263,405	-	263,405
Support Costs	-	579,958	579,958
Life Campus	5,938	-	5,938
Living Seeds	<u>259,846</u>	<u>6,185</u>	<u>266,031</u>
	<u><u>529,189</u></u>	<u><u>586,143</u></u>	<u><u>1,115,332</u></u>

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Other resources expended	-	80,873	80,873
Support Costs	320,814	259,144	579,958
Living Seeds	<u>6,185</u>	<u>-</u>	<u>6,185</u>
	<u><u>326,999</u></u>	<u><u>340,017</u></u>	<u><u>667,016</u></u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 4 April 2022 nor for the year ended 4 April 2021.

Mr R Fleming received payment during the year for consultancy services invoiced as permitted by the Trust Deed and subsequent Supplemental Deed. The annual cost for these services was £90,000, (2021 - £90,000) net of VAT, invoiced monthly. During the current year, this amount was invoiced through Mansion Garden Estates Limited, a company of which Mr Fleming was a director.

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2022**

8. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the year, Trustee's Indemnity Insurance costing £4,269 (2021 - £4,269) was purchased.

In addition, trustee travel expenses totalling £6,185 (2021 - £3,640) were incurred in the year, in the main to cover travel to Sierra Leone where the Charity is an ongoing supporter of a project there.

9. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	519,194	482,225
Other pension costs	<u>10,274</u>	<u>8,059</u>
	<u><u>529,468</u></u>	<u><u>490,284</u></u>

The average monthly number of employees during the year was as follows:

	2022	2021
Programme	7	4
Administration & Finance	1	1
Donor Management	<u>3</u>	<u>5</u>
	<u><u>11</u></u>	<u><u>10</u></u>

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	1,660,656
Economic activities in furtherance of the Charity Objects	5,771,190
Investment income	<u>7,741</u>
Total	7,439,587
EXPENDITURE ON	
Economic activities in furtherance of the Charity Objects	5,264,752
Charitable activities	
Donations	274,191
Support Costs	547,416
Life Campus	2,169
Living Seeds	966

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2022**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
Total	6,089,494
NET INCOME	1,350,093
RECONCILIATION OF FUNDS	
Total funds brought forward	4,800,152
TOTAL FUNDS CARRIED FORWARD	<u>6,150,245</u>

11. TANGIBLE FIXED ASSETS

	Programme Costs £	Furniture & Equipment £	Motor vehicles £	Computer & Sound Equipment £	Totals £
COST					
At 5 April 2021	182,608	58,599	-	207,002	448,209
Additions	<u>-</u>	<u>-</u>	<u>48,238</u>	<u>4,655</u>	<u>52,893</u>
At 4 April 2022	<u>182,608</u>	<u>58,599</u>	<u>48,238</u>	<u>211,657</u>	<u>501,102</u>
DEPRECIATION					
At 5 April 2021	182,608	35,531	-	154,955	373,094
Charge for year	<u>-</u>	<u>5,767</u>	<u>925</u>	<u>17,341</u>	<u>24,033</u>
At 4 April 2022	<u>182,608</u>	<u>41,298</u>	<u>925</u>	<u>172,296</u>	<u>397,127</u>
NET BOOK VALUE					
At 4 April 2022	<u>-</u>	<u>17,301</u>	<u>47,313</u>	<u>39,361</u>	<u>103,975</u>
At 4 April 2021	<u>-</u>	<u>23,068</u>	<u>-</u>	<u>52,047</u>	<u>75,115</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2022**

12. FIXED ASSET INVESTMENTS

The Company has set up three wholly owned subsidiaries in the year and the investment represents the £100 share capital in each.

Full details as to the movements and purposes of the investments are contained in note 17 .

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	160,444	163,633
Accrued income	1,728	278,724
Other debtors	228,670	205,548
Loan to subsidiaries	1,401,700	-
VAT	3,095,311	2,182,893
Prepayments	<u>63,680</u>	<u>64,152</u>
	<u>4,951,533</u>	<u>2,894,950</u>

The above VAT debtor relates to VAT refund claims totalling £3,095,311 (2021 - £2,182,893) which have been withheld by HMRC following an enquiry by them into the recoverability of input VAT on some elements of the Charity's operation.

The Trustees believe, having taken considerable legal and professional advice, that the VAT is recoverable in full and do not believe that a provision against the debtor is required.

The Trustees further believe that the outcome of the enquiry and any further action by HMRC will be settled in the Charity's favour.

The intercompany loan debtors are described in further detail in Note 17 to the accounts.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	518,300	503,035
Taxation and social security	7,116	7,024
Other creditors	<u>116,332</u>	<u>15,157</u>
	<u>641,748</u>	<u>525,216</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2022**

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Between one and five years	3,130,000	130,000
In more than five years	<u>-</u>	<u>3,000,000</u>
	<u><u>3,130,000</u></u>	<u><u>3,130,000</u></u>

The Charity has a contract with a provider of the distribution platform for Freeview costing £250,000 net per month, running until 31 January 2027. This is guaranteed by TCCSA, a US based Charity that has shared beliefs and values.

The Charity leases studio space from Voluntary Sector Centres, a charity with Trustees in common, at open market value.

16. MOVEMENT IN FUNDS

	At 5.4.21 £	Net movement in funds £	At 4.4.22 £
Unrestricted funds			
General fund	6,150,245	1,626,947	7,777,192
	<u>6,150,245</u>	<u>1,626,947</u>	<u>7,777,192</u>
TOTAL FUNDS	<u><u>6,150,245</u></u>	<u><u>1,626,947</u></u>	<u><u>7,777,192</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	8,444,734	(6,817,787)	1,626,947
	<u>8,444,734</u>	<u>(6,817,787)</u>	<u>1,626,947</u>
TOTAL FUNDS	<u><u>8,444,734</u></u>	<u><u>(6,817,787)</u></u>	<u><u>1,626,947</u></u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2022**

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 5.4.20 £	Net movement in funds £	At 4.4.21 £
Unrestricted funds			
General fund	4,800,152	1,350,093	6,150,245
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>4,800,152</u>	<u>1,350,093</u>	<u>6,150,245</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	7,439,587	(6,089,494)	1,350,093
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>7,439,587</u>	<u>(6,089,494)</u>	<u>1,350,093</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 5.4.20 £	Net movement in funds £	At 4.4.22 £
Unrestricted funds			
General fund	4,800,152	2,977,040	7,777,192
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>4,800,152</u>	<u>2,977,040</u>	<u>7,777,192</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	15,884,321	(12,907,281)	2,977,040
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>15,884,321</u>	<u>(12,907,281)</u>	<u>2,977,040</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2022**

17. RELATED PARTY DISCLOSURES

Related party transactions are as described in the Trustee's Report.

In addition :

During 2019, an investment of £1,000,000 was made in Ori International LLC, a company incorporated in the US, Company number 6699890. This is a startup video on demand Christian media platform .

During the current year, this investment was transferred into Governance Ministries Limited, a wholly owned subsidiary, and is now showing as an intercompany loan debtor at the year end

Whilst this platform is not yet up and running, the Trustees are of the opinion that there is no impairment in respect of this loan at the balance sheet or sign off date.

The Charity has also transferred its investment in Mansion Garden Estates Limited into a wholly owned subsidiary, Governance Ministries 2 Limited during the year. This represents a shareholding of 18.57% at the year end and is not considered by the Trustees to be in any way impaired at the year end. The purpose of this investment is to assist in developing the "Life Campus" project alongside its visionary partner, Voluntary Sector Centres.

This investment is also now showing as an intercompany loan debtor at the year end

GOVERNANCE MINISTRIES CHARITY

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 4 APRIL 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations, gifts & offerings	1,661,920	1,646,434
Grants	<u>1,484</u>	<u>14,222</u>
	1,663,404	1,660,656
Economic activities in furtherance of the Charity Objects		
Contribution used to help meet operating commitments	4,013,070	3,155,200
Broadcast airtime sales	2,360,302	2,084,069
Programme sponsorship	208,200	211,950
Airtime spots & advertising sales	194,025	222,273
Recharged expenses	<u>-</u>	<u>97,698</u>
	6,775,597	5,771,190
Investment income		
Rents received	5,733	7,645
Deposit account interest	<u>-</u>	<u>96</u>
	<u>5,733</u>	<u>7,741</u>
Total incoming resources	8,444,734	7,439,587
EXPENDITURE		
Other trading activities		
Wages	268,749	264,835
Pensions	5,489	4,352
Rent of studios	120,500	120,500
License & EPG costs	502,457	411,545
Programme costs	2,227,680	1,864,476
Freeview/Globecast airtime	<u>2,496,707</u>	<u>2,599,044</u>
	5,621,582	5,264,752
Charitable activities		
Wages	129,702	120,027
Pensions	3,660	3,707
Technical equip & support	19,318	6,242
Donations	345,233	122,095
Fundraising expenses	25,338	22,120
Carried forward	523,251	274,191

This page does not form part of the statutory financial statements

GOVERNANCE MINISTRIES CHARITY

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 4 APRIL 2022**

	2022 £	2021 £
Charitable activities		
Brought forward	523,251	274,191
Life Campus project costs	5,938	2,169
Living Seeds project costs	<u>-</u>	<u>966</u>
	529,189	277,326
Support costs		
Management		
Equipment hire	3,127	1,320
Office rent & running costs	15,821	12,240
Insurance	6,648	9,412
Telephone	11,631	13,925
Postage and stationery	88,223	107,661
Advertising	121,655	83,957
IT & software	3,298	5,779
Travel & subsistence	21,365	5,183
Repairs & renewals	31,197	12,399
Depreciation of furniture & equipment	5,767	5,098
Motor vehicles	925	-
Depreciation of computer & technical equipment	<u>17,342</u>	<u>24,985</u>
	326,999	281,959
Governance costs		
Wages	120,743	97,363
Pensions	1,125	-
Auditors' remuneration	7,900	8,335
Management recharge	90,000	90,000
Legal & professional fees	101,636	52,519
Finance & sundry charges	<u>18,613</u>	<u>17,240</u>
	<u>340,017</u>	<u>265,457</u>
Total resources expended	<u>6,817,787</u>	<u>6,089,494</u>
Net income	<u><u>1,626,947</u></u>	<u><u>1,350,093</u></u>

This page does not form part of the statutory financial statements