

REGISTERED CHARITY NUMBER: 1051780

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 4 APRIL 2023
FOR
GOVERNANCE MINISTRIES CHARITY**

GOVERNANCE MINISTRIES CHARITY

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GOVERNANCE MINISTRIES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 4 APRIL 2023

The trustees present their report with the consolidated financial statements of the charity and the group for the year ended 4 April 2023. 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 2023 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](https://www.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 TBN UK 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 2023

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 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Charity pays Mr Richard Fleming (Trustee) a fee (on presentation of invoice) for consultancy services (Invoiced by Mansion Garden Estates Ltd - a company with Trustees/Directors in common). This is in agreement with the Supplementary Deed to the Trust Deed dated 30 November 2006 and article 20b of the Trust Deed. This totals £90,000 for the year (2022 - £90,000). In addition office rental and other services were supplied by Mansion Garden Estates Ltd totalling £73,413 (2022 - £66,502). Amounts totalling £16,474 gross (2022 - £16,243) were outstanding in this regard at the year end.

The Charity also pays rent on its offices to Voluntary Sector Centres (Charity number 1105259) to the value of £120,500 (2022 - £120,500) per annum, Voluntary Sector Centres has Trustees in Common with Governance Ministries. In addition, programme costs and other expenses were invoiced by Voluntary Sector Centres during the year totalling £2,128,699 (2022 - £1,754,840). At the year end, £397,641 gross (2022 - £154,001) was outstanding in this regard.

Sales to Voluntary Sector Centres in the year totalled £59,165 (2022 - £38,733) being largely staff and other recharges. The amount outstanding at the year end is £10,262 gross, (2022 - £2,369).

The Charity purchased equipment and IT support from Ceries Technology Ltd, a company controlled by M R Anuwe, one of the Trustees. This is carried out at market value and purchases totalling £168,662 (2022 - £135,933) were made in the year. At the year end, £46,249 (gross) (2022 - £9,371) was outstanding.

Transactions with subsidiary companies are disclosed elsewhere in the financial statements.

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 (resigned 10.8.23)
Ms M Tuccillo
Mrs P Seward
M R Anuwe

Auditors

McCabe Ford Williams
Chartered Accountants and Statutory Auditors
Charlton House
Dour Street
Dover
Kent
CT16 1BL

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).

GOVERNANCE MINISTRIES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 4 APRIL 2023


STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charity and the group 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 and the group will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on04/01/2024..... and signed on its behalf by:



R A Fleming - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
GOVERNANCE MINISTRIES CHARITY
FOR THE YEAR ENDED 4 APRIL 2023**

Opinion

We have audited the financial statements of Governance Ministries Charity (the 'charity') and its subsidiaries (the "group") for the year ended 4 April 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the consolidated 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 group's and charity's affairs as at 4 April 2023 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 and the group 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 group 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
FOR THE YEAR ENDED 4 APRIL 2023**

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 group's and 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
GOVERNANCE MINISTRIES CHARITY
FOR THE YEAR ENDED 4 APRIL 2023**

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees, and from our commercial knowledge and experience of the charity sector;
- we developed and maintained our understanding of these laws and regulations through mandatory professional education, focussing on specific laws and regulations which we considered may have a direct material effect on the financial statements or operations of the Charity, including the Charities Act 2011, SORP (FRS102), the Common Reporting Standard; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's and the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We reviewed the Charity's procedures not only for ensuring it remains within the law, but also how it seeks to prevent becoming a victim of internal and external irregularities including fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
GOVERNANCE MINISTRIES CHARITY
FOR THE YEAR ENDED 4 APRIL 2023**

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.

McCabe Ford Williams
Chartered Accountants and Statutory Auditors
Charlton House
Dour Street
Dover
Kent
CT16 1BL



Date: 5 JANUARY 2024

GOVERNANCE MINISTRIES CHARITY

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 4 APRIL 2023**

	Notes	2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	1,509,876	1,663,404
Economic activities in furtherance of the Charity			
Objects	3	7,293,239	6,775,597
Investment income	4	46,913	5,733
Other trading activities		<u>2,282</u>	<u>-</u>
Total		<u>8,852,310</u>	<u>8,444,734</u>
EXPENDITURE ON			
Economic activities in furtherance of the Charity			
Objects	5	6,297,464	5,621,582
Other trading activities		<u>2,774</u>	<u>-</u>
Charitable activities	6		
Donations		377,859	263,405
Support Costs		1,006,032	581,338
Events		11,701	-
Life Campus		-	5,938
Living Seeds		404,859	266,031
Other		<u>-</u>	<u>80,873</u>
Total		<u>8,100,689</u>	<u>6,819,167</u>
NET INCOME		751,621	1,625,567
Gain/loss on revaluation of investments		121,143	-
Tax provision on revaluation of investments		<u>(30,286)</u>	<u>-</u>
TOTAL SURPLUS/(DEFICIT) FOR THE YEAR		842,478	1,625,567
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>7,775,812</u>	<u>6,150,245</u>
TOTAL FUNDS CARRIED FORWARD		<u>8,618,290</u>	<u>7,775,812</u>


The notes form part of these financial statements


GOVERNANCE MINISTRIES CHARITY

**CONSOLIDATED BALANCE SHEET
4 APRIL 2023**

	Notes	2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS			
Tangible assets	11	39,347	103,975
Investments	12	<u>1,523,168</u>	<u>1,402,000</u>
		1,562,515	1,505,975
CURRENT ASSETS			
Debtors	13	4,647,334	3,547,713
Cash at bank and in hand		<u>3,686,553</u>	<u>3,365,132</u>
		8,333,887	6,912,845
CREDITORS			
Amounts falling due within one year	14	(1,247,826)	(643,008)
NET CURRENT ASSETS		<u>7,086,061</u>	<u>6,269,837</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,648,576	7,775,812
PROVISIONS FOR LIABILITIES	16	30,286	-
NET ASSETS		<u>8,618,290</u>	<u>7,775,812</u>
FUNDS	17		
Unrestricted funds		8,527,433	7,775,812
Fair value reserve		<u>90,857</u>	<u>-</u>
TOTAL FUNDS		<u>8,618,290</u>	<u>7,775,812</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 04/01/2024 and were signed on its behalf by:


.....
R A Fleming - Trustee


.....
M R Anuwe - Trustee

The notes form part of these financial statements

GOVERNANCE MINISTRIES CHARITY

**BALANCE SHEET
4 APRIL 2023**

	Notes	2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS			
Tangible assets	11	39,347	103,975
Investments	12	<u>1,404,245</u>	<u>300</u>
		1,443,592	104,275
CURRENT ASSETS			
Debtors	13	4,659,599	4,951,533
Cash at bank and in hand		<u>3,673,821</u>	<u>3,363,132</u>
		8,333,420	8,314,665
CREDITORS			
Amounts falling due within one year	14	(1,241,150)	(641,748)
NET CURRENT ASSETS		<u>7,092,270</u>	<u>7,672,917</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,535,862</u>	<u>7,777,192</u>
NET ASSETS		<u>8,535,862</u>	<u>7,777,192</u>
FUNDS	17		
Unrestricted funds		<u>8,535,862</u>	<u>7,777,192</u>
TOTAL FUNDS		<u>8,535,862</u>	<u>7,777,192</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 04/01/2024 and were signed on its behalf by:


.....
R A Fleming - Trustee

The notes form part of these financial statements

GOVERNANCE MINISTRIES CHARITY

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 4 APRIL 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>236,843</u>	<u>1,114,629</u>
Net cash provided by/(used in) operating activities		<u>236,843</u>	<u>1,114,629</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		-	(52,893)
Purchase of fixed asset investments		-	(220,000)
Sale of tangible fixed assets		37,665	-
Sale of fixed asset investments		-	-
Interest received		<u>46,913</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>84,578</u>	<u>(272,893)</u>
 Change in cash and cash equivalents in the reporting period		<u>321,421</u>	<u>841,736</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,365,132</u>	<u>2,523,396</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>3,686,553</u></u>	<u><u>3,365,132</u></u>

The notes form part of these financial statements

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 4 APRIL 2023**

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

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	751,621	1,625,567
Adjustments for:		
Depreciation charges	26,963	24,034
Interest received	(46,913)	-
Decrease/(increase) in debtors	(1,099,646)	(652,764)
Increase in creditors	<u>604,818</u>	<u>117,792</u>
Net cash provided by/(used in) operations	<u><u>236,843</u></u>	<u><u>1,114,629</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 5.4.22 £	Cash flow £	At 4.4.23 £
Net cash			
Cash at bank and in hand	<u>3,365,132</u>	<u>321,421</u>	<u>3,686,553</u>
	<u>3,365,132</u>	<u>321,421</u>	<u>3,686,553</u>
Total	<u><u>3,365,132</u></u>	<u><u>321,421</u></u>	<u><u>3,686,553</u></u>

The notes form part of these financial statements

GOVERNANCE MINISTRIES CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 4 APRIL 2023

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.

The Trustees consider that there are no material uncertainties about the group's and the charity's ability to continue as a going concern.

The presentational currency of the financial statements is the Pound Sterling (£).

Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its subsidiaries on a line by line basis. Uniform accounting policies are adopted across the group and inter group transactions are eliminated on consolidation.

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.

This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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.

GOVERNANCE MINISTRIES CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 4 APRIL 2023

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.

Related party exemption

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

Fixed Asset Investments

Fixed Asset Investments are initially recorded at cost and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations, gifts & offerings	1,509,876	1,661,920
Grants	<u>-</u>	<u>1,484</u>
	<u>1,509,876</u>	<u>1,663,404</u>

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

	2023	2022
	£	£
Job Retention Scheme	<u>-</u>	<u>1,484</u>

3. ECONOMIC ACTIVITIES IN FURTHERANCE OF THE CHARITY OBJECTS

	2023	2022
	£	£
Contribution used to help meet operating commitments	4,487,398	4,013,070
Broadcast airtime sales	2,137,319	2,360,302
Programme sponsorship	451,200	208,200
Airtime spots & advertising sales	<u>217,322</u>	<u>194,025</u>
	<u>7,293,239</u>	<u>6,775,597</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	-	5,733
Deposit account interest	<u>46,913</u>	<u>-</u>
	<u>46,913</u>	<u>5,733</u>

5. ECONOMIC ACTIVITIES IN FURTHERANCE OF THE CHARITY OBJECTS

Other trading activities

	2023	2022
	£	£
Staff costs	400,759	274,238
Rent of studios	120,500	120,500
License & EPG costs	508,689	502,457
Programme costs	2,777,609	2,227,680
Freeview/Globecast airtime	<u>2,489,907</u>	<u>2,496,707</u>
	<u>6,297,464</u>	<u>5,621,582</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Donations	377,859	-	377,859
Support Costs	-	1,006,032	1,006,032
Events	11,701	-	11,701
Living Seeds	394,800	10,059	404,859
	<u>784,360</u>	<u>1,016,091</u>	<u>1,800,451</u>

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Support Costs	658,527	347,505	1,006,032
Living Seeds	9,872	187	10,059
	<u>668,399</u>	<u>347,692</u>	<u>1,016,091</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 4 April 2023 nor for the year ended 4 April 2022.

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, (2022 - £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 is a director.

Trustees' expenses

During the year, Trustee's Indemnity Insurance costing £6,104 (2022 - £4,269) was purchased.

In addition, trustee travel expenses totalling £9,872 (2022 - £6,185) 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

	2023 £	2022 £
Wages and salaries	672,787	519,194
Other pension costs	14,194	10,274
	<u>686,981</u>	<u>529,468</u>

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

	2023	2022
Programme	9	7
Administration & Finance	1	1
Donor Management	5	3
	<u>15</u>	<u>11</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

9. STAFF COSTS - continued

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

During the year, one member of staff (2022 - Nil) received remuneration between £60,000 and £70,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	1,663,404
Economic activities in furtherance of the Charity Objects	6,775,597
Investment income	<u>5,733</u>
Total	<u><u>8,444,734</u></u>
 EXPENDITURE ON	
Economic activities in furtherance of the Charity Objects	5,621,582
Charitable activities	
Donations	263,405
Support Costs	581,338
Life Campus	5,938
Living Seeds	266,031
Other	<u>80,873</u>
Total	<u><u>6,819,167</u></u>
 NET INCOME	1,625,567
 RECONCILIATION OF FUNDS	
Total funds brought forward	6,150,245
 TOTAL FUNDS CARRIED FORWARD	<u><u><u>7,775,812</u></u></u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

11. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Programme Costs £	Furniture & Equipment £	Motor vehicles £	Computer & Sound Equipment £	Totals £
COST					
At 5 April 2022	182,608	58,599	48,238	211,657	501,102
Disposals	-	-	(48,238)	-	(48,238)
At 4 April 2023	<u>182,608</u>	<u>58,599</u>	<u>-</u>	<u>211,657</u>	<u>452,864</u>
DEPRECIATION					
At 5 April 2022	182,608	41,298	925	172,296	397,127
Charge for year	-	4,326	9,648	12,989	26,963
Eliminated on disposal	-	-	(10,573)	-	(10,573)
At 4 April 2023	<u>182,608</u>	<u>45,624</u>	<u>-</u>	<u>185,285</u>	<u>413,517</u>
NET BOOK VALUE					
At 4 April 2023	<u>-</u>	<u>12,975</u>	<u>-</u>	<u>26,372</u>	<u>39,347</u>
At 4 April 2022	<u>-</u>	<u>17,301</u>	<u>47,313</u>	<u>39,361</u>	<u>103,975</u>

12. FIXED ASSET INVESTMENTS - GROUP

	2023 £	2022 £
Shares	1,523,168	1,402,000
	<u>1,523,168</u>	<u>1,402,000</u>
		Unlisted investments £
MARKET VALUE		
At 5 April 2022 (Cost)		1,402,000
Reclassification/transfer		25
Fair value adjustment in year		<u>121,143</u>
At 4 April 2023		<u>1,523,168</u>
NET BOOK VALUE		
At 4 April 2023		<u>1,523,168</u>
At 4 April 2022		<u>1,402,000</u>

Governance Ministries Charity owns 100% of the share capital in Governance Ministries Ltd, Governance Ministries 2 Ltd and TBN UK Limited. These shares are removed on consolidation.

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

12. FIXED ASSET INVESTMENTS - CHARITY

	2023 £	2022 £
Shares	325	300
Loans	<u>1,403,920</u>	<u>-</u>
	<u>1,404,245</u>	<u>300</u>
MARKET VALUE		Unlisted investments £
At 5 April 2022		300
Reclassification/transfer		<u>25</u>
At 4 April 2023		<u>325</u>
NET BOOK VALUE		
At 4 April 2023		<u>325</u>
At 4 April 2022		<u>300</u>
		Loans to group undertakings £
New in year		<u>1,403,920</u>

The Charity has set up three wholly owned subsidiaries in the year ended 4 April 2022 and the investment represents the £100 share capital in each.

It also has a 25% holding in Urban Develop Ltd (£25) - a dormant company.

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

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	2023	2022
	£	£
Trade debtors	159,347	160,444
Accrued income	19,946	1,728
Other debtors	183,755	226,550
VAT	4,219,119	3,095,311
Prepayments	65,167	63,680
	<u>4,647,334</u>	<u>3,547,713</u>

The above VAT debtor relates to VAT refund claims totalling £4,219,119 (2022 - £3,095,311) 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.

CHARITY

	2023	2022
	£	£
Trade debtors	158,267	160,444
Accrued income	19,946	1,728
Other debtors	183,780	228,670
Loan to subsidiaries	13,320	1,401,700
VAT	4,219,119	3,095,311
Prepayments	65,167	63,680
	<u>4,659,599</u>	<u>4,951,533</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	2023	2022
	£	£
Trade creditors	994,062	518,300
Taxation and social security	16,189	7,116
Other creditors	237,575	117,592
	<u>1,247,826</u>	<u>643,008</u>

CHARITY

	2023	2022
	£	£
Trade creditors	994,020	518,300
Taxation and social security	15,970	7,116
Other creditors	231,160	116,332
	<u>1,241,150</u>	<u>641,748</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

15. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	2,633,235	2,633,235
Between one and five years	<u>7,484,999</u>	<u>10,105,499</u>
	<u>10,118,234</u>	<u>12,387,734</u>

The Charity has a contract with a provider of the distribution platform for Freeview costing £208,333 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 and office space from Mansion Garden Estates also at open market value.

16. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax	<u>30,286</u>	<u>-</u>
		Deferred
		tax
		£
Provided during period		<u>30,286</u>
Balance at 31 March 2023		<u>30,286</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

17. MOVEMENT IN FUNDS

GROUP	At 5.4.22 £	Net movement in funds £	At 4.4.23 £
Unrestricted funds			
General fund	7,775,812	751,621	8,527,433
Fair value adjustments	-	90,857	90,857
TOTAL FUNDS	<u>7,775,812</u>	<u>842,478</u>	<u>8,618,290</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	8,852,310	(8,100,689)	751,621
TOTAL FUNDS	<u>8,852,310</u>	<u>(8,100,689)</u>	<u>751,621</u>

CHARITY	At 5.4.22 £	Net movement in funds £	At 4.4.23 £
Unrestricted funds			
General fund	7,777,192	758,670	8,535,862
TOTAL FUNDS	<u>7,777,192</u>	<u>758,670</u>	<u>8,535,862</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	8,850,028	(8,091,358)	758,670
TOTAL FUNDS	<u>8,850,028</u>	<u>(8,091,358)</u>	<u>758,670</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

Comparatives for movement in funds

GROUP

	At 5.4.21 £	Net movement in funds £	At 4.4.22 £
Unrestricted funds			
General fund	6,150,245	1,625,567	7,775,812
TOTAL FUNDS	<u>6,150,245</u>	<u>1,625,567</u>	<u>7,775,812</u>

Comparative 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	(6,819,167)	1,625,567
TOTAL FUNDS	<u>8,444,734</u>	<u>(6,819,167)</u>	<u>1,625,567</u>

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

Comparative 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
TOTAL FUNDS	<u>8,444,734</u>	<u>(6,817,787)</u>	<u>1,626,947</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

17. MOVEMENT IN FUNDS - continued

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

GROUP	At 5.4.21 £	Net movement in funds £	At 4.4.23 £
Unrestricted funds			
General fund	6,150,245	2,377,188	8,527,433
Fair value adjustments		90,857	90,857
TOTAL FUNDS	<u>6,150,245</u>	<u>2,468,045</u>	<u>8,618,290</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	17,297,044	(14,919,856)	2,377,188
TOTAL FUNDS	<u>17,297,044</u>	<u>(14,919,856)</u>	<u>2,377,188</u>

CHARITY	At 5.4.21 £	Net movement in funds £	At 4.4.23 £
Unrestricted funds			
General fund	6,150,245	2,385,617	8,535,862
TOTAL FUNDS	<u>6,150,245</u>	<u>2,385,617</u>	<u>8,535,862</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	17,294,762	(14,909,145)	2,385,617
TOTAL FUNDS	<u>17,294,762</u>	<u>(14,909,145)</u>	<u>2,385,617</u>

GOVERNANCE MINISTRIES CHARITY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 4 APRIL 2023**

18. 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 previous year, this investment was transferred into Governance Ministries Limited, a wholly owned subsidiary. The loan to Governance Ministries Ltd is showing as a Fixed Asset Investment in the current year financial statements.

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.

During the previous year, the Charity had also transferred its investment in Mansion Garden Estates Limited into a wholly owned subsidiary, Governance Ministries 2 Limited. 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 a Fixed Asset Investment at the year end.

GOVERNANCE MINISTRIES CHARITY

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 4 APRIL 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations, gifts & offerings	1,509,876	1,661,920
Grants	<u>-</u>	<u>1,484</u>
	1,509,876	1,663,404
Economic activities in furtherance of the Charity Objects		
Contribution used to help meet operating commitments	4,487,398	4,013,070
Broadcast airtime sales	2,137,319	2,360,302
Programme sponsorship	451,200	208,200
Airtime spots & advertising sales	<u>217,322</u>	<u>194,025</u>
	7,293,239	6,775,597
Other trading activities	2,282	-
Investment income		
Rents received	-	5,733
Deposit account interest	<u>46,913</u>	<u>-</u>
	46,913	5,733
Total incoming resources	8,852,310	8,444,734
EXPENDITURE		
Other trading activities	2,774	-
Economic activities in furtherance of the Charity Objects		
Wages	391,591	268,749
Pensions	9,168	5,489
Rent of studios	120,500	120,500
License & EPG costs	508,689	502,457
Programme costs	2,777,609	2,227,680
Freeview/Globecast airtime	<u>2,489,907</u>	<u>2,496,707</u>
	6,297,464	5,621,582
Charitable activities		
Wages	134,365	129,702
Pensions	3,745	3,660
Technical equip & support	17,858	19,318
Donations	590,906	345,233
Events	11,701	-
Fundraising expenses	25,785	25,338
Life Campus project costs	<u>-</u>	<u>5,938</u>
	784,360	529,189

This page does not form part of the statutory financial statements

GOVERNANCE MINISTRIES CHARITY

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 4 APRIL 2023**

	2023 £	2022 £
Support costs		
Management		
Equipment hire	1,716	3,127
Office rent & running costs	15,829	15,821
Insurance	6,543	6,648
Telephone	9,539	11,631
Postage and stationery	109,637	88,223
Advertising	390,281	121,655
IT & software	57,864	3,298
Travel & subsistence	33,928	21,365
Repairs & renewals	16,099	31,197
Depreciation of furniture & equipment	4,326	5,767
Motor vehicles	9,648	925
Depreciation of computer & technical equipment	<u>12,989</u>	<u>17,342</u>
	668,399	326,999
 Governance costs		
Wages	146,831	120,743
Pensions	1,281	1,125
Auditors' remuneration	13,745	9,280
Management recharge	90,000	90,000
Legal & professional fees	76,039	101,636
Finance & sundry charges	<u>19,796</u>	<u>18,613</u>
	<u>347,692</u>	<u>341,397</u>
 Total resources expended	<u>8,100,689</u>	<u>6,819,167</u>
 Net income	<u><u>751,621</u></u>	<u><u>1,625,567</u></u>

This page does not form part of the statutory financial statements