



Smailes Goldie Group
CREATING ADVANTAGE

Charity Registration No. 1087771
Company Registration No. 04255960 (England and Wales)

Vineyard Music (UK) Limited

Trustees' Report and Accounts

For the year ended 31 December 2021



SD-0205040-1-6

Vineyard Music (UK) Limited

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Vineyard Music (UK) Limited

Trustees' Report For the year ended 31 December 2021

The Trustees submit herewith their seventeenth Annual Report together with inspected financial statements for the year ended 31 December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

When planning the activities for the year, the Trustees have considered the Charity Commission guidance on the public benefit, and, the specific guidance on charities for the advancement of religion to provide public benefit.

1. Objectives and Activities

The principal activities of the company are the promotion of knowledge of the Christian faith by sales of Christian literature and audio material by mail order, the production of Christian worship songs and delivery of training for the furtherance of the Christian faith.

Vineyard Music (UK) Limited is a non-profit, church-based worship ministry. By imparting the heart and activity of worship through music, events and resources, we encourage people everywhere to pursue a deeper relationship with God. All our income is directly re-invested in furthering the development of worship in the Church, aiding in the establishment of new churches worldwide and helping to advance God's Kingdom.

a. Public Benefit

When planning the activities for the year, the Trustees have considered the Charity Commission guidance on public benefit, and, the specific guidance on charities for the advancement of religion to provide public benefit in the following areas:

- i. Donations from surpluses for the establishment of new churches nationwide;
- ii. Donations from surpluses for the funding of mission work both in the UK and abroad;
- iii. Support of prison ministry through the donation of audio CDs and books;
- iv. Free of charge provision of recording studio for the development of worship songs;
- v. Involvement in training, resourcing and worship within the Christian church in the UK and further afield;
- vi. During the year contact has been made with the Vineyard National Directors around the world to give away downloads of free music and chord charts to churches and worship leaders in the churches within their territories.

b. Summary of Objectives

The Company is established for:

- i. The advancement of the Christian faith by the documenting, recording and distribution by way of printed, audio, video, digital and electronic media of Christian worship music written and composed primarily, but not exclusively, within member churches of Vineyard Churches UK and Ireland and the encouragement of church planting in the United Kingdom;
- ii. The furtherance of religious education by way of seminars and conferences.

Vineyard Music (UK) Limited

Trustees' Report (continued) For the year ended 31 December 2021

1. Objectives and Activities (Continued)

b. Summary of Objectives (continued)

- iii. The relief of those who are in conditions of need or hardship or who are aged or sick and to relieve distress caused thereby in the United Kingdom or the world as the Directors may from time to time think fit;
- iv. Such other charitable objects and for the benefit of such other charitable bodies and institutions as the Directors shall in their absolute discretion see fit.

c. Strategies for achieving objectives

All income for the Charity is derived from the charitable objectives and aims using the following strategies:

- i. Sales Performance
Sales of CDs and Books continues to be managed by CLC Wholesalers through their Vineyard Worship branded website, they send a portion of these sales through each month.
- ii. Publishing Performance
The Trustees are pleased to report that the revenue from publishing and licensing royalties continues to form the majority 97.8% (2020 – 97.7%) of the income of the company. there however continues to be a decline in receipts during the past year, especially from the US, including licensing of UK songs. This year has been a reasonable year, however this is down to timing differences with new administration of royalties from Integrity, being rectified. The Trustees are aware of this situation and we should see an increase this year, as we will have a full year under the new arrangement. With continual monitoring of the situation and new material being released in 2022 and our partnership with Integrity Music and their songwriters, it is hoped that the decline can be slowed down, however with the nature of royalty reporting it takes time for the flows of money to be received. We continue to work with Vineyard Worship USA on our joint new song delivery website VineyardSongs.com.
- iii. Events

No events were held during the year, except for some online training and connection with worship leaders and songwriters. It is hoped that 2022 will allow us to hold in person events again.

Vineyard Music (UK) Limited

Trustees' Report (continued) For the year ended 31 December 2021

1. Objectives and Activities (Continued)

- d. Grant Making
No grants were made in the year.

2. Achievements and Performance

Product Development

1. In April – You Have Our Yes – a new single which is a call to unity in the face of increasing division, chaos and distraction, which can easily shift our focus away from the Lordship of Christ.
2. In August – Vineyard Soul: The Chicago Sessions. Vineyard Soul is the modern gospel expression from within the Vineyard Worship family. One song penned by UK songwriters is on this album
3. Prayer of Consecration was recorded in late 2021 to appear on the new year release Sacred Space, the album came out of this year's turbulent times with songwriters from Vineyard Worship USA and UK plus Integrity coming together to remind us that we are continually invited into sacred space with our living God.
4. The website, VineyardSongs.com in partnership with VM US continues to grow and is becoming an important resource for worship leaders in the movement, the site includes 'Song of the Month', chord and lyric videos to all Vineyard Songs with translations, mp3's and lead sheets.

Plans for the Future

- a. Product Development
 - i. Release of new Sacred Space album on all streaming and digital platforms in January.
 - ii. Plan and develop 2 five track studio EP's including singles as featured tracks.
 - iii. Plan and develop ten new Vineyard Evergreen acoustic videos of classic Vineyard songs re-imagined.
 - iv. Plan and develop video capturing of two live singles at live events.
 - v. Run a songwriters retreat in spring 2022.
 - vi. To continue to grow the new International song writing venture with Integrity.
 - vii. To continue to grow and develop the International website of Vineyard Songs partnering with Vineyard Worship US and Canada.
 - viii. Continued commitment to release new songs on all platforms.

Vineyard Music (UK) Limited

Trustees' Report (continued) For the year ended 31 December 2021

2. Achievements and Performance (continued)

Plans for the Future (continued)

b. Events

For the furtherance of religious education of the wider Church, further events are planned for 2022 as follows, but subject to Covid-19 restrictions:

1. Run a National Worship Retreat in February, in partnership with Vineyard Churches UK & Ireland, in England and one in Ireland in March
2. Run a Song Summit (song writing) in April.
3. Run other Worship Retreats on a regional basis.

c. Resource Distribution

- i. CLC Wholesalers will continue to act as distributor for Vineyard product in the UK.

d. Investment Property

- i. Work has been completed in the renovations to a two flat multiple occupancy accommodation.
- ii. A local management company has been appointed to oversee and find tenants.
- iii. We await our first tenants subject to contracts and licensing.

e. Continue to develop the partnership with Integrity Music, a Christian non-profit organisation, the basics of which are:

- i. Being a five year, renewable, joint venture,
- ii. Productions to be co-funded and co-published and marketed,
- iii. Exclusive rights for publishing and distribution.

Vineyard Music (UK) Limited

Trustees' Report (continued) For the year ended 31 December 2021

3. Financial Review

a. Reserves Policy

- i. The Trustees after due consideration consider that free reserves of £100,000 should ideally be available. This sum now equates to overhead expenses, the cost of two major recording projects and their marketing, and a general contingency. At the year-end free reserves of £388,819 were available, excluding the investment property, 252 Cottingham Road. This has been arrived at after considering the following elements and contingencies:
 1. Fluctuations of income verses expenses – trading losses and nature and timing of capital expenditure, historically the Charity has had periods in any given year where losses may cumulate during certain periods of the year.
 2. A period of decline or delay in income – sales and royalties.
 3. Restructuring of the Charity in the event of consistent reduced income flows.
 4. To fund new income generating initiatives, where such need or opportunity exists.
 5. To remove the risk of insolvency.
 6. Long term planning and opportunity taking.
 7. The efficient running of the Charity with medium and long-term downturns i.e. avoiding the need for short term decisions.
 8. The asset under construction has now been completed and is the books as an Investment property with a value of £427,800

b. Investment Policy

- i. The Trustees do not seek to hold other external investments with surplus reserves.

4. Structure, Governance and Management

a. Constitution

- i. The Company is limited by guarantee without share capital and is a registered Charity. The liability of the members is limited to £1 each. Accumulated funds are not distributed to the members.
- ii. The governing instrument under which the Company operates is its Memorandum and Articles of Association, last amended in September 2005.
- iii. The Trustees are treated as directors for Companies Act purposes.

b. Trustees

Introduction - the process of selection and induction of Trustees:

This goes hand in hand, hence our Trustees would typically be Christian / Church leaders of some standing and repute. Additionally, they would have become familiar with the workings and business of Vineyard Music (UK) Limited through attending recordings, conferences and business meetings. Also, they would be checked to see that they are in good standing as follows:

- i. They are not an undischarged bankrupt;
- ii. They have not been convicted of any offence involving dishonesty or deception;
- iii. They have no criminal record;
- iv. They are not banned from the Charity Commission in the UK;

Vineyard Music (UK) Limited

Trustees' Report (continued) For the year ended 31 December 2021

4. Structure, Governance and Management (continued)

- v. They are not subject to a disqualification order under the Company Directors Disqualification Act 1986, nor to an order made under section 429 (2)(b) of the Insolvency Act 1986;
 - vi. They have not been removed from being concerned in the management or control of anybody under Section 7 of the Law Reform (miscellaneous Provisions) (Scotland) Act 1990;
 - vii. They have not been removed as a Trustee by the Charity Commission or the High Court.
- c. **Induction process** – all new Directors / Trustees are supplied with the following:
- i. Recent financial accounts;
 - ii. Overview of the business;
 - iii. Articles and Memorandum of Association;
 - iv. Staff handbook;
 - v. Health and safety / risk assessments;
 - vi. Induction talk and orientation covering the practical aspects of the Charity's objectives;
 - vii. By way of information our current Trustees are mostly all Senior Leaders of Churches within the Vineyard Churches UK & Ireland Denomination. In the selection of future Trustees, we will seek to find candidates of suitable professional ability additionally combined with an empathy towards churchmanship and Christian worship.
- d. **Role description** – the primary description of the role of Trustees is to discharge their duties in the fulfilment of the objects of the Charity in a good and timely manner to the satisfaction of the Charity Commission. In particular they are required to:
- i. Attend the AGM;
 - ii. Attend Board meetings;
 - iii. Receive and comment on the Charity's quarterly report (including finances);
 - iv. Be available to the management of the Company for adhoc discussions as required from time to time;
 - v. To try and keep themselves up to date about governance of Charities in the UK;
 - vi. Periodically review and modify policies and procedures of Vineyard Music (UK) Limited;
 - vii. Execute the duties of being the overall employer of Vineyard Music (UK) Limited.
- e. **Organisational structure**
- i. The support staff report to the Chair, who reports to the Board of Trustees. The Director of Production and Publishing reports to the Director of Worship.
 - ii. The setting of pay and remuneration has been delegated to Jeremy Cook, Chair at the AGM in 2003, a cost-of-living rise is given based on the Office of National Statistics average earning report in December to start from the following financial year, the board approves the budget for the year including the increase in salaries and pension contributions.
- f. **Relationships**
- i. The Trustees note the continued relationship between the Vineyard Churches UK & Ireland and Vineyard Music (UK) Limited.
 - ii. Communication continues to be a priority this year to churches and to the worship leaders in the movement through regular updates, newsletters and email notes, including working closer with the Communications Director of Vineyard Churches UK & Ireland.
 - iii. It is noted the growing working relationship with the song writers in the UK and this continues to be a priority.

Vineyard Music (UK) Limited

Trustees' Report (continued) For the year ended 31 December 2021

4. Structure, Governance and Management (continued)

g. Relationships - others

- i. Vineyard Music (UK) Ltd is committed to forming new and strengthening existing partnerships with organisations that share similar values. We see these partnerships as being key in helping the furtherance of religious education of the wider Church and also in strengthening unity within the Church. Industry wider relationships have been developed through attendance at the CMPA (Christian Music Publishers Association) meeting twice a year.
- ii. Vineyard Music (UK) Ltd continues to be committed to working with Vineyard Churches UK & Ireland and will endeavour to strengthen relationships with Vineyard Churches throughout the UK.
- iii. Vineyard Music (UK) Ltd continues to work closely with Vineyard Worship US in developing the best ways to connect in each other's markets via skype calls.
- iv. Working with Integrity as a ministry and artistic partner will only strengthen the scope of Vineyard Music UK Ltd reach.

h. Risk Assessment Statement

- i. The Trustees have reviewed the risks associated with the Charity. The main risks identified are incapacity of staff, computer failure, health and safety and fire issues. The following steps are in place to mitigate them:
 1. Incapacity of the key staff; in the short term the board will take over the management of Vineyard Music (UK) Limited whilst they seek and appoint new staff.
 2. Incapacity of other staff members; initially covered within the office until new staff members appointed.
 3. Computer failure; back-up drives, and cloud based stored off-site, finances backed up every month, database backed up every week and using web based storage facilities.
 4. Building failure; insurance covers buildings, contents.
 5. Cyber Protection – to protect systems against unauthorised access we have drafted a cyber protection policy that requires all staff and volunteers to keep devices passwords protected, protected by anti-virus software and updated with security updates and only used on secure network.

i. Restricted Funds

- i. Restricted funds have arisen because restrictions have been placed on incoming resources. The worship retreat offering is restricted to the establishment of a Youth Worship Academy.

j. Personnel

- i. There are no employees for Vineyard Music (UK) Ltd.

Vineyard Music (UK) Limited

Trustees' Report (continued) For the year ended 31 December 2021

5. Reference and Administrative Details

- a. Registered name and other working name
i. Vineyard Music (UK) Limited t/a Vineyard Worship UK & Ireland

b. Officials and advisors

Trustees

J Cook
D Wright
A Cook
T Bird

Company Secretary

P B Masters

Registered Office

Unit 8, K3 Business Park
200 Clough Road
Hull
HU5 1SW

Bankers

Royal Bank of Scotland
10 Silver Street
Hull
HU1 1JE

HSBC
84 High Street
Scunthorpe
North Lincolnshire
DN15 6HQ

Solicitors

Forresters Ketley & Co
Sherbourne House
119-121 Canon Street, London
EC4N 5AT

Independent Examiners

Smailes Goldie Chartered Accountants
Regent's Court
Princess Street
Hull
HU2 8BA

Registered Charity Number

1087771

Companies House Number

04255960

Country of Incorporation

England and Wales

Vineyard Music (UK) Limited

Trustees' Report (continued) For the year ended 31 December 2021

6. Statement of Trustees' responsibility

Charity and company law requires the Board of Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Charity, and its incoming and outgoing resources for the period. In preparing those financial statements the Board of Trustees should follow best practice and are required to;

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are both reasonable and prudent;
- Comply with relevant accounting standards, and give clear explanation if they are departed from;
- Prepare financial statements on a going concern basis.

The Board of Trustees is responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity (suitable for publication) and to enable them to comply with relevant legislation current at that time. They must also see that the Charity is operating efficiently and effectively while safeguarding the assets against fraud or theft.

This report has been prepared taking advantage of the small companies exemption under the Companies Act 2006.

By order of the Trustees



J Cook
Trustee

6 July 2022

Vineyard Music (UK) Limited

Independent Examiners' report To the trustees of Vineyard Music (UK) Limited

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2021 which are set out on pages twelve to twenty-one.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Stephen Bramall BSc FCA
for and on behalf of Smailes Goldie Chartered Accountants
Regent's Court
Princess Street
Hull
HU2 8BA

Date: 6 July 2022

Vineyard Music (UK) Limited
Statement of Financial Activities
Including Income and Expenditure Account
For the year ended 31 December 2021

	Notes	Total Restrict ed 2021 £	Total Unrestricted 2021 £	Total 2021 £	2020 £
<u>Income and endowments from:</u>					
Charitable activities	2	-	324,331	324,331	279,796
Investments	3	-	246	246	1,344
Other	4	-	691	691	1,189
Total		-	325,268	325,268	282,329
<u>Expenditure on:</u>					
Charitable activities	5	-	206,624	206,624	186,869
Total		-	206,624	206,624	186,869
Net income/ (expenditure)		-	118,644	118,644	95,460
Transfer between funds		-	-	-	-
Net gains on investments			54,517	54,517	-
New movement in funds		-	173,161	173,161	95,460
<u>Reconciliation of funds</u>					
Fund balances at 1 January 2021	15	6,302	643,458	649,760	554,300
Fund balances at 31 December 2021	15	6,302	816,619	822,921	649,760

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All the company's activities are classed as continuing.

The notes form part of these financial statements

Vineyard Music (UK) Limited (Charity Registration No. 1087771)
(Company Registration No. 04255960)
Balance Sheet
As at 31 December 2021

	Notes	2021	2020
		£	£
Fixed assets			
Tangible assets	10	9,553	265,167
Investment Property	11	427,800	35,000
		<u>437,353</u>	<u>300,167</u>
Current assets			
Stock		7,649	7,763
Debtors	12	37,146	54,208
Investments – cash deposits		100,000	100,000
Cash at bank and in hand		248,119	193,859
		<u>392,914</u>	<u>355,830</u>
Creditors: amounts falling due within one year	13	(7,346)	(6,237)
Net current assets		<u>385,568</u>	<u>349,593</u>
Total assets less current liabilities		<u>822,921</u>	<u>649,760</u>
Reserves			
Restricted funds	15	6,302	6,302
Unrestricted funds	15	816,619	643,458
		<u>822,921</u>	<u>649,760</u>

For the period ended 31 December 2021 the company was entitled to exemption under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibility for complying with the requirements of the Act with respect for the preparation of accounts ensuring:

- 1) that the accounting records comply with Sections 386 and 387 of the Companies Act 2006 and
- 2) prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial period and of its surplus or deficit for each financial period in accordance with the requirements of Sections 394 and 395 and which comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The accounts were issued, authorised and approved by the Board on 6 July 2022 and signed on its behalf by:


J. Cook
Trustee

The notes form part of these financial statements

Vineyard Music (UK) Limited

Notes to the financial statements For the year ended 31 December 2021

1. Accounting policies

a) Statement of compliance

Vineyard Music (UK) Ltd is a company limited by guarantee and registered as a charity in England/Wales. The address of the registered office is given in the charity information on page 9 of these financial statements. The nature of the charity's operations and principal activities are set out in the Report of the Trustees on pages 2 to 10.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

b) Incoming resources

Charitable activities:

Royalties – income from royalties is accounted for on an accruals basis.

Sales – sales are accounted for on an accruals basis.

Investment – Interest earned on bank deposits.

Other – Commission sales from CLC Wholesalers.

c) Resources expended

All expenditure is shown gross and is accounted for on an accruals basis. For accounting purposes expenditure is allocated as follows:

Charitable expenditure – all direct charitable expenditure relates to the operation of the activities of the Charity.

Vineyard Music (UK) Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

1. Accounting policies (continued)

c) Resources expended (continued)

Governance – costs relating to the general running of the Charity and governance infrastructure.

Costs connected with the property, which the Charity used for its own occupation until 18th August 2017 are included in designated funds, all other outgoing resources are included in unrestricted funds.

Support costs are not apportioned as the Trustees are of the opinion that the Charitable company only has a single charitable activity.

d) Grant making policy

Grants are made in accordance with the Memorandum of Association to charitable organisations both in the UK and overseas for the furtherance of the kingdom, church planting and relief of those in conditions of need of hardship as the Trustees from time to time think fit.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition, other than donated freehold land and buildings which is included at valuation at the date of the donation. The charitable company carries out annual impairment reviews where there is indication that the carrying amount of an asset may not be recoverable. Depreciation is provided on all tangible fixed assets other than land at rates calculated to write off the cost or revalued amount on a straight-line basis over their expected useful economic lives as follows:

Office equipment	4 years
Fixtures and fittings	4 years
Computer equipment	2 years

f) Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from the actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts.

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of investment property:

The investment property is held in the balance sheet at valuation.

g) Stock

Stock is valued at the lower of cost and net realisable value. The closing stock figure relates to the value of stock held on consignment with CLC Wholesalers. Sales of this stock is reported on a monthly basis.

h) Foreign currencies translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Vineyard Music (UK) Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

1. Accounting policies (continued)

i) Accumulated funds

Funds held by the Charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees;

Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds - these are funds that have been received, with a restriction to their use, this is generally from an offering taken at the National Worship Retreat.

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

j) Financial instruments

The Charity has adopted section 11 of FRS 102 in respect of financial instruments.

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at transaction price.

k) Investments

Investments are stated at market value. Investments in property are revalued annually by the Trustees' and any gains or losses on investments are recognised in the Statement of Financial Activities.

Current asset investments comprise term bank deposits realisable within 12 months and which are held to generate interest income.

2. Incoming resources from charitable activities

Incoming resources from charitable activities relate to sales and royalty income through the sales of Christian literature and audio materials as follows:

	Restricted Total 2021 £	Unrestricted Total 2021 £	Total 2021 £	Total 2020 £
Royalty income	-	323,030	323,030	275,895
Retail sales	-	1,301	1,301	2,539
Conference income	-	-	-	-
Conference offering	-	-	-	1,362
	<u>-</u>	<u>324,331</u>	<u>324,331</u>	<u>279,796</u>

The percentage of retail sales attributable to geographical markets outside the United Kingdom was NIL% (2020 – Nil).

Royalty income attributable to geographical markets outside the United Kingdom was 99% (2020 – 97.4%).

Vineyard Music (UK) Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

3. Investment income					
			Unrestricted		
			Total		Total
			2021		2020
			£		£
Interest receivable			246		1,344
			<u>246</u>		<u>1,344</u>
4. Other incoming resources					
			Unrestricted		
			Total		Total
			2021		2020
			£		£
Other income			691		1,189
			<u>691</u>		<u>1,189</u>
5. Total resources expended					
	Staff costs	Depreciation	Other costs	Total	Total
	£	£	£	2021	2020
				£	£
Direct charitable expenditure	-	-	182,787	182,787	158,586
Governance	-	-	7,556	7,556	2,215
Support costs	-	1,479	14,802	16,281	26,068
Total resources expended	<u>-</u>	<u>1,479</u>	<u>205,145</u>	<u>206,624</u>	<u>186,869</u>

Governance costs

	2021	2020
	£	£
Independent Examiner's fee	1,275	1,225
Sundry	6,281	990
	<u>7,556</u>	<u>2,215</u>

Grant making

Included within other costs – directly charitable expenditure there is a grant made to Belfast City Vineyard of £NIL (2020 – £5,000).

Vineyard Music (UK) Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

6. Trustees and related parties

The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in the Memorandum of Association. No portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company. Unless prior written authority of the Charity Commission has been obtained no member of its Board of Directors shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company.

Vineyard Churches UK & Ireland is a related party due to three of the four Trustees of Vineyard Music (UK) Limited also being a Trustee of Vineyard Churches UK & Ireland. Vineyard Churches UK & Ireland reimbursed expenses totalling £9,088 (2020 - £2,263) for the NLC conference online worship production costs. Vineyard Music UK Ltd recharged Vineyard Churches UK & Ireland a total of £10,102 (2020 - £7,527). At the year end the company owed Vineyard Churches UK & Ireland £NIL (2020 - £NIL), this amount is included in trade creditors.

7. Employees

There are no employees.

8. Taxation

The Company is a registered Charity and under the provision of the Corporation Tax Act 2010 is exempt from taxation.

9. Net movement in funds is arrived at after charging/ (crediting):

	2021	2020
Independent Examination fee	1,275	1,225
Foreign exchange losses	-	(40)
Depreciation	<u>1,480</u>	<u>2,749</u>

Vineyard Music (UK) Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

10. Tangible fixed assets

	Assets under construction £	Computers £	Office Equipment £	Fixtures & Fittings £	Total £
Cost or valuation					
As at 1st January 2021	314,831	12,491	34,467	23,799	385,588
Additions	114,564	-	-	9,646	124,210
Disposals	-	-	-	(9,329)	(9,329)
Transfers	(429,395)	-	-	-	(429,395)
As at 31st December 2021	-	12,491	34,467	24,116	71,074
Accumulated depreciation					
As at 1st January 2021	51,050	11,105	34,467	23,799	120,421
Charge for period	-	1,265	-	214	1,479
Eliminated on disposal	-	-	-	(9,329)	(9,329)
Transfers	51,050	-	-	-	51,050
As at 31st December 2021	-	12,370	34,467	14,684	61,521
Net Book Value					
As at 31st December 2021	-	121	-	9,432	9,553
As at 31st December 2020	263,781	1,386	-	-	265,167

Freehold land and buildings included in assets under construction were donated to the company during the year ended 31 December 2003 and have been included at the valuation at that date. They were valued by Staniforth Estate Agents in August 2003. The Freehold land and buildings were converted into student accommodation and reclassified as investment property.

The asset under construction has been completed and is transferred to investment property

Vineyard Music (UK) Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

11. Investment Property

	Property £	Total £
Cost or valuation		
As at 1st January 2021	35,000	35,000
Transfer from Assets under Construction	378,346	378,346
Disposals	(35,000)	(35,000)
Revaluation	49,454	49,454
Fair value as at 31 st December 2021	<u>427,800</u>	<u>427,800</u>

All investment assets are held to provide an investment return and all investment assets are held within the UK.

Investment properties were valued on an open market basis on 31 December 2021 by the trustees.

Investment properties are included at fair value. Gains are recognised in the statement of financial activities.

12. Debtors

Trade debtors	34,172	52,108
VAT	1,925	232
Prepayments	1,048	1,868
	<u>37,146</u>	<u>54,208</u>

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	5,462	6,199
Accruals	1,884	38
	<u>7,346</u>	<u>6,237</u>

Vineyard Music (UK) Limited

Notes to the financial statements (continued) For the year ended 31 December 2021

14. Net incoming/(outgoing) resources for the year

	Balance at 1 January 2020 £	Incoming resources £	Expended resources £	Revaluation £	Transfer between funds	Balance at 31 December 2021 £
Restricted funds	6,302	-	-	-	-	6,302
Unrestricted funds	643,458	330,331	(206,624)	49,454	-	816,619
	<u>649,760</u>	<u>330,331</u>	<u>(206,624)</u>	<u>49,454</u>	<u>-</u>	<u>822,921</u>

The unrestricted funds represent the free funds of the Charity which are not designated for particular purposes. The restricted funds derived from the offering taken at the National Worship Leaders Retreat in March 2019 and restricted to the establishment of a Youth Worship Academy, additional funds were received in 2020.

15. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 December 2021 are represented by:			
Tangible fixed assets	-	9,553	9,553
Investments	-	427,800	427,800
Current assets	6,302	386,612	392,914
Creditors: amounts falling due within one year	-	(7,346)	(7,346)
	<u>6,302</u>	<u>816,619</u>	<u>822,921</u>

