
THE WAY OF THE SPIRIT

(A company limited by guarantee)

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

Charity Registered Number 1110648

Company Registered Number 05471349

THE WAY OF THE SPIRIT

(A company limited by guarantee)

CONTENTS

	Page
Legal and administrative Information	2
Trustees' report	3
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 16

THE WAY OF THE SPIRIT

(A company limited by guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees: Iain McKay
 Richard George
 Stephen Moore

Company registered number: 05471349

Charity registered number: 1110648

Registered Office: Laundry Corner
 The Street
 Framingham Pigot
 Norwich
 NR14 7QJ

Accountant: G Schulz & Company Ltd
 Chartered Management Accountants
 G Schulz ACMA
 3 Lane Close
 Broadbridge Heath
 Horsham
 RH12 3UF

Bankers: Barclays Bank
 School Road
 Drayton
 Norwich
 NR8 6DN

THE WAY OF THE SPIRIT

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2020.

Structure, governance and management

Nature of governing document

The company is registered as a charitable company limited by guarantee (registered charity number 1110648) and was set up under a Memorandum of Association on 3 June 2005.

Methods of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Organisational structure

The management of the company is the responsibility of the Trustees who are appointed in accordance with the Articles of Association. The day to day operation is managed by Richard George, one of the Trustees.

Risk management

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

Objectives and activities

Objects and aims

The object is the advancement of the Christian faith by means of:

1. Providing inspirational teaching through study groups and conferences
2. Advancing education and providing training in the study of the Bible
3. Providing Christian resources by way of books, CDs, DVDs and other forms of media
4. Promoting the outworking of the Christian ministry through worship, prayer and fellowship.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

THE WAY OF THE SPIRIT

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

Financial review

Reserves policy

The Trustees have considered the level of reserves they wish to retain, appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments. The Trustees aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The Trustees will endeavour not to set aside funds unnecessarily.

Going concern

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

Achievements and performance

Review of Activities

During the period the ministry developed in the UK and abroad, especially East Africa, whilst continuing to establish the Norfolk team post-Framingham Earl Hall. Finances were steady with all projects finding necessary funding notwithstanding the closure of the UK College.

Work in East Africa has continued in earnest, with increasing numbers of pastors and leaders receiving training in collaboration with our colleagues in the Ugandan churches. Many teams were sent to Africa from the UK during the year, one highlight being the mission to the Democratic Republic of the Congo in March 2020, which was well received, establishing a sound platform for future visits.

Covid then brought many challenges which were largely overcome by reaching out through on-line media with quality bible teaching through the UK, Africa, India and beyond. Conferences and schools continued to be held through 2020, albeit all held on-line.

Another by-product of the pandemic and shift to on-line communication has been a strengthening of the teams around the UK.

The Ugandan NGO application has continued to progress slowly, delayed by the Covid outbreak and its impact. Post Covid lockdown, we expect the application to continue to progress and conclude.

Our long-term aim with the NGO continues to be to develop a bible college with mostly African bible teachers, to provide more effective ongoing support to local and regional churches, and to send African bible teaching teams on mission beyond Uganda's borders.

THE WAY OF THE SPIRIT

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

Trustees' responsibilities statement

The Trustees (who are directors of The Way Of The Spirit for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 21 May 2021 and signed on their behalf by:

.....
Richard George

THE WAY OF THE SPIRIT

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Independent examiner's report to the Trustees of The Way of the Spirit

I report to the charity Trustees on my examination of the accounts of the company for the year 31 August 2020.

Respective responsibilities of trustees and examiner

As the Trustees of the company (and 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 the company's accounts 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

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

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.

.....
G W Schulz ACMA

G Schulz & Company Ltd
Chartered Management Accountants
G Schulz ACMA
3 Lane Close
Broadbridge Heath
Horsham
RH12 3UF

21 May 2021

THE WAY OF THE SPIRIT

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note				
INCOMING RESOURCES					
Donations and legacies	2	110,786	10,663	121,449	106,106
Charitable activities	3	26,373	-	26,373	36,283
Other trading activities	4	5,123	-	5,123	4,477
Investments	5	61	-	61	133
TOTAL INCOMING RESOURCES		142,343	10,663	153,006	146,999
RESOURCES EXPENDED					
Raising funds	4	2,657	-	2,657	3,299
Charitable activities	6	114,656	16,516	131,172	159,056
TOTAL RESOURCES EXPENDED		117,313	16,516	133,829	162,355
NET INCOMING RESOURCES/(RESOURCES EXPENDED) BEFORE TRANSFERS		25,030	(5,853)	19,177	(15,356)
Transfers between funds		(5,853)	5,853	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		19,177	-	19,177	(15,356)
<i>Total funds at 1 September 2019</i>		21,203	-	21,203	36,559
TOTAL FUNDS AT 31 AUGUST 2020	13	40,380	-	40,380	21,203

The notes on pages 9 to 16 form part of these financial statements

THE WAY OF THE SPIRIT

(A company limited by guarantee)

Registered number: 05471349

BALANCE SHEET AS AT 31 AUGUST 2020

			2020	2019
	Note	£	£	£
FIXED ASSETS				
Tangible assets	10		-	472
CURRENT ASSETS				
Stock		15,108	15,756	
Debtors	11	2,996	7,395	
Cash at bank and in hand		27,741	30,895	
		45,845	54,046	
CREDITORS: amounts falling due within one year	12	5,465	33,315	
NET CURRENT ASSETS/(LIABILITIES)			40,380	20,731
NET ASSETS			40,380	21,203
CHARITY FUNDS				
Restricted funds			-	-
Unrestricted funds			40,380	21,203
TOTAL FUNDS	13		40,380	21,203

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 21 May 2021 and signed on their behalf, by:

.....
Richard George

The notes on pages 9 to 16 form part of these financial statements

THE WAY OF THE SPIRIT

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 2. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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 (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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

Income

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Gift aid

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

THE WAY OF THE SPIRIT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Equipment, Motor vehicles	20% on cost
-----------------------------------	-------------

Stock

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value.

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and

THE WAY OF THE SPIRIT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Fund accounting

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

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

Financial instruments

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

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2020 £	2019 £
Offerings and Other gifts	96,045	10,663	106,708	90,217
Gift aid	14,741	-	14,741	15,889
Legacies	-	-	-	-
	110,786	10,663	121,449	106,106
<i>Total 2019</i>	<i>99,999</i>	<i>6,107</i>	<i>106,106</i>	

THE WAY OF THE SPIRIT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2020 £	2019 £
College fees	3,794		3,794	5,978
Conferences	21,257		21,257	26,425
Other income	1,322	-	1,322	3,880
	26,373	-	26,373	36,283
<i>Total 2019</i>	<i>36,283</i>	<i>-</i>	<i>36,283</i>	

4. TRADING ACTIVITIES

	Unrestricted £	Restricted £	2020 £	2019 £
Charity trading income				
Sales of books and CDs	5,123		5,123	4,477
Charity trading expenses				
Cost of sales	2,657	-	2,657	3,299
Net income from trading activities	2,466	-	2,466	1,178
<i>Total 2019</i>	<i>1,178</i>	<i>-</i>	<i>1,178</i>	

5. INVESTMENT INCOME

	Unrestricted £	Restricted £	2020 £	2019 £
Bank interest	61	-	61	133
	61	-	61	133
<i>Total 2019</i>	<i>133</i>	<i>-</i>	<i>133</i>	

THE WAY OF THE SPIRIT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Note	Unrestricted £	Restricted £	2020 £	2019 £
Teaching Days		4,791		4,791	5,770
Conference Expenses		21,933		21,933	36,338
Full-time School Expenses		2,325		2,325	6,604
Mission Expenses			16,516	16,516	24,852
Ministry Staff	8	61,628		61,628	62,200
Property Rent		14,476		14,476	11,239
Licences & insurance		1,688		1,688	1,808
Legal & Professional Fees		287		287	1,953
Other Administration		5,066		5,066	4,873
Bank Charges		1,591		1,591	1,967
Depreciation		471		471	1,052
Governance costs	7	400		400	400
		114,656	16,516	131,172	159,056

7. GOVERNANCE COSTS

	Unrestricted £	Restricted £	2020 £	2019 £
Independent examination	400		400	400
	400	-	400	400

8. STAFF COSTS

	Unrestricted £	Restricted £	2020 £	2019 £
Wages and salaries	58,374		58,374	59,178
Social security costs	1,203		1,203	914
Pension	2,051		2,051	2,108
	61,628	-	61,628	62,200

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

	2020	2019
Ministry	3	3

No employee received remuneration amounting to more than £60,000 in either year.

THE WAY OF THE SPIRIT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

9. TRUSTEE REMUNERATION AND EXPENSES

During the year, one Trustee received remuneration amounting to £20,630 (2019 - £20,297).
During the year, one Trustee received pension contributions amounting to £791 (2019 - £777).
During the year, one Trustee received reimbursement of expenses amounting to £2,141 (2019 - £3,146).

10. FIXED ASSETS

Tangible fixed assets comprise:-

	Office Equipment	Furniture & Fittings	Sound Equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	2,704	2,842	1,601	7,147
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2020	2,704	2,842	1,601	7,147
Accumulated Depreciation				
At 1 September 2019	2,301	2,773	1,601	6,675
Charged in the period	403	69	-	472
Disposals	-	-	-	-
At 31 August 2020	2,704	2,842	1,601	7,147
Net Book Value:				
At 31st August 2020	-	-	-	-
At 1 September 2019	403	69	-	472

11. DEBTORS

	2020 £	2019 £
Trade debtors	2,648	5,783
Prepayments	-	896
Gift aid receivable	348	716
	2,996	7,395

THE WAY OF THE SPIRIT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

12. CREDITORS

	2020 £	2019 £
Accruals and deferred income	4,055	29,404
Other taxation and social security	808	791
Other creditors	602	3,120
	5,465	33,315

13. STATEMENT OF FUNDS

Current year	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Carried forward £
General funds	21,203	142,343	(117,313)	(5,853)	40,380
Restricted funds:					
Mission Fund	-	10,663	(16,516)	5,853	-
	-	10,663	(16,516)	5,853	-
	21,203	153,006	(133,829)	-	40,380

The Mission fund is specifically to support The Way of the Spirit work in Kampala, Uganda and other mission work.

Prior year	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Carried forward £
General funds	36,559	140,892	(140,029)	(16,219)	21,203
Restricted funds:					
Mission Fund	-	6,107	(22,326)	16,219	-
	-	6,107	(22,326)	16,219	-
	36,559	146,999	(162,355)	-	21,203

THE WAY OF THE SPIRIT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fixed assets	-	-	-
Current assets	45,845	-	45,845
Creditors due within one year	(5,465)	-	(5,465)
	40,380	-	40,380

Prior year	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Fixed assets	472	-	472
Current assets	54,046	-	54,046
Creditors due within one year	(33,315)	-	(33,315)
	21,203	-	21,203

15. OPERATING LEASE COMMITMENTS

At 31 August 2020 the charity had annual commitments under non-cancellable operating leases as follows:

Amounts falling due within one year:

	2020 £	2019 £
Expiry date:		
Within 1 year	10,750	10,750
Between 2 to 5 years	28,667	39,417

16. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,051 (2019 - £2,108). Contributions totalling £311 were payable to the fund at the balance sheet date and are included in creditors (2019 - £Nil).