

GRACE & LIGHT UK

UNAUDITED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

CHARITY NUMBER: 1115859

COMPANY NUMBER: 5862183

LEGAL AND ADMINISTRATIVE INFORMATION

31 DECEMBER 2020

TRUSTEES AND DIRECTORS:

E J Greening
P D S King
M T E Hopkins
F Ogunyide
J Sweeney
B Adetutu
K Rotowa

SECRETARY:

P D S King

REGISTERED OFFICE:

8 Kingswood Drive
London
SE19 1UR

REGISTERED COMPANY NUMBER:

5682183 (England and Wales)

REGISTERED CHARITY NUMBER

1115859

INDEPENDENT EXAMINER:

Michael Marshall
2 Meldon Gardens
Choppington
Northumberland
NE62 5EW

BANKERS:

Lloyds plc
64 Fore Street
Trowbridge
BA14 8EU

REPORT OF THE TRUSTEES

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and financial statements for the year ended 31 December 2020. Legal and administrative information set out on page one forms part of this report. 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 (FRS102) (effective 1 January 2015).

Structure, governance and management

The charity is a company limited by guarantee without a share capital. The limit of the members' liability under the terms of the company's Memorandum and Articles is £1.00 each. The charity was established in 2006 as the UK branch of Grace & Light International Ministry, a Christian HIV/Aids charity based in Jos, Nigeria.

New trustees are normally appointed by the members of the charity at a general meeting, or by the existing trustees at other times. In this latter case the trustee must retire at the next annual general meeting, but can be reappointed. One third of all directors retire at each AGM by rotation, but can be re-elected. The Memorandum and Articles provide for a minimum of three trustees, with no maximum number.

Trustees meet at least quarterly to agree the broad strategy and areas of activity for the charity. The charity has no employees so the trustees share the responsibilities of fundraising and day-to-day administration. All trustees give of their time freely and no trustee received remuneration or expenses during the year. There are currently no formal induction or training programmes for directors.

Risk assessment and management

The trustees have considered the major risks to which the charity is exposed and seek to manage them on an ongoing basis.

Our major operational risk is our dependence on a small team of volunteers for our work in raising funds and for future ministry in the UK.

Financially, the charity relies mainly on private donations and much of our income is given by standing order. The ability of the wider Grace & Light movement to carry on its work is directly dependent on these donors' continued giving and the raising of additional funds.

Political events in Africa can affect the charity's working in that continent. The availability of international funding for anti-retroviral drugs greatly impacts the quality of care for HIV-positive members. In the UK changes in government policy may affect our plans for voluntary counselling and testing through UK churches.

Related Parties and Others in Cooperative Activities

Grace & Light acts in close partnership with a number of other Christian charities from the UK in fulfilling the aims and objectives set out in the Memorandum and Articles of Association.

Objectives and activities for the public benefit

Grace & Light takes a unique church-centred approach to the HIV pandemic, integrating prevention, care and support and attitude change activities.

We believe that the HIV/AIDS pandemic is more than a medical emergency, it is also a spiritual and moral crisis. Indeed, the spiritual and moral issues go deeper than the medical ones in both developed and developing nations.

Thus we have constructed a response that tackles all three areas. In Grace & Light medical personnel and theologians work together to transform lives through our three principles grace, openness and love.

We work through local churches of any denomination. They are rooted in their communities and retain respect, a potent combination in the fight against HIV & AIDS.

The process begins with the minister and leaders. We only go into churches with their active support. Then we address the entire congregation during a service, giving basic information on the disease and preaching the gospel and challenging people.

That challenge begins with HIV testing on the church premises for all who are interested. Two options are offered: standard confidential testing or openness – sharing your results with other people in the church who have also chosen to be open.

All who choose the second option make three commitments, to:

- Belong to Christ in the gospel
- Be open about their HIV status, whether positive or negative
- Meet together regularly in small groups to support and encourage each other.

Though we began in Nigeria, in response to the particular cultural issues there, we aim to apply this approach wherever the pandemic and Christian churches coexist.

Review of activities

Achievements during 2020

Church visits during 2020

The focus of Grace & Light's ministry has shifted over the years. When we started there was no HIV testing in the community, so few people knew their HIV status. We tested thousands and many who tested positive were shocked to know their status. In 2020 out of the 16,673 spoken to in 60 church meetings, only 3,061 took an HIV test, and only 11 positives found. Over 93% of those tested agreed to be open about their status and became Grace & Light members.

The focus of our work these days is social righteousness, applying the Gospel message to issues such as corruption, poverty and gender-based violence. Before church members can apply these lessons, they need to have a living relationship with Christ. Of all those who heard our speakers in church in 2020, 350 made a first commitment to follow the Lord, and over 3,000 rededicated themselves to his service.

HCT Testing during 2020

Only five HCT visits were possible in 2020, but over a quarter of those reached made a recommitment to Christ, 172 people.

Schools ministry

For most of the year ministry wasn't possible due to school closures during the Covid pandemic. A total of eight schools were visited and only two positive HIV cases were found amongst the 945 who were tested. The presentation of the Gospel message is the central part of our ministry and 125 young people committed their lives to Christ for the first time with a further 539 making a rededication.

"Their generation is realising that HIV is real and a threat to their lives. We are being told stories of young people in other schools, who hear about social righteousness and choose to change their lives, even though we have not visited their school."

Training

One hundred and five women from 20 churches attended the day-long SGBV workshop on 17 July, during which international coordinator Tassie Ghata shared about the many stories of rape she has heard during lockdown.

This helped others to also share their own experiences and support each other. They were able to open up on the burdens they were carrying and release emotions they'd bottled up believing they could not share such things.

"It was eye opening," said Tassie. "People saw that other congregations are experiencing the same issues they are facing. They returned to their churches determined to live differently and to help their members live differently."

Covid-19

Most people couldn't go to work and earn money to support their families for several months, owing to government measures to counter the pandemic. Our partners AMEN raised over £1,600 to provide essential supplies for dozens of families. This was an opportunity to bless families, both Christian and Muslim.

Financial review

Our long-term partners, OM and AMEN continued to support our ministry to the tune of over £12,000, without which we would not be able to operate as we do. Property Pastors gave us another £5,000 towards the building of the retreat centre.

Our expenses are not covered by regular giving, but we still managed to break even in unrestricted income and expenditure during 2020. It has been encouraging to note the steady increase in local support for our work in Nigeria, as well as the contribution from sales at the charity shop at our Jos HQ.

Reserves policy

The charity normally pays its expenses in cash and has no long-term liabilities.

Statement of trustees' responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:-

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Make judgement and estimates that are reasonable and prudent;
- (c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Accounting and Reporting by Charities Statement of Recommended Practice. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on its behalf by:

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Edmund Greening (Chairman)

30 September 2020

ACCOUNTANT'S REPORT TO THE TRUSTEES ON THE UNAUDITED ACCOUNTS OF GRACE & LIGHT (UK)

I report on the accounts for the year ended 31 December 2020 set out on pages vi to x.

Respective responsibilities of directors and reporting accountant

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011) and that an independent examination is required. The statements have been prepared in compliance with the Charities Act 2011, the Companies Act 2006, and FRS 102 (2016) as the applicable accounting standards and the 2016 version of Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Michael Marshall

Statement of Financial Activities
for the year ended 31 December 2020

			2020	2019
	Notes	Unrestricted £	Restricted £	Total funds £
Income and endowments from				
Donations and legacies		25,011	13,400	38,411
Giftaid reclaimed		2,935	-	2,935
Investment income	2	3	-	3
Total Incoming Resources		<u>27,949</u>	<u>13,400</u>	<u>41,349</u>
Expenditure on				
<i>Raising funds</i>				-
<i>Charitable activities</i>				
Provision of financial support for Grace & Light International		<u>28,887</u>	<u>32,158</u>	<u>61,045</u>
Total		<u>28,887</u>	<u>32,158</u>	<u>61,045</u>
Net (outgoing)/incoming resources before transfers		(958)	(18,758)	(19,696)
Transfers between funds		1,954	(1,954)	-
Net income/(expenditure) for the year		<u>1,016</u>	<u>(20,172)</u>	<u>(19,696)</u>
Total funds brought forward		<u>16</u>	<u>27,030</u>	<u>27,046</u>
Total funds carried forward		<u>1,032</u>	<u>6,318</u>	<u>7,350</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages viii and ix form part of these accounts.

Balance Sheet as at 31 December 2020

	2020	2019
	£	£
Current assets		
Cash at bank and in hand	7,350	27,046
Accrued income	-	-
Creditors: Amounts falling due within one year		
Accrued expenses	-	-
Net current assets	<u>7,350</u>	<u>27,046</u>
Funds		
Unrestricted funds	1,032	16
Restricted funds	<u>6,318</u>	<u>27,030</u>
Total charity funds	<u><u>7,350</u></u>	<u><u>27,046</u></u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the year ended 31 December 2019. The statements have been prepared in compliance with the Charities Act 2011, the Companies Act 2006, and FRS 102 (2016) as the applicable accounting standards and the 2016 version of Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102).

The trustees acknowledge their responsibility for:

- (a) ensuring the company keeps accounting records which comply with Section 386 of the Companies Act 2006 and;
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Approved on behalf of the trustees:

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Peter King – Trustee

The notes on pages x and xi form part of these accounts.

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

1. Accounting policies The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Basis of Accounting**

The financial statements have been prepared under the historic cost convention and 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Additional disclosures have been provided at the discretion of the directors.

The company is a public benefit entity within the meaning of FRS 102.

(b) **Going concern**

The company is dependent upon voluntary donations and upon volunteer time. The balance sheet remains strong with net assets of over £7,000. The directors consider that the company is a going concern.

(c) **Voluntary income is received by way of donations and is included in the Statement of Financial Activities when received.**

(d) **Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.**

i. Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

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

iii. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

iv. All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

(e) **Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and available as general funds.**

(f) **The charity's restricted funds are those where the donor has imposed restrictions on the use of funds.**

(g) **The company is registered as a charity and therefore its activities are exempt from Corporation Tax. Accordingly no provision for taxation is made in these financial statements.**

(h) **The company is limited by guarantee and does not have any share capital.**

(i) **Transactions in foreign currencies are recorded at the rate of exchange ruling at the balance sheet date or at the date of transaction where this is known.**

2. Investment income

	2020	2019
	£	£
Investment income		
Deposit account interest	<u>3</u>	<u>5</u>

3. Trustees' remuneration and benefits

There were no trustees' remuneration or benefits for the year ended 31 December 2020, nor for the year ended 31 December 2019.

4. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Current assets	<u>1,032</u>	<u>6,318</u>	<u>7,350</u>	<u>27,046</u>

5. Movement in funds

	At 1 January 2020	Net movement in funds	Transfers between funds	At 31 December 2020
	£	£	£	£
Unrestricted funds				
General reserve	16	(938)	1,954	1,032
Restricted funds:				
Borno	1,256	-	-	1,256
Minibuses	1,045	-	-	1,045
Building project (retreat centre)	20,600	(20,512)	-	88
SGBV	-	(100)	100	-
Testing	1,618	1,160	-	2,778
Tassie's ministry	61	94	(4)	151
Schools	1,250	-	(1,250)	-
Training	1,200	(100)	(100)	1,000
Covid 19	-	700	(700)	-
Total restricted funds	27,030	(18,758)	(1,954)	6,318
Total funds	27,046	(19,696)	-	7,350

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General reserve	27,949	28,887	(938)
Restricted funds:			
Borno	-	-	-
Minibuses	-	-	-
Building project (retreat centre)	9,088	29,600	(20,512)
SGBV	-	100	(100)
Testing	2,560	1,400	1,160
Tassie's ministry	94	-	94
Schools	-	-	-
Training	-	100	(100)
Covid 19	1,658	958	700
Total restricted funds	13,400	32,158	(18,758)
Total funds	41,349	61,045	(19,696)

Building project: Funds received to build a retreat centre at Grace & Light's headquarters in Nigeria.

Testing: Funds received for HIV testing expenses.

Borno ministry: Funds received to be used for ministry in Borno State.

Tassie's ministry: Funds to be used at the discretion of the International Coordinator.

Minibuses: Funds received to purchase minibuses to transport staff and volunteers.

Schools: Funds received to pay for any expenses associated with schools' ministry.

SGBV: Funds received for Sexual and Gender-Based Violence ministry

Training: Funds received for training expenses.

Covid 19: Funds received for relief during the Covid-19 crisis.

Detailed Statement of Financial Activities
For the year ended 31 December 2020

	2020 £	2019 £
INCOMING RESOURCES		
Voluntary income		
Donations	38,411	58,244
Giftaid reclaimed	<u>2,935</u>	<u>14</u>
Investment income		
Deposit account interest	<u>3</u>	<u>5</u>
Total incoming resources	41,349	58,263
RESOURCES EXPENDED		
Costs of generating voluntary income		
Mail shots & fundraising	-	-
Charitable Activities		
Grants paid for Nigeria ministry	60,600	37,999
Support costs		
Management		
Travel	445	876
Communications	-	89
Misc admin	<u>-</u>	<u>288</u>
	445	1,253
Total resources expended	<u>61,045</u>	<u>39,252</u>
Net income/(expenditure)	<u>(19,696)</u>	<u>19,011</u>