

**THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH,
UNITED KINGDOM**

FINANCIAL STATEMENTS

FOR

30 SEPTEMBER 2020

Charity No: 1161556

WHITELAW WELLS

Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

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THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

GENERAL ASSEMBLY BOARD ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2020

The General Assembly Board members have pleasure in presenting their report for the year ended 30 September 2020.

The financial statements comply with the General Assembly's constitution, 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 (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES OF THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

Purpose

The objectives of the General Assembly are:

- to co-ordinate and support the local churches, prayer houses and places of worship of the True Jesus Church in the UK and provide policies and guidance to them;
- to worship the one true God, keep the teachings of the Bible, proclaim the complete gospel of salvation of Jesus Christ, and prepare for the second coming of the Lord Jesus.

Aims and Activities

These objectives are met through regular meetings to discuss the needs within each local community and co-ordinating all the affiliated churches. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit.

Grant Making Policy

The General Assembly Board operates a policy to contribute a proportion of its income to the International Assembly of the True Jesus Church. The level of this contribution is suggested by the International Assembly on an annual basis. Other donations are made by identifying projects and organisations they wish to support and are discussed before any donation is made.

ACHIEVEMENTS AND PERFORMANCE

The General Assembly has increased in membership and has generally strengthened the faith of its members in line with the objectives outlined above by such activities as seminars, fellowships, religious teachings, convocations and publications.

The organisation serves all the communities in the UK, although most members are from the Chinese Community.

At the annual Church Delegate Conference held in November 2017, a project for the development and construction of an administrative building of the General Assembly and a chapel on the Longbenton site in Newcastle was approved. The organisation completed the first round of fundraising from local churches for this building project at the end of May 2018 and are continuing with the fundraising. However, given the unforeseen difficulties and obstacles encountered in the past few years, a resolution was passed by the Church Delegate Conference in November 2020 approving the discontinuation of this large-scale building project on the Longbenton site. Therefore, the building committee under the General Assembly is currently exploring alternative options to accomplish the project.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

GENERAL ASSEMBLY BOARD ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2020

FINANCIAL REVIEW

Allocated offerings received during the year totalled £322,990 (2019: £390,233) and voluntary donations totalled £445,392 (2019: £1,374,507). Total income for the year was £778,151 (2019: £1,781,766), with expenditure of £314,749 (2019: £381,418) leaving a surplus for the year of £463,402 (2019: £1,400,348). At the balance sheet date the unrestricted reserves were £810,175 (2019: £771,011), including designated funds of £236,134 (2019: £232,866) with £2,587,139 (2019: £2,162,901) in restricted funds.

Investment Policy

The reserves are currently held in cash, which the General Assembly Board feels is appropriate given the continuing volatility of the stock market. The General Assembly Board will keep this policy under review.

Risk Management

The General Assembly Board has assessed the major risks to which the General Assembly is exposed and are satisfied that systems are in place to mitigate the exposure to the major risks. The principal risks and uncertainties facing the General Assembly are:

Financial Risk

The ongoing capital development project is a significant additional risk to the organisation. However, the project will not commence until sufficient funding to complete the project is available. The risk of negative cash flow has been mitigated by a significant fundraising programme.

Other Risks

Internal control risks are minimised by procedures for authorisation of all transactions.

Reserves Policy

The free reserves are the total unrestricted funds less the amount designated for the acquisition of church buildings, and equate to £574,041 (2019: £538,145). The General Assembly Board, and indeed the True Jesus Church in general, adopt a very conservative financial management strategy and would not normally borrow funds from commercial financial institutions. Hence the General Assembly Board has accumulated a large surplus of free reserves but such a reserve is held for the purpose of capital expenditure when necessary e.g. purchase of properties by affiliated churches or when large programmes need to be undertaken requiring resources larger than the normal operating budget.

In addition, it is not unusual to lend funds to affiliated churches upon their request when they in turn require to incur capital expenditure. In such cases, money would be lent at zero rate of interest and be repaid when the affiliated church was capable to do so.

There are significant restricted reserves being built up as the General Assembly is looking to purchase and develop a new administrative building and chapel in Newcastle.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

GENERAL ASSEMBLY BOARD ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2020

PLANS FOR FUTURE PERIODS

The General Assembly is to undertake further evangelism to promote the gospel as well as spiritual convocations, seminars and theological training courses to encourage members to grow in to the stature of Christ in line with its stated objectives.

The organisation is planning a new administrative building in Newcastle and has been continuing to raise funds to allow this development to go ahead.

Due to the unprecedented Coronavirus pandemic which began in early 2020, all national seminars, fellowships and meetings organised by the organisation have been conducted online. In addition to the live-streamed weekday and Sabbath services provided by local churches, the organisation has also coordinated with them to organise regular online Bible studies, evangelistic services, spiritual convocations and religious education for the members in the UK. These arrangements will, however, be reviewed constantly in accordance with Government guidance.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status of Charity and Governing Document

The General Assembly of the True Jesus Church, United Kingdom is registered as a charity with the Charity Commission for England and Wales with charity number 1161556. The General Assembly is governed by its By-laws, Rules and Regulations and Trust Deed. The Bylaws, Rules and Regulations and the Trust Deed were last updated on 16 November 2020 and 10 September 2018 respectively.

The General Assembly acts as an “umbrella organisation” for the local churches, prayer houses and places of worship of the True Jesus Church in the UK, these bodies being affiliated but independent of the General Assembly. In order to achieve its objectives, the General Assembly co-operates, assists and works in collaboration with the various local churches, prayer houses and places of worship.

Organisational Structure

The organisation is formed by all the local churches and prayer houses of the True Jesus Church in the UK. Each church sends delegates to the annual Church Delegate Conferences. They in turn elect the General Assembly Board triennially. The General Assembly Board, with the exception of the salaried full-time divine workers employed by the General Assembly, are appointed Charity Trustees. Following the election held in November 2019, the General Assembly Board consists of 15 members who will serve for a term of three years and are eligible for re-election. The General Assembly Board is the highest executive body in the organisation and executes resolutions passed by the Church Delegate Conferences as well as carrying out the day to day running of the General Assembly.

Trustees' Training

The current Trustees have held their posts for several years and are fully conversant with the work of the charity. Should a Trustee leave between Church Delegate Conferences, the remaining Trustees will meet to appoint a new Trustee based on their skills and experience. The existing Trustees will mentor the new Trustee until they are familiar with the day to day workings and aims of the charity, and they will be given the opportunity to contribute fully to any management issues that are brought to the attention of the General Assembly Board.

Related Parties

The General Assembly is affiliated to the International Assembly of the True Jesus Church but remains an independent charity.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

GENERAL ASSEMBLY BOARD ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2020

Pay Policy for Senior Staff

The General Assembly consider the board members to be the key management personnel of the charity. The pay of all staff is reviewed annually and normally increased in accordance with the UKGA Pay Scale and the Retail Price Index published by the government.

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name The General Assembly of the True Jesus Church, United Kingdom (known as TJC UKGA)

Charity Number 1161556

| | | |
|-------------------------------|--------------------------|---|
| General Assembly Board | Ezra (Kon Fah) Chong | Chairman (London) * |
| | Silas Ah Yee Chan | Vice-chairman (Elgin) * |
| | Fook Fah Chong | Head of Department of Religious Affairs (UKGA Preacher) # |
| | Simon (Tin Wan) Ho | Head of Department of General Affairs (Newcastle) |
| | Ling Tao (Ah Chang) Shek | Head of Department of Financial Affairs (Edinburgh) * |
| | Michael Chi Wing Chan | Head of Department of Training (UKGA Preacher) # |
| | Michael Sheung Chun Hsu | Head of Department of Literary Ministry (Edinburgh) * |
| | Chung Pok (Sam) Chan | (Edinburgh) * |
| | Nehemiah (Kenneth) Zhou | (London) * |
| | Stephen (Tin Loi) Sek | (Elgin) * |
| | Stephen (Tak Fai) Ho | (Newcastle) * |
| | Michael Parrett | (Forest Hill) * |
| | Kuo Zhang | (Portsmouth) * |
| | Nathan (Anthony) Tang | (Newcastle) |
| | Johnny Koon Wong Lui | (UKGA Preacher) # |

* signifies board member is also a trustee of the local church

signifies board member is not a trustee of the General Assembly

Secretary Simon (Tin Wan) Ho

Principal Address Boyd Street
Shieldfield, Newcastle upon Tyne
England, NE2 1AP

Independent Auditor Whitelaw Wells
Chartered Accountants & Statutory Auditors
9 Ainslie Place, Edinburgh, EH3 6AT

Bankers The Royal Bank of Scotland
Edinburgh West End Office Branch
142-144 Princes Street, Edinburgh, EH2 4EQ

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

GENERAL ASSEMBLY BOARD ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2020

RESPONSIBILITIES OF THE GENERAL ASSEMBLY BOARD

The General Assembly Board are responsible for preparing the General Assembly Board's Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the General Assembly Board to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

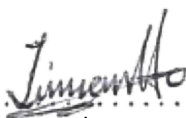
The General Assembly Board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Assembly Board are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Statement as to Disclosure of Information to Auditors

So far as the General Assembly Board are aware, there is no relevant audit information (as defined by the Charities Act 2011) of which the charity's auditors are unaware, and each members of the board has taken all steps he ought to have as a member of the board in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the General Assembly Board on 30 May 2021 and signed on their behalf by:


.....
Simon (Tin Wan) Ho
Secretary

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2020

Opinion

We have audited the financial statements of The General Assembly of the True Jesus Church, United Kingdom for the year ended 30 September 2020, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Principles) 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 (FRS102) (effective 1 January 2019).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020 and of its income and expenditure 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 Charities Act 2011 (the Charities Act).

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 Auditors' responsibilities for the audit of financial statements in our report. We are independent of the company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2020

Other information

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 in relation to which The Charities Act 2011 (the Charities Act) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine necessary to enable the preparation of the 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 Trust'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 intend to liquidate the Trust or cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011 (the Charities Act) 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 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 GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2020

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 Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with The Charities Act 2011 (the Charities Act). Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
30 May 2021

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 30 SEPTEMBER 2020

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|--|----------|----------------------------|--------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations | | | | | |
| <i>Contributions from local churches</i> | | 322,990 | 445,392 | 768,382 | 1,764,740 |
| Charitable activities | | | | | |
| <i>Hymm book sales</i> | | - | - | - | 1,470 |
| <i>IYF fees</i> | | - | - | - | 6,057 |
| Investment income | | 4,907 | 4,862 | 9,769 | 9,499 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total income | 2 | 327,897 | 450,254 | 778,151 | 1,781,766 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Expenditure on: | | | | | |
| Charitable activities | 3 | 251,833 | 62,916 | 314,749 | 381,418 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total expenditure | | 251,833 | 62,916 | 314,749 | 381,418 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net income | | 76,064 | 387,338 | 463,402 | 1,400,348 |
| Transfers between funds | | (36,900) | 36,900 | - | - |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net movement in funds | | 39,164 | 424,238 | 463,402 | 1,400,348 |
| Funds brought forward | | 771,011 | 2,162,901 | 2,933,912 | 1,533,564 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Funds carried forward | | 810,175 | 2,587,139 | 3,397,314 | 2,933,912 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

The General Assembly has no recognised gains or losses other than the results for the year as set out above.

All activities relate to continuing operations.

The notes on pages 13-22 form part of these financial statements.

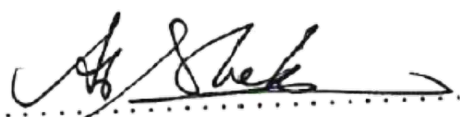
THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

BALANCE SHEET

30 SEPTEMBER 2020

| | Note | £ | 2020 £ | 2019 £ |
|---|------|-----------|-----------|-----------|
| FIXED ASSETS | | | | |
| Tangible assets | 6 | | 133,825 | 133,825 |
| CURRENT ASSETS | | | | |
| Debtors: <i>amounts falling due in less than one year</i> | 7 | 83,955 | | 106,190 |
| <i>amounts falling due in greater than one year</i> | 8 | 117,293 | | 125,460 |
| Cash at bank and in hand | | 3,076,573 | | 2,583,250 |
| | | | | |
| | | 3,277,821 | | 2,814,900 |
| CREDITORS: amounts falling due within one year | | | | |
| | 9 | (14,332) | | (14,813) |
| NET CURRENT ASSETS | | | | |
| | | | 3,263,489 | 2,800,087 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | |
| | | | 3,397,314 | 2,933,912 |
| FUNDS | | | | |
| Unrestricted Funds | 10 | | 574,041 | 538,145 |
| Designated Funds | 10 | | 236,134 | 232,866 |
| Restricted Funds | 10 | | 2,587,139 | 2,162,901 |
| | | | | |
| | | | 3,397,314 | 2,933,912 |

These financial statements were approved by the General Assembly Board and are signed on their behalf by:



Ling Tao (Ah Chang) Shek

Date 30 May 2021

The notes on pages 13-22 form part of these financial statements.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

STATEMENT OF CASH FLOWS

30 SEPTEMBER 2020

| | 2020 | 2019 |
|---|-----------|-----------|
| | £ | £ |
| Cash flows from operating activities: | | |
| Net cash provided by operating activities | 475,365 | 1,367,036 |
| Cash flows from investing activities: | | |
| <i>Interest</i> | 6,632 | 5,828 |
| <i>Loan repaid by other churches in the year</i> | 11,326 | 9,326 |
| Net cash provided by investing activities | 17,958 | 15,154 |
| Change in cash and cash equivalents in the year | 493,323 | 1,382,190 |
| Cash and cash equivalents at the beginning of the year | 2,583,250 | 1,201,060 |
| Cash and cash equivalents at the end of the year | 3,076,573 | 2,583,250 |
| RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net income for the year (as per the Statement of Financial Activities) | 463,402 | 1,400,348 |
| Adjustments for: | | |
| Interest from investments | (6,632) | (5,828) |
| Finance income from loans | (3,137) | (3,671) |
| Decrease/(increase) in debtors | 22,213 | (28,504) |
| (Decrease)/increase in creditors | (481) | 4,691 |
| Net cash provided by operating activities | 475,365 | 1,367,036 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | |
| Instant access bank deposits | 3,076,573 | 2,583,250 |
| Total cash and cash equivalents | 3,076,573 | 2,583,250 |

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

1. ACCOUNTING POLICIES

Basis of accounting

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 (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The General Assembly of the True Jesus Church, United Kingdom meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The General Assembly Board is not aware of any factors that affect the charity's ability to continue as a going concern and have considered the expected impact of COVID-19 to the charity for a period of at least 12 months from the date of signing of these financial statements as such have prepared the accounts under the going concern principle.

Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations and income from charitable activities are included in the year in which they are receivable.

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

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The General Assembly is not registered for VAT and accordingly is shown gross of irrecoverable VAT.

Expenditure on charitable activities includes those costs incurred by the charity in the delivery of its activities and services for its beneficiaries and governance costs. It includes both costs that can be allocated directly to activities and those costs of an indirect nature necessary to support them.

Support costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

1. ACCOUNTING POLICIES (Continued)

Depreciation

Fixed assets are originally recorded at cost. Items are not capitalised if expenditure is less than £500. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property – nil

Freehold property has not been depreciated, which is not in line with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The General Assembly Board do not feel that the freehold property is reducing in value and therefore have not applied any depreciation.

Loans

The provision for a multi-year loan debtor is recognised at its present value where settlement is due over more than one year from the date of the award, there are no conditions under the control of the General Assembly that would result in the debtor ceasing to make future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is 3%, the General Assembly Board consider this to be appropriate.

Other Financial Instruments

The charity 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.

Pensions

The charity contributes to the individual personal pensions of its employees. The annual contributions are charged to the income and expenditure account.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor.

Unrestricted funds

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

Designated funds

Designated funds are funds designated by the General Assembly Board for a specific purpose.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

2. INCOME

| | Unrestricted Funds £ | Restricted funds £ | 2020 Total £ | 2019 Total £ |
|------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | | | | |
| Contributions from local churches | 322,990 | 445,392 | 768,382 | 1,764,740 |
| Charitable activities | | | | |
| Hymn book sales | - | - | - | 1,470 |
| International Youth Fellowship fee | - | - | - | 6,057 |
| Investments | | | | |
| Bank interest | 1,770 | 4,862 | 6,632 | 5,828 |
| Finance income | 3,137 | - | 3,137 | 3,671 |
| | | | | |
| Total Income | 327,897 | 450,254 | 778,151 | 1,781,766 |

Income was £778,151 (2019: £1,781,766) of which £327,897 (2019: £404,786) was unrestricted and £450,254 (2019: £1,376,980) was restricted.

3. TOTAL EXPENDITURE

| | Note | Donations £ | Church Activities £ | Total 2020 £ | Total 2019 £ |
|---|------|----------------|---------------------------|--------------------|--------------------|
| Donations | 4 | 48,816 | - | 48,816 | 90,251 |
| Wages | | - | 232,678 | 232,678 | 230,342 |
| Board travel expenses | | - | 10,115 | 10,115 | 23,229 |
| Religious education | | - | - | - | 5,311 |
| Religious affairs | | - | 3,085 | 3,085 | 20,060 |
| Literary ministry | | - | - | - | 195 |
| General affairs | | - | 716 | 716 | 1,902 |
| Financial affairs | | - | 898 | 898 | 102 |
| Finance costs | | - | 63 | 63 | 70 |
| IYF fees | | - | - | - | 6,423 |
| Consultancy fees for building development | | - | 14,100 | 14,100 | - |
| Support Costs: | | | | | |
| Accountancy fee paid to Auditor | | - | 243 | 243 | 248 |
| Auditor | | - | 4,035 | 4,035 | 3,285 |
| | | | | | |
| | | 48,816 | 265,933 | 314,749 | 381,418 |

Expenditure was £314,749 (2019: £381,418) of which £62,916 (2019: £84,251) was restricted and £251,833 (2019: £297,167) was unrestricted. Further breakdown of expenses is not undertaken as the Trustees believe there is only one main activity.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

4. GRANTS & DONATIONS PAYABLE

| | Unrestricted | Restricted | 2020 £ | 2019 £ |
|-------------------------------------|--------------|------------|-----------|-----------|
| International Assembly | - | 36,008 | 36,008 | 32,398 |
| Africa & India Fund | - | 308 | 308 | 11,853 |
| Donations to international churches | - | 3,000 | 3,000 | 6,000 |
| Donations to East Paris Church | - | 9,500 | 9,500 | 40,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | 48,816 | 48,816 | 90,251 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Grants and donations payable were £48,816 (2019: £90,251) of which £nil (2019: £6,000) was unrestricted and £48,816 (2019: £84,251) was restricted.

5. STAFF COSTS

| | 2020 | 2019 |
|---|---------|---------|
| The average number of staff during the year calculated on a head count basis was: | 8 | 8 |
| | <hr/> | <hr/> |
| | £ | £ |
| Staff costs comprise: | | |
| Salaries and wages | 207,507 | 200,312 |
| Social security costs | 15,024 | 15,230 |
| Pension costs | 10,147 | 9,738 |
| Living allowance | - | 5,062 |
| | <hr/> | <hr/> |
| | 232,678 | 230,342 |
| | <hr/> | <hr/> |

The General Assembly considers its key management personnel to comprise the board members. The total employment benefits including employer pension contributions of the key management personnel were £64,109 (2019: £62,175). No employee was paid a salary of more than £60,000 per annum.

The General Assembly employs six full time preachers, a trainee preacher and a secretary. The preachers are not attached to any particular local church but their work is based on assignments coordinated by the Department of Religious Affairs. A preacher's annual schedule is confirmed by the General Assembly Board in the preceding year.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

6. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Total £ |
|---------------------------------------|---------------------------|------------|
| COST | | |
| At 1 October 2019 | 133,825 | 133,825 |
| | ===== | ===== |
| At 30 September 2020 | 133,825 | 133,825 |
| | ===== | ===== |
| DEPRECIATION | | |
| At 1 October 2019 & 30 September 2020 | - | - |
| | ===== | ===== |
| NET BOOK VALUE | | |
| At 30 SEPTEMBER 2020 | 133,825 | 133,825 |
| | ===== | ===== |
| At 30 September 2019 | 133,825 | 133,825 |
| | ===== | ===== |

The original cost of the property was:

Apartment 5, The Embankment, Stranmillis: £133,825

The church building is rented to the Place of Worship in Belfast at no cost.

7. DEBTORS: Amounts due in less than one year

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Accrued income – contributions from affiliated churches receivable | 72,630 | 94,843 |
| Loans to affiliated churches | 11,325 | 11,347 |
| | ===== | ===== |
| | 83,955 | 106,190 |
| | ===== | ===== |

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

8. DEBTORS: Amounts due in more than one year

| | 2020 £ | 2019 £ |
|------------------------------|-----------|-----------|
| Loans to affiliated churches | 117,293 | 125,460 |

Loans to affiliated churches comprise of a loan to the Place of Worship in Manchester and Cambridge Prayer House.

The loans were made for the purpose of purchasing new church buildings. The loans are interest free and repayable in annual instalments of £9,325 and £2,000 respectively. At the year end the outstanding amounts before discounting were £140,525 and £8,000 respectively.

9. CREDITORS: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|----------|-----------|-----------|
| Accruals | 14,332 | 14,813 |

10. MOVEMENT IN FUNDS

| | Balance at 01.10.19 £ | Income £ | Expenditure £ | Transfers £ | Balance at 30.09.20 £ |
|---------------------------------|-----------------------------|-------------|------------------|----------------|-----------------------------|
| RESTRICTED FUNDS | | | | | |
| Building fund: Belfast | 133,825 | - | - | - | 133,825 |
| UKGA Evangelical Fund | 397,149 | 8,865 | - | - | 406,014 |
| UKGA Building Fund | 1,571,392 | 414,432 | (14,100) | - | 1,971,724 |
| International Assembly | - | 5,388 | (36,008) | 30,620 | - |
| Africa & India Fund | 19,761 | 14,414 | (308) | - | 33,867 |
| Donations to East Parish Church | 40,774 | 3,220 | (9,500) | 6,280 | 40,774 |
| Vancouver & other | - | 3,935 | (3,000) | - | 935 |
| Total restricted funds | 2,162,901 | 450,254 | (62,916) | 36,900 | 2,587,139 |

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

10. MOVEMENT IN FUNDS (continued)

| | Balance at 01.10.19 £ | Income £ | Expenditure £ | Transfers £ | Balance at 30.09.20 £ |
|-------------------------------------|-----------------------------|-------------|------------------|----------------|-----------------------------|
| <u>UNRESTRICTED FUNDS</u> | | | | | |
| Church Building Development Fund | 232,866 | 14,593 | - | (11,325) | 236,134 |
| General funds | 538,145 | 313,304 | (251,833) | (25,575) | 574,041 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total unrestricted funds | 771,011 | 327,897 | (251,833) | (36,900) | 810,175 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The above funds at the end of the year represent:-

Purposes of Restricted Funds

Building Fund: The building fund represents the cost of the church building held on behalf of the Place of Worship in Belfast.

UKGA Evangelical Fund (formerly UKGA Preaching Fund): Funds received for the specific purpose of preaching the gospel and implementing divine works for the church, especially in the pioneer areas where there is still no True Jesus Church.

UKGA Building Fund: Funds received from members for the future purchase of a building for use by the General Assembly Board.

The other restricted funds represent monies received from donors specified for particular purposes. Those funds are passed on to the organisations listed in Note 3.

Purposes of Designated Funds

Church Building Development Fund: funds designated to support affiliated churches in building or acquiring premises.

The transfer from general funds to the International Assembly fund represents amounts paid out in excess of the balance of the fund.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

10. MOVEMENT IN FUNDS (continued)

| | Balance at 01.10.18 £ | Income £ | Expenditure £ | Transfers £ | Balance at 30.09.19 £ |
|---------------------------------|-----------------------------|-------------|------------------|----------------|-----------------------------|
| <u>RESTRICTED FUNDS</u> | | | | | |
| Building fund: Belfast | 133,825 | - | - | - | 133,825 |
| UKGA Evangelical Fund | 386,045 | 11,104 | - | - | 397,149 |
| UKGA Building Fund | 302,599 | 1,268,793 | - | - | 1,571,392 |
| International Assembly | - | 5,898 | (32,398) | 26,500 | - |
| Africa & India Fund | 21,203 | 10,411 | (11,853) | - | 19,761 |
| Donations to East Parish Church | - | 80,774 | (40,000) | - | 40,774 |
| | _____ | _____ | _____ | _____ | _____ |
| Total restricted funds | 843,672 | 1,376,980 | (84,251) | 26,500 | 2,162,901 |
| | ===== | ===== | ===== | ===== | ===== |

| | Balance at 01.10.18 £ | Income £ | Expenditure £ | Transfers £ | Balance at 30.09.19 £ |
|-------------------------------------|-----------------------------|-------------|------------------|----------------|-----------------------------|
| <u>UNRESTRICTED FUNDS</u> | | | | | |
| Church Building Development Fund | 226,686 | 6,180 | - | - | 232,866 |
| General funds | 463,206 | 398,606 | (297,167) | (26,500) | 538,145 |
| | _____ | _____ | _____ | _____ | _____ |
| Total unrestricted funds | 689,892 | 404,786 | (297,167) | (26,500) | 771,011 |
| | ===== | ===== | ===== | ===== | ===== |

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted £ | Restricted £ | 2020 Total £ |
|--------------------------|-------------------|-----------------|--------------------|
| Fixed assets | - | 133,825 | 133,825 |
| Cash at bank and in hand | 623,259 | 2,453,314 | 3,076,573 |
| Other net current assets | 186,916 | - | 186,916 |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2020 | 810,175 | 2,587,139 | 3,397,314 |
| | <hr/> | <hr/> | <hr/> |
| | Unrestricted £ | Restricted £ | 2019 Total £ |
| Fixed assets | - | 133,825 | 133,825 |
| Cash at bank and in hand | 554,174 | 2,029,076 | 2,583,250 |
| Other net current assets | 216,837 | - | 216,837 |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2019 | 771,011 | 2,162,901 | 2,933,912 |
| | <hr/> | <hr/> | <hr/> |

12. USE OF THE TRUE JESUS CHURCH, NEWCASTLE

The General Assembly operates from the True Jesus Church, Newcastle premises. No rental is paid for the use of premises.

13. RELATED PARTIES AND TRUSTEES' EXPENSES AND REMUNERATION

The General Assembly Board members received reimbursements for expenses incurred during the year of £8,230 (2019: £7,364) while working on behalf of the General Assembly. All trustees act gratuitously.

The General Assembly Board Members as noted on page 5 are also trustees of local True Jesus Churches.

THE GENERAL ASSEMBLY OF THE TRUE JESUS CHURCH, UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

14. ACTING AS AGENT

The charity acts as an agent for the administrative purposes on behalf of the International Assembly of the True Jesus Church, by collecting income and making payments for associated expenses from a UK bank account in the International Assembly of the True Jesus Church's name for support provided to local workers and churches in Africa. In summary the transactions were:

| | 2020 £ | 2019 £ |
|------------------------------|-----------|-----------|
| Donations received | 399,670 | 42,234 |
| Expenses reimbursed | 36,751 | 50,179 |
| Bank balance at the year end | 413,344 | 50,426 |
| | <hr/> | <hr/> |