

COMPANY REGISTRATION NUMBER: 00782348
CHARITY REGISTRATION NUMBER: 233363

Trans World Radio Limited
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2021

CHRISTOPHER BAILEY ACCOUNTANTS (OLDHAM) LIMITED

Chartered Accountant
Units 10-12
County End Business Centre
Jackson Street
Springhead
Oldham
OL4 4TZ

Trans World Radio Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2021

COUNCIL MEMBERS:	Mrs. Trish Wells Mr. Michael Hulmes Ms. Beate Kiebel Mr. Jeremy Marshall Mr. Brian Muir Mr. Colin Saunders	Chair
COMPANY SECRETARY:	The Revd. Dr. Russell Farnworth	
CHIEF EXECUTIVE:	The Revd. Dr. Russell Farnworth	
REGISTERED OFFICE:	Bruce Court, 25a Hale Road, Altrincham, WA14 2EY.	
INDEPENDENT EXAMINER:	Mr. C. Bailey, A.C.A. Christopher Bailey Accountants (Oldham) Limited Unit 10 – 12 County End Business Centre Jackson Street Springhead Oldham OL4 4TZ	
BANKERS:	CAF Bank Limited PO Box 289 West Malling Kent ME19 4TA	
COUNCIL OF REFERENCE:	The Revd. Dr. Steve Brady The Revd. Lyndon Bowring The Revd. Gavin Calver Mr Steve Clifford The Revd. David Coffey, OBE Ms Elaine Duncan The Revd. Steve Gaukroger The Revd. Mark Greenwood The Revd. John Glass Canon Ian Knox Mr Rob Parsons Mr Matt Summerfield The Revd. Rob White	

Trans World Radio Limited
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2021

	Page
Trustees' annual report (incorporating the director's report)	2
Independent examiner's report to the trustees	11
Statement of financial activities (including income and expenditure account)	13
Statement of financial position	14
Statement of cash flows	15
Notes to the financial statements	16
The following pages do not form part of the financial statements	
Detailed statement of financial activities	27
Notes to the detailed statement of financial activities	29

Trans World Radio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2021.

Reference and administrative details

Registered charity name Trans World Radio Limited

Charity registration number 233363

Company registration number 782348

Principal office and registered office Bruce Court
25a Hale Road
Altrincham
WA14 2EY

The trustees

Mr. Harvey Thomas C.B.E. (Deceased 13 March 2022)
Mr. John Berry (Retired 17 May 2021)
Ms. Beate Kiebel
Mr. Brian Muir
Mr. Colin Saunders
Mrs. Trish Wells
Mr. Michael Hulmes
Mr. Jeremy Marshall

Company secretary The Revd. Dr. Russell Farnworth

Independent examiner Mr. C Bailey, A.C.A. Chartered Accountant
Units 10-12
County End Business Centre
Jackson Street
Springhead
Oldham
OL4 4TZ

Trans World Radio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Structure, governance and management

Organisational structure

Trans World Radio Limited is a charitable company limited by guarantee and was incorporated on 27 November, 1963.

TWR-UK is governed by a Council of Management and all properties are vested in that body. The Chief Executive Officer is responsible for the day to day management of the organisation, assisted by a team of ministry co-ordinators.

One third of the members of the Council (or the number nearest one third) retire from office at the Annual General Meeting. Retiring members of Council are eligible for re-election and the Council itself has power, with subsequent ratification by the members in General Meeting, to make an appointment of a Council Member as long as the number of Council members does not exceed twenty. The minimum number is five.

Trustees are recruited through recommendation by existing Trustees or other persons with a close connection to the charity. After attending a Board meeting by invitation they are appointed by the existing Trustee board. Potential Trustees are identified after consideration of:

- their skills, experience, availability and knowledge of TWR;
- a periodic review of current Board membership, in particular identifying any skill or experience shortfalls which could be met by potential candidates; and
- a passion to contribute to fulfilling TWR's objectives.

Related Parties

TWR-UK is a National Partner of Trans World Radio International. As such, TWR-UK represents TWR International in the United Kingdom and activities are motivated by a mutual desire to see the Gospel of the Lord Jesus Christ proclaimed throughout the world. To this end we broadcast, recruit personnel, provide follow-up services to broadcasts, raise funds for ministry in the UK and overseas, and liaise between the international offices and UK supporters and broadcasters.

Trans World Radio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Objectives and activities

Objectives

The Memorandum and Articles of Association of Trans World Radio Limited (hereafter TWR-UK) state that the object for which the charity was formed is:

'To communicate through radio broadcasting, television, audio-visual materials, literature, leadership training and other means the Gospel of the Lord Jesus Christ'.

The TWR-UK mission statement is:

'TWR-UK works in fellowship with the Church and its worldwide partners to disciple all peoples according to the command of our Lord Jesus Christ by proclaiming the Gospel to as many people as possible, instructing believers in biblical doctrine and daily Christ-like living, and modelling our message through all our ministry relationships'.

Activities

2021 has been a challenging year dominated by the coronavirus pandemic and its impact. However, TWR-UK has continued its activities, without interruption, throughout the year, including during Government mandated periods of lockdown.

UK Christian Broadcasting

TWR-UK broadcasts 24/7 on digital television platforms Sky Guide, Freesat and Freeview and online (accessible from a computer, internet radio and the TWR-UK Smartphone/tablet App). Content for UK audiences is in a speech-based format and includes news, current affairs and Bible teaching. TWR-UK makes programmes for transmission and distributes programmes produced by other Christian broadcasters. Programmes produced by TWR-UK are also distributed as audio on-demand podcasts available on the TWR-UK website, Apps and YouTube channel.

International Christian Broadcasting

TWR-UK is committed to empowering ministry partners and communities around the world and encouraging them to utilise life-giving media in the process of transformation. To fulfil this purpose, we work with organisations around the world, some of which are, like us, partners of TWR International. Our work to enable partners includes: finding and connecting interested parties, offering strategic advice, training, capacity building and offering both financial and practical contributions.

Related Parties

TWR-UK is a national partner in the TWR-International network of partners world-wide. In addition, efforts are made to co-operate with other Christian organisations with similar ministries throughout the UK.

Trans World Radio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Achievements and performance

Broadcasting and Programme Production

TWR-UK continues to broadcast a speech-based radio service with the very best of Christian ministry, teaching and current affairs programming. This is available on Sky Guide channel 0138, Freesat channel 790, and Freeview HD channel 733 and on the Internet (via a personal computer, Internet radio or the TWR-UK Smartphone App). Through its digital television platforms, TWR-UK's "reach" includes almost every household in the UK.

A selection of programmes is also available to stream or download on the TWR-UK website, Smartphone/tablet Apps and YouTube channel.

Over the past year, TWR-UK has continued to strive to provide high quality and edifying content across all its platforms. We seek to promote a greater understanding of current affairs and to provide the very best in Bible teaching programmes. Our desire is to highlight issues of concern and interest both in the Christian and wider community and to promote understanding, compassion and positive action. We are devoted to transforming lives through the power and influence of the Bible and to maintaining a distinctive Christian media brand.

Feedback from listeners and supporters offers ample encouragement that TWR-UK's life-changing radio continues to make a positive impact!

Online

TWR-UK's website provides access to our audio content (both as streaming audio and downloadable podcasts) and a window to TWR's global mission. TWR-UK's Apple and Android Apps provide access for mobile users and are helping to boost TWR-UK's online audience. In addition we have increased our engagement with social media, particularly Twitter, Facebook and YouTube.

Publications

'Listening World' is our primary publication, and is distributed to supporters four times a year. 'Listening World' balances information about TWR-UK's broadcast ministry in the UK with international stories to highlight the impact of missionary radio around the world.

Appeals

During 2021 TWR-UK arranged supporter appeals to encourage support for urgently needed programming from TWR's Silk Road (Central Asia) and PANI (Pakistan, Afghanistan and North India) transmitters as well as the TWR360 digital delivery platform and for the Berber people of North Africa.

Grants

As in previous years TWR-UK allocated a proportion of its general fund income to be used to support UK and overseas projects related to media and missions.

TWR-UK makes grants to partners who have overlapping vision and shared values to our own, to further their activity; specifically to increase the effectiveness of their media projects. Some of those grants are to invest in the capacity and capabilities of the partner organisations so that they are

Trans World Radio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

stronger, more sustainable and better able to thrive in their local context. Other grants are towards specific media projects, whether for airtime, equipment, production or other start-up, development or running costs. Our approach is focused on enabling partners to use media, predominantly audio, to bring "life in all its fullness" (John 10:10):

- for individuals across all parts of a community as their lives are transformed;
- for followers of Christ in those communities as they care for those around them; and
- for communities as a whole as they transform into better places to live and thrive.

Audience and Church Relations

Correspondence testifies to the value listeners place on our broadcasts. During the year TWR-UK has dealt with 3,414 contacts by letter, email or telephone.

TWR-UK is keen to work with local churches to extend our reach across the nation and to highlight the importance of TWR's partnerships around the world. Church visits provide a unique opportunity to share and explore ways to work together in the cause of Christ.

Volunteers

The contribution of volunteers continues to be encouraging and appreciated by TWR-UK. A small volunteer base in Manchester continues to develop and has been available for studio work and listener response ministry. A small team of three church relations volunteers continues to help TWR-UK raise its profile in the UK church and respond to invitations to visit churches and provide speakers.

Public benefit

The Trustees are aware of the Charity Commission's guidance on public benefit. The Trustees believe that the charity supports broadcasts and associated activities which stimulate and promote "the advancement of the Christian religion" by expressing and demonstrating God's concern for the holistic needs of all people: spiritual, physical, and emotional. Our broadcasts provide a means by which people of any faith, or none, can take comfort, encouragement and wisdom from Christian values and belief, and can be supported as they face pressure or difficulty. They are readily available to anyone living in the areas to which our programmes are transmitted and TWR provides help and support to those listeners who contact us irrespective of their social, economic or religious background.

Christian Radio and the response to human need: As a national partner in the Trans World Radio international Gospel broadcasting network, TWR-UK is part of a Christian global mass media organisation bringing benefit to the world's public with specific focus on key areas such as women, children and youth, HIV/AIDS and primary health care, church leadership development and societies which are dominated by oral learners. We work in around 300 languages covering over 190 countries; we also have offices and partnerships sprinkled across all the continents. Programmes are broadcast from more than 2,000 outlets, including international transmitting sites, as well as local AM, shortwave, long wave, FM, direct-to-listener satellite broadcasts, cable audio systems and the Internet.

Christian Radio and the advancement of religion: In the UK, TWR-UK broadcasts quality, speech-led Christian radio via satellite and the Internet. Through these broadcasts, the general public have access to radio programmes that educate, inform and entertain and demonstrate a clear Christian perspective on values such as family life and neighbour love. All members of the public with suitable receiving equipment have access to programmes designed to inspire them to daily Christ-like living and offer encouragement to live out their faith relevantly in the modern world as responsible citizens.

Trans World Radio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Christian Radio and the transformation of society: TWR-UK produces and distributes programmes that encourage a belief in God, promote Christian values and make a positive contribution to society. In this respect, TWR represents hundreds of thousands of people drawn from mainstream churches with a vision, adopted from Lord Reith, the first Director General of the BBC, for media that is for the "betterment of society." Religious freedom is an important social value in democratic society and Christianity aspires to transcend all barriers of culture and race and has a major role to play in the elimination of cultural intolerance. TWR is committed to an environment where quality broadcasting is available to every section of our society with the widest possible choice of diverse media services of the highest quality.

How we ensure we fundraise responsibly:

TWR-UK relies on voluntary support. In order to provide the funds required for TWR-UK to fulfil its mission, we fundraise in a number of different ways, which can be summarised as follows:

- we recruit new donors and develop relationships with them
 - we raise money from Trusts and Foundations
 - we raise money through airtime sponsorship by programme-makers
 - we ask our supporters and potential supporters to consider including a gift to TWR in their will
- TWR-UK did not work with any fundraising agencies during 2021.

TWR-UK is registered with The Fundraising Regulator and seeks to follow the Code of Fundraising Practice, which can be found at www.fundraisingregulator.org.uk/code-of-fundraisingpractice. There have been no reported breaches of these standards. We have a number of controls in place to try to ensure that the trust and confidence of our donors and of the public are maintained. Our Supporter Charter can be viewed and downloaded from <http://www.twr.org.uk/charter>.

Trans World Radio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Financial review

Reserves Policy and Risk Management

The income and expenditure of TWR-UK is relatively stable compared to many similar charitable organisations. This is because funding is not over-dependent on any particular source and the projections for expenditure are reasonably predictable.

A monthly financial analysis is compiled by the Finance Administrator and the Chief Executive Officer and appraised against annual budgets. This ensures accountability and would alert management and the Council to any difficulties.

However, there are some highly variable sources of income for TWR-UK. It is unclear whether the same outstanding response to ministry opportunities can be maintained, although income here is directly matched to expenditure. More seriously, the variation in legacy income is a potential source of risk. For such reasons, the Council of Members has decided to implement a policy of maintaining a reserve of at least £150,000, which equates to quarterly expenditure. On top of this minimum, the Council also endeavours to keep sufficient reserves to mitigate any potential threat from holding longer term, high cost contracts for transmission. This is considered to be adequate to maintain the integrity of TWR-UK in all foreseeable future circumstances.

The Council of Trans World Radio-United Kingdom will take steps to ensure that "the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks". The Risk Register is reviewed formally annually and risk management is an on-going process that enables the Council to focus on the mitigation of those risks that would prevent TWR-UK achieving its strategic objectives.

Trans World Radio Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Financial review *(continued)*

Financial results and resources

The results for the year ended 31 December 2021 show a surplus of £127,412 compared with a surplus of £153,662 in the previous year. Income from donations and gifts increased by £2,236 in the year, but legacy income decreased from £377,756 in 2020 to £295,281 in the current year. The cost of generating funds decreased by £2,120.

During the year the company incurred no capital expenditure (2020: £Nil) on office and studio equipment.

The charity's bank and investment balances have increased by £139,446 during the year. The members of Council remain aware of the need to increase future income from donations in order to meet the costs of continuing to broadcast at similar levels. The Charity's investment portfolio continues to be structured to ensure that all investments meet the ethical criteria specified by the Council.

Changes in fixed assets during the period are summarised in note 16 to the financial statements.

Plans for future periods

Ambitions, hopes and plans

The Council of TWR-UK hopes to expand its UK radio service by enhancing the quality of the 24 hour schedule and seeking other means to deliver its content in a way that is more accessible for listeners.

We aim to:

- continue our exploration of the possibility and feasibility of digital radio as a means to this end;
- endeavour to increase our presence on DTV (digital television) platforms and to grow our audience and support base;
- continue to increase the quality and appeal of our broadcasts;
- deal with listener responses as effectively as possible;
- strengthen TWR-UK's online presence and further develop mobile applications to encourage listening via smart phones and tablet computers;
- optimise our use of social media; and
- further develop our work with international partners.

A key element in the effectiveness of any radio service is consistency and reliability and TWR-UK is committed to maintaining current broadcasts while these continue to provide an effective means of communicating with listeners.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Trans World Radio Limited
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 December 2021

The trustees' annual report was approved on 16 May 2022 and signed on behalf of the board of trustees by:

The Revd. Dr. Russell Farnworth
Charity Secretary

Trans World Radio Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Trans World Radio Limited

Year ended 31 December 2021

I report to the trustees on my examination of the financial statements of Trans World Radio Limited ('the charity') for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 charity'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 charity'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 in England and Wales (ICAEW), 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:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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).

Trans World Radio Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Trans World Radio Limited *(continued)*

Year ended 31 December 2021

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.

MR C. BAILEY A.C.A.
Chartered Accountant
Independent Examiner

Units 10-12
County End Business Centre
Jackson Street
Springhead
Oldham
OL4 4TZ

Trans World Radio Limited
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 December 2021

			2021		2020
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	679,757	–	679,757	759,996
Other trading activities	6	–	9,568	9,568	12,204
Investment income	7	23,770	–	23,770	18,279
Total income		<u>703,527</u>	<u>9,568</u>	<u>713,095</u>	<u>790,479</u>
Expenditure					
Expenditure on charitable activities	8,9	678,382	9,568	687,950	688,073
Other expenditure	10	–	–	–	1,998
Total expenditure		<u>678,382</u>	<u>9,568</u>	<u>687,950</u>	<u>690,071</u>
Net gains on investments	11	102,267	–	102,267	53,254
Net income and net movement in funds		<u>127,412</u>	<u>–</u>	<u>127,412</u>	<u>153,662</u>
Reconciliation of funds					
Total funds brought forward		1,222,984	–	1,222,984	1,069,322
Total funds carried forward		<u>1,350,396</u>	<u>–</u>	<u>1,350,396</u>	<u>1,222,983</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 25 form part of these financial statements.

Trans World Radio Limited
Company Limited by Guarantee
Statement of Financial Position
31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	16	21,244	28,901
Current assets			
Debtors	17	80,346	74,735
Investments	18	994,144	876,716
Cash at bank and in hand		276,217	254,199
		<u>1,350,707</u>	<u>1,205,650</u>
Creditors: amounts falling due within one year	19	<u>21,555</u>	<u>11,567</u>
Net current assets		1,329,152	1,194,083
Total assets less current liabilities		1,350,396	1,222,984
Net assets		1,350,396	1,222,984
Funds of the charity			
Unrestricted funds		<u>1,350,396</u>	<u>1,222,984</u>
Total charity funds	21	<u>1,350,396</u>	<u>1,222,984</u>

For the year ending 31 December 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 16 May 2022, and are signed on behalf of the board by:

Mrs. Trish Wells
Trustee

Mr. Brian Muir
Trustee

The notes on pages 16 to 25 form part of these financial statements.

Trans World Radio Limited
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income	127,412	153,662
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	7,657	6,570
Net gains on investments	(102,267)	(53,254)
Other interest receivable and similar income	(23,770)	(18,279)
Loss on disposal of tangible fixed assets	–	1,998
Accrued expenses/(income)	10,102	(2,304)
<i>Changes in:</i>		
Trade and other debtors	(5,611)	(26,089)
Trade and other creditors	(114)	743
Cash generated from operations	13,409	63,047
Interest received	23,770	18,279
Net cash from operating activities	<u>37,179</u>	<u>81,326</u>
Cash flows from investing activities		
Purchase of tangible assets	–	(21,669)
Proceeds from sale of tangible assets	–	5,800
Purchases of other investments	(117,428)	–
Proceeds from sale of other investments	102,267	59,360
Net cash (used in)/from investing activities	<u>(15,161)</u>	<u>43,491</u>
Net increase in cash and cash equivalents	22,018	124,817
Cash and cash equivalents at beginning of year	254,199	129,382
Cash and cash equivalents at end of year	<u>276,217</u>	<u>254,199</u>

The notes on pages 16 to 25 form part of these financial statements.

Trans World Radio Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 December 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Bruce Court, 25a Hale Road, Altrincham, WA14 2EY.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the council members in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

Investment income and gains are allocated to the appropriate fund.

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor vehicles	- 25% reducing balance
Studio equipment	- 33% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The charity is a company limited by guarantee. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity. The number of members at 31 December 2021 was 7 (2020: 8).

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
General contributions	330,006	330,006	331,339	331,339
Broadcaster contributions	54,470	54,470	50,901	50,901
Legacies				
Legacies	295,281	295,281	377,756	377,756
	<u>679,757</u>	<u>679,757</u>	<u>759,996</u>	<u>759,996</u>

6. Other trading activities

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Support received for staff	9,568	9,568	12,204	12,204
	<u>9,568</u>	<u>9,568</u>	<u>12,204</u>	<u>12,204</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	7	7	56	56
Other investment income	23,763	23,763	18,223	18,223
	<u>23,770</u>	<u>23,770</u>	<u>18,279</u>	<u>18,279</u>

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Grants payable	10,000	—	10,000
Public relations and promotions	53,829	—	53,829
Radio programmes and broadcasting	73,582	1,914	75,496
Management and administration	474,490	6,698	481,187
Support costs	66,481	956	67,439
	<u>678,382</u>	<u>9,568</u>	<u>687,951</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Grants payable	21,722	—	21,722
Public relations and promotions	61,808	—	61,808
Radio programmes and broadcasting	65,148	2,441	67,589
Management and administration	464,952	8,543	473,495
Support costs	62,239	1,220	63,459
	<u>675,869</u>	<u>12,204</u>	<u>688,073</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2021 £	Total fund 2020 £
Grants payable	10,000	10,000	21,722
Public relations and promotions	53,829	53,829	61,808
Radio programmes and broadcasting	75,496	75,496	67,589
Management and administration	481,187	481,187	473,495
Support costs	67,439	67,439	63,459
	<u>687,951</u>	<u>687,951</u>	<u>688,073</u>

10. Other expenditure

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Loss on disposal of tangible fixed assets held for charity's own use	—	—	1,998	1,998
	<u>—</u>	<u>—</u>	<u>1,998</u>	<u>1,998</u>

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

11. Net gains on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on listed investments	654	654	(819)	(819)
Gains/(losses) on other investment assets	101,613	101,613	54,073	54,073
	<u>102,267</u>	<u>102,267</u>	<u>53,254</u>	<u>53,254</u>

12. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	7,657	6,570
Loss on disposal of tangible fixed assets	—	1,998
	<u>—</u>	<u>1,998</u>

13. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	1,170	1,116
	<u>1,170</u>	<u>1,116</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	199,320	190,079
Social security costs	13,814	12,054
Employer contributions to pension plans	9,883	10,383
	<u>223,017</u>	<u>212,516</u>

The average head count of employees during the year was 9 (2020: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Studio and production	6	6
Ministry and promotion	2	2
Administrative	1	1
	<u>9</u>	<u>9</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Trans World Radio Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

15. Trustee remuneration and expenses

No Trustee received any remuneration during the year (2020: Nil).

During the year Council Members were reimbursed for out of pocket expenses of £300 (2020: £1,308).

16. Tangible fixed assets

	Motor vehicles £	Equipment £	Total £
Cost			
At 1 January 2021 and 31 December 2021	21,669	253,436	275,105
Depreciation			
At 1 January 2021	903	245,301	246,204
Charge for the year	5,192	2,465	7,657
At 31 December 2021	6,095	247,766	253,861
Carrying amount			
At 31 December 2021	15,574	5,670	21,244
At 31 December 2020	20,766	8,135	28,901

17. Debtors

	2021 £	2020 £
Prepayments and accrued income	71,178	68,731
Other debtors	9,168	6,004
	80,346	74,735

18. Investments

	2021 £	2020 £
Managed portfolio investments	991,600	874,827
Listed investments	2,544	1,889
	994,144	876,716

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

18. Investments *(continued)*

	2021 £	2020 £
At cost		
Listed investments	51,709	51,709
Managed portfolio investments	631,995	631,995
	<u>683,704</u>	<u>683,704</u>

During the year a further £Nil (2020: £Nil) was directly invested in managed portfolio investments. In addition there has been a reinvestment of £23,763 of investment income by the fund managers.

19. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	17,311	7,209
Social security and other taxes	4,244	4,358
	<u>21,555</u>	<u>11,567</u>

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £9,883 (2020: £10,383).

21. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2021 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2021 £
General funds	<u>1,222,984</u>	<u>703,527</u>	<u>(678,382)</u>	<u>102,267</u>	<u>1,350,396</u>

	At 1 Jan 2020 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2020 £
General funds	<u>1,069,322</u>	<u>778,275</u>	<u>(677,867)</u>	<u>53,254</u>	<u>1,222,984</u>

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

21. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Jan 2021 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2021 £
Staff support	—	9,568	(9,568)	—	—

	At 1 Jan 2020 £	Income £	Expenditure £	Gains and losses £	At 31 Dec 2020 £
Staff support	—	12,204	(12,204)	—	—

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	21,244	21,244
Current assets	1,350,707	1,350,707
Creditors less than 1 year	(21,555)	(21,555)
Net assets	1,350,396	1,350,396

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	28,901	28,901
Current assets	1,205,650	1,205,650
Creditors less than 1 year	(11,567)	(11,567)
Net assets	1,222,984	1,222,984

23. Analysis of changes in net debt

	At 1 Jan 2021 £	Cash flows £	At 31 Dec 2021 £
Cash at bank and in hand	254,199	22,018	276,217
Current asset investments	876,716	117,428	994,144
	1,130,915	139,446	1,270,361

Trans World Radio Limited
Company Limited by Guarantee
Management Information
Year ended 31 December 2021

The following pages do not form part of the financial statements.

Trans World Radio Limited
Company Limited by Guarantee
Detailed Statement of Financial Activities
Year ended 31 December 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
General contributions	330,006	331,339
Broadcaster contributions	54,470	50,901
Legacies	295,281	377,756
	<u>679,757</u>	<u>759,996</u>
Other trading activities		
Support received for staff	9,568	12,204
Investment income		
Bank interest receivable	7	56
Other investment income	23,763	18,223
	<u>23,770</u>	<u>18,279</u>
Total income	<u>713,095</u>	<u>790,479</u>
Expenditure		
Expenditure on charitable activities		
Airtime costs	253,318	240,843
Grants payable	10,000	21,722
Public relations and promotions	53,829	61,808
Appeals and follow up costs	14,910	11,371
Wages and salaries	199,320	190,079
Employer's NIC	13,814	12,054
Pension costs	9,883	10,383
Premises costs	65,246	64,107
Insurance	2,655	2,641
Other motor/travel costs	1,340	1,740
Legal and professional fees	16,558	15,042
Telephone	12,901	8,692
Other office costs	9,207	11,214
Depreciation	7,657	6,570
Studio and production costs	11,068	23,529
Website costs	1,658	3,883
Bank charges	4,586	2,395
	<u>687,950</u>	<u>688,073</u>
Other expenditure		
Loss on disposal of tangible fixed assets held for charity's own use	—	(1,998)
Total expenditure	<u>(687,950)</u>	<u>(690,071)</u>

Trans World Radio Limited

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

Year ended 31 December 2021

	2021 £	2020 £
Net gains on investments		
Gains/(losses) on listed investments	654	(819)
Gains/(losses) on other investment assets	<u>101,613</u>	<u>54,073</u>
	<u>102,267</u>	<u>53,254</u>
Net income	<u><u>127,412</u></u>	<u><u>153,662</u></u>

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2021

	2021 £	2020 £
Expenditure on charitable activities		
Grants payable		
<i>Activities undertaken directly</i>		
Grants payable - Trans World Radio International projects	3,930	14,452
Grants payable - others	6,070	7,270
	<u>10,000</u>	<u>21,722</u>
Public relations and promotions		
<i>Activities undertaken directly</i>		
Public relations and promotions	53,829	61,808
Radio programmes and broadcasting		
<i>Activities undertaken directly</i>		
Wages/salaries	39,864	38,934
Employer's NIC	2,763	2,411
Pension costs	1,977	2,077
Premises costs	15,982	12,796
Appeals and follow up costs	14,910	11,371
	<u>75,496</u>	<u>67,589</u>
Management and administration		
<i>Activities undertaken directly</i>		
Airtime costs	253,318	240,843
Wages/salaries	139,524	132,137
Employer's NIC	9,670	8,438
Pension costs	6,918	7,268
Premises costs	42,740	44,913
Telephone	8,634	5,914
Depreciation	7,657	6,570
Studio and production costs	11,068	23,529
Website costs	1,658	3,883
	<u>481,187</u>	<u>473,495</u>

Trans World Radio Limited

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities *(continued)*

Year ended 31 December 2021

	2021 £	2020 £
Support costs		
<i>Activities undertaken directly</i>		
Wages/salaries	19,932	(19,008)
Employer's NIC	1,381	(1,205)
Pension costs	988	(1,038)
Premises costs	6,524	(6,398)
Insurance	2,655	(2,641)
Other motor/travel costs	1,340	(1,740)
Professional fees	16,558	(15,042)
Telephone	4,267	(2,778)
Other office costs	9,207	(11,214)
Bank charges	4,586	(2,395)
	<u>67,438</u>	<u>(63,459)</u>
 Expenditure on charitable activities	 <u><u>687,950</u></u>	 <u><u>(688,073)</u></u>