

Annual Report and Financial Statements  
for the Year Ended 31 March 2024

# European Outreach Trust

Charity registration number: 278068

Independent Examiners Ltd  
2 Broadbridge Business Centre  
Delling Lane  
Bosham  
Chichester  
West Sussex  
PO18 8NF

# **EUROPEAN OUTREACH TRUST**

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# EUROPEAN OUTREACH TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

<b>Trustees</b>	Jean Barbara Brendan Lynch Andrew Pettman Antoine Laureys Desmond Dick
<b>Principal Office</b>	31 Lynton Road London W3 9HL
<b>Charity Registration Number</b>	278068
<b>Independent Examiner</b>	G W Schulz FCMA Independent Examiners Ltd 2 Broadbridge Business Centre Delling Lane Bosham Chichester West Sussex PO18 8NF
<b>Solicitors</b>	Lewis & Dick 443 Kingston Road Ewell Surrey KT19 0DG
<b>Bankers</b>	Lloyds Bank PLC London W4 1NS  PNC Bank Michigan USA
<b>Administrators</b>	Richard Perry ACA Jean Pierre Fahed

# **EUROPEAN OUTREACH TRUST**

## **TRUSTEES' REPORT**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2024.

### **Objectives and activities**

#### ***Objects and aims***

The primary object of the charity is the advancement of the Christian faith, which it does through the Sword of the Spirit, an international network of ecumenical Christian communities. These communities engage in pastoral and evangelistic work, in the provision of public worship, and in cooperating with one another in pursuing their compatible aims.

#### ***Objectives, strategies and activities***

The charity works principally with the leaders of the Sword of the Spirit and its member communities, equipping them to support, train, teach and pastor members of their communities, to reach out beyond their communities to the broader public and share with them the Christian gospel and way of life, and equipping community members to be good neighbours and good citizens, doing good works as an expression of their Christian faith.

#### ***Public benefit***

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

#### ***Relationships with other charities and grants policy***

The charity works closely with the Servants of the Word Trust (a registered charity in England and Wales) and the Sword of the Spirit Incorporated (a non-profit corporation in Michigan USA). With both of them it shares similar objects and to/from both it makes and receives grants in furtherance of those objects. The three charities cooperate on a number of joint projects, and the trustees consider that this cooperation greatly enhances the ability of this charity to further its charitable objects.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity was established by trust deed on 23 April 1979 and commenced operating on that date.

#### ***Recruitment and appointment of trustees***

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

# **EUROPEAN OUTREACH TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### ***Organisational structure***

The charity is governed by its trustees. The Sword of the Spirit is governed internationally by an Assembly and an International Executive Council, and in Europe by a European Zonal Council; these bodies are made up of the senior leaders internationally, regionally and from each local member community. Day to day responsibility for the charity's financial affairs is vested in the administrators who meet regularly with the trustees and are accountable to them. The board of trustees follows the principles of the Charity Governance Code for smaller charities.

### **Achievements and performance**

The charity's work continued in the following five principal areas:-

- community building
- youth and young adults
- mission development
- leadership training
- international governance

In each of these areas there are teams of people, both paid staff and volunteers, who lead and coordinate the work and draw in others to help them do the work.

Community building: we work with those communities still in formation, and help support the other communities who have completed their formation and are now full members in the Sword of the Spirit; we provide outside input, counsel and pastoral support to local leaders, through visits by individual regional leaders, and by teams of leaders and members from other local communities.

Youth and young adults: we work with teenagers, students, young professionals, and those who lead the various youth and student groups in our local communities; we provide training, resources, and organise or facilitate residential retreats and mission trips.

Mission development: we network with other Christian groups, and particularly work with other Christian communities, some of whom wish to investigate joining the Sword of the Spirit; we have a focus on ecumenical ventures that promote cooperation and understanding between different Christian churches and traditions.

Leadership training: we provide a programme of training to leaders of local communities, through an annual Pastoral Teaching Institute in the region, as well as training weekends for pastoral leaders, youth leaders, missionaries and teachers.

International governance: the charity is responsible for the financial activities of the International Executive Council of the Sword of the Spirit. The IEC's principal function is to oversee and coordinate the work of the Sword of the Spirit internationally, and most of its expenditure is on personnel and meetings for that purpose.

# **EUROPEAN OUTREACH TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **Financial review**

#### ***Policy on reserves***

The 'free' reserves are held for the following purposes:-

- to fund working capital requirements, which the trustees consider to be £29,000;
- to provide a buffer in case of any unexpected deterioration in income or unexpected expense, for which the trustees use £147,000 which is 50% of income from the largest income source and 50% of salary costs for the highest paid employee for each of the EME Region and the European Zone, plus six months of IEC general expenditure;
- to fund new opportunities for growth, for the which the trustees' target is a range from £0 to £57,000 for European activities and from £50,000 to £150,000 for international activities; and
- to cover planned deficits in the near future, which the trustees expect to be £100,000 over the next three financial years.

#### ***Principal funding sources***

The income of the charity comes from grants from member communities of the Sword of the Spirit, donations from individual community members, and bank deposit interest. The charity does not own property or fixed assets, nor does it have investments. All funds are either restricted or general.

#### ***Risks review***

The trustees have established a risk management programme to assess the risks to which the charity is exposed and implement risk management strategies. A process of identifying risks and implementing a continuous programme of activities to monitor and manage risks has been undertaken and is regularly reviewed by the senior management and considered at least annually by the trustees.

#### ***Going concern***

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### ***Plans for future periods***

The charity plans to continue its existing work. There have been no significant events since the year end that need to be reported upon.

# EUROPEAN OUTREACH TRUST

## TRUSTEES' REPORT (CONTINUED)

### Statement of Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on 23 January 2025 and signed on its behalf by:

.....  
Andrew Pettman  
Trustee

**EUROPEAN OUTREACH TRUST**

**INDEPENDENT EXAMINER'S REPORT**

**TO THE TRUSTEES OF EUROPEAN OUTREACH TRUST**

I report to the trustees on my examination of the accounts of European Outreach Trust for the year ended 31 March 2024.

**Responsibilities and basis of report**

As the charity trustees of European Outreach Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the European Outreach Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

Since European Outreach Trust'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 Chartered Institute of Management Accountants, which is one of the listed bodies.

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

1. accounting records were not kept in respect of European Outreach Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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

.....  
G W Schulz FCMA  
Independent Examiners Ltd  
2 Broadbridge Business Centre  
Delling Lane  
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23 January 2025



## EUROPEAN OUTREACH TRUST

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<b>Income and Endowments from:</b>					
Donations and legacies		382,873	47,820	430,693	469,562
Investment income	3	18,169	-	18,169	7,034
Other income		-	15,064	15,064	2,348
		<u>401,042</u>	<u>62,884</u>	<u>463,926</u>	<u>478,944</u>
Total income					
<b>Expenditure on:</b>					
Charitable activities		333,731	67,800	401,531	483,290
		<u>333,731</u>	<u>67,800</u>	<u>401,531</u>	<u>483,290</u>
Total expenditure					
Net income/(expenditure)		67,311	(4,916)	62,395	(4,346)
Net movement in funds		67,311	(4,916)	62,395	(4,346)
<b>Reconciliation of funds</b>					
Total funds brought forward		643,806	38,611	682,417	686,763
		<u>643,806</u>	<u>38,611</u>	<u>682,417</u>	<u>686,763</u>
Total funds carried forward	12	711,117	33,695	744,812	682,417
		<u>711,117</u>	<u>33,695</u>	<u>744,812</u>	<u>682,417</u>

The notes on pages 9 to 17 form an integral part of these financial statements.

# EUROPEAN OUTREACH TRUST

## BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024 £	2023 £
<b>Current assets</b>			
Debtors	9	389,409	503,481
Cash at bank and in hand		<u>988,102</u>	<u>768,872</u>
		1,377,511	1,272,353
<b>Creditors: Amounts falling due within one year</b>	10	<u>(632,699)</u>	<u>(589,936)</u>
<b>Net assets</b>		<u>744,812</u>	<u>682,417</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		33,695	38,611
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>711,117</u>	<u>643,806</u>
<b>Total funds</b>	12	<u>744,812</u>	<u>682,417</u>

The financial statements on pages 7 to 17 were approved by the trustees, and authorised for issue on 23 January 2025 and signed on their behalf by:

.....  
Andrew Pettman  
Trustee

**EUROPEAN OUTREACH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**1 Accounting policies**

**Statement of compliance**

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

**Basis of preparation**

European Outreach Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

**Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

**Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

***Donations and legacies***

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

***Gift aid***

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

**Expenditure**

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

***Charitable activities***

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

**EUROPEAN OUTREACH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)**

**Debtors**

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

**Liabilities**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

**Pensions and other post retirement obligations**

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

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

**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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## EUROPEAN OUTREACH TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 2 Income from donations and legacies

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Donations and legacies; Donations	<u>382,873</u>	<u>47,820</u>	<u>430,693</u>	<u>469,562</u>
	<u><u>382,873</u></u>	<u><u>47,820</u></u>	<u><u>430,693</u></u>	<u><u>469,562</u></u>

#### 3 Investment income

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Interest receivable and similar income; Bank interest	<u>18,169</u>	<u>-</u>	<u>18,169</u>	<u>7,034</u>

#### 4 Other income

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Other incoming resources	<u>-</u>	<u>15,064</u>	<u>15,064</u>	<u>2,348</u>

## EUROPEAN OUTREACH TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 5 Expenditure on charitable activities

		Unrestricted funds General	Restricted funds	Total 2024	Total 2023
	Note	£	£	£	£
Travel		41,300	12,143	53,443	55,128
Other programme expenses		20,925	4,638	25,563	31,452
Office expenses		112,639	5,805	118,444	22,727
Independent examination		1,500	-	1,500	1,500
Grant funding of activities	6	107,967	-	107,967	103,890
Staff costs	8	49,400	45,214	94,614	268,593
		<u>333,731</u>	<u>67,800</u>	<u>401,531</u>	<u>483,290</u>

#### 6 Grant-making

##### Analysis of grants

	Grants to institutions 2024	2023
	£	£
Grants	<u>107,967</u>	<u>103,890</u>

#### 7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

Two trustees received reimbursement of expenses amounting to £2,163 (2023 - One trustee £74).

**EUROPEAN OUTREACH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)**

**8 Staff costs**

The aggregate payroll costs were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	93,006	203,812
Social security costs	361	45,791
Pension costs	1,247	5,436
Compensation payments	-	13,554
	<u>94,614</u>	<u>268,593</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	<b>2024</b>	<b>2023</b>
	<b>No</b>	<b>No</b>
Staff	<u>2</u>	<u>4</u>

No employee received emoluments of more than £60,000 during the year

**9 Debtors**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Prepayments	2,448	8,039
Other debtors	<u>386,961</u>	<u>495,442</u>
	<u>389,409</u>	<u>503,481</u>

**10 Creditors: amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	675	1,780
Other creditors	615,247	567,494
Accruals	<u>16,777</u>	<u>20,662</u>
	<u>632,699</u>	<u>589,936</u>

Included in Other creditors are funds held on behalf of the Renewal in the Holy Spirit, a charity in Lebanon.

## EUROPEAN OUTREACH TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

#### 11 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,247 (2023 - £5,436).

#### 12 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>				
<b>General</b>				
General Funds	643,806	401,042	(333,731)	711,117
<b>Restricted funds</b>				
Bethany	4,812	5,693	(6,551)	3,954
Community Building	-	1,198	(1,198)	-
Leadership Training	-	157	(157)	-
Christ the King Association	18,663	-	(2,595)	16,068
Kairos Europe & Middle East	-	54,638	(54,638)	-
Mission Development	7,706	1,198	-	8,904
New Mission & Leadership Support	7,430	-	(2,661)	4,769
<b>Total restricted funds</b>	<u>38,611</u>	<u>62,884</u>	<u>(67,800)</u>	<u>33,695</u>
<b>Total funds</b>	<u><u>682,417</u></u>	<u><u>463,926</u></u>	<u><u>(401,531)</u></u>	<u><u>744,812</u></u>



**EUROPEAN OUTREACH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)**

**Restricted funds**

**The Bethany fund** is for the activities of the Bethany Association, an association of single women who are part of the Sword of the Spirit.

**The Community Building fund** is for building and supporting new communities in Europe and the Middle East.

**The Leadership Training fund** is for the continual development of current leaders and the training of new leaders in the Sword of the Spirit communities in Europe and the Middle East.

**The Christ the King Association fund** is for the association of Catholic members of the Sword of the Spirit.

**The Kairos Europe & Middle East fund** is for the regional youth programme in Europe and the Middle East.

**The Mission Development fund** is for developing current mission work in the Sword of the Spirit communities in Europe and the Middle East, and for exploring new mission opportunities.

**The New Mission and Leader Support fund** is for supporting mission opportunities that arise outside of normal activities and providing financial assistance for leaders from the Sword of the Spirit communities in Europe to attend regional and zonal events.

# EUROPEAN OUTREACH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
<b>General</b>				
General Funds	646,925	432,904	(436,023)	643,806
<b>Restricted funds</b>				
Bethany	4,353	10,211	(9,752)	4,812
Community Building	-	2,067	(2,067)	-
Community Care	-	128	(128)	-
Leadership Training	-	998	(998)	-
Christ the King Association	17,859	804	-	18,663
Kairos Europe & Middle East	-	29,765	(29,765)	-
Mission Development	5,639	2,067	-	7,706
New Mission & Leadership Support	11,987	-	(4,557)	7,430
	<u>39,838</u>	<u>46,040</u>	<u>(47,267)</u>	<u>38,611</u>
<b>Total funds</b>	<u>686,763</u>	<u>478,944</u>	<u>(483,290)</u>	<u>682,417</u>

# EUROPEAN OUTREACH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 13 Analysis of net assets between funds

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds at 31 March 2024 £</b>
Current assets	1,343,816	33,695	1,377,511
Current liabilities	<u>(632,699)</u>	<u>-</u>	<u>(632,699)</u>
Total net assets	<u>711,117</u>	<u>33,695</u>	<u>744,812</u>
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds at 31 March 2023 £</b>
Current assets	1,233,742	38,611	1,272,353
Current liabilities	<u>(589,936)</u>	<u>-</u>	<u>(589,936)</u>
Total net assets	<u>643,806</u>	<u>38,611</u>	<u>682,417</u>