

Charity Registration No. 285474 (England and Wales)

Company Registration No. 01648879 (England and Wales)

Company Registration No. SCO40681 (Scotland)

LUIS PALAU EVANGELISTIC TEAM (THE)
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

LUIS PALAU EVANGELISTIC TEAM (THE)
LEGAL AND ADMINISTRATIVE INFORMATION

Directors

Mr S F M Berry
Mr D G Mackenzie
Mr A L Palau
Mr K D Palau
Lady S M Sainsbury
Mr C B Saunders
Mr M R Spratt
Mr D J Stephenson

Charity number

285474 (England and Wales)

Charity number

SCO40681 (Scotland)

Company number

1648879 (England and Wales)

Principal address

Owen House
Lifehope Training Centre
Little Cornbow
Halesowen
West Midlands
B63 3AJ

Independent examiner

Mr G E Collins FCA
M T Manley & Co Limited
696 Yardley Wood Road
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B13 0HY

LUIS PALAU EVANGELISTIC TEAM (THE)

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LUIS PALAU EVANGELISTIC TEAM (THE)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors who are also trustees of the charitable company present their report and financial statements for the year ended 31st December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management

The charitable company is controlled by the governing document, the memorandum and articles of the charitable company, and constitutes a charitable company limited by guarantee, as defined by the Companies Act 2006.

There were nine directors who served during the year and in office at 31 December 2020. However, Dr Luis Palau, one of the founding directors, died on 11 March 2021, at his home in Portland, Oregon, at the age of 86, after a three year battle with cancer, and joined the Lord. The board recorded their immense gratitude for his dedicated vision, his teaching, speaking and work over many years, across the world. His memorial service took place on 20 March and can be seen on livestream at www.luispalau.org. The present directors are listed on the information page of these financial statements.

The guarantee of the directors is limited to £100 each whilst they are a member and for twelve months after ceasing to be a member.

According to the Articles of Association there must be a minimum of three directors with a maximum of twelve. Additional directors may be appointed by the existing directors through a process of the board meeting with a prospective director to assess their suitability for the role taking into consideration their experience and skills, as well as providing information about the work of the charitable company.

Upon appointment the new director is provided with information including previous statutory and quarterly accounts, minutes of recent board meetings, details of upcoming charitable company's events, and is also provided with guidance documents produced by the Charity Commission.

Objectives and Activities

The principal activity of the charitable company is to advance the Evangelical Christian Faith in the United Kingdom and throughout the whole world by such means as the company determines.

Public Benefit

The directors confirm that they have referred to the Charity Commission's specific guidance to charities on the public benefit for the advancement of religion and will continue to do so when reviewing objectives and activities as well as planning charitable activities.

The directors are confident that enabling Christians and Christian Communities to share the love of God seen in the life of Jesus Christ, and in prompting the whole mission of the Christian faith will be for the benefit of many. The results of this activity are a spiritual blessing of an inner peace and greater sense of purpose in the lives of individuals, and a harmony and reconciliation process in families and communities.

LUIS PALAU EVANGELISTIC TEAM (THE)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and Performance

In 2020, even through the global pandemic the Luis Palau Association UK & Europe continued to see growth in all areas. This included growth in income as well as impact through events and church engagement. The events that were planned pivoted to online and digital campaigns and all face-to-face meetings were held in online meeting spaces as we continued to work throughout 2020 despite the global challenges. We also continued to grow the team and continued to create even more alignment with our associated charity in Portland, Oregon.

During the last year we worked on some significant digital campaigns with some fantastic engagement and responses. This increase in response to the Gospel online and the fact that we couldn't host any of our planned physical events inspired the vision to host an online festival called 'Stories of Hope'. The immediate impact included 5.5 million total views, 2,574 Indicated decisions for Christ and 114 different nations with indicated decisions. In the week following the initial premier the impact continued and 15,387 more people indicated a decision to follow Jesus Christ. More than 10,000 of those took follow-up actions online.

In 2020, due to the global pandemic our physical festivals in Berlin, Germany and Mulhouse France were postponed to a future date. We did however, despite the challenges, secure a future in person festival in Manchester. Throughout 2020, we worked with local church leaders, business and civic leaders and various community groups and charities in preparation for this city festival. We formed teams, fundraised, and started planning a large scale, city transforming event to take place in July 2022. Another area of growth for us is the formation and rollout of the Global Network of Evangelists (GNE). We now have groups of evangelists meeting regularly across the UK and Europe and hosted two digital events for global evangelists in 2020. We also continued to work with city leaders across the UK and with partner organisations to help resource them and equip them in the area of evangelism and sharing the gospel in their own contexts.

Our supporter base continued to grow, during 2020 we saw an increase in our reach through adding additional supporters to both our prayer support and financial support database. We also continued to implement fresh social media and digital communications with the aim to introduce the charity to a younger demographic and a new generation of national and local church leaders and influencers. The increased workload and projects as well as the future opportunities enabled us to recruit a full-time permanent events manager.

The COVID-19 pandemic did affect the work of the charity and was the main cause for the postponement of two events in 2020. Some staff were furloughed, and along with the cutting back on travel expenses, a saving on expenditure in the year was made enabling the charity to maintain financial viability and carry forward all funds designated for the work of the charity into 2021, and to continue the planning and preparation for the Manchester festival. The management accounts show that unrestricted reserves are increasing during 2021 and the financial forecast for 2022 has been reviewed. The directors believe that it is appropriate to prepare the financial statements on a going concern basis (see note 1)

There is a growing sense of momentum building in our charity and our charitable cause, and we are expectant to continue seeing growth in 2021 and beyond.

Financial Review

The accounts for this year, and the company's financial position as at 31 December 2020 are shown in the attached financial statements.

It is the policy of the charitable company to maintain unrestricted funds (the free reserves). This is currently set by the directors at £39,000 which is duly considered to be the amount required to cover the estimated costs of closing the charity if the need arose, as well as meeting the working capital requirements of the charity. This policy is reviewed annually by the board.

Unrestricted funds (donations not restricted for a specific purpose by the donor, not included in fixed assets and not designated by the board) as of 31 December 2020 were £62,817, (2019: £32,463), circa £24k over the reserves policy, to be utilised in supporting the ongoing ministry in future years.

LUIS PALAU EVANGELISTIC TEAM (THE)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Risk Management

The directors regularly examine the major strategic and operational risks which the charity face and confirm systems have been established to enable the necessary steps to be taken to lessen these risks.

Apart from any future risks presented by COVID-19, there are two major risks identified: reliance on key individuals and of gift income being insufficient to meet expenditure. These two risks are mitigated by carrying out documentation of all processed/operational details, by the board receiving quarterly financial management reports, as well as the team continuing to address the increase of gift income by additional fundraising an increasing the support base.

Statement of Directors' report responsibilities

The directors (who are also trustees of Luis Palau Evangelistic Team (The) for the purposes of company law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

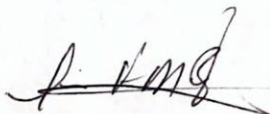
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to Independent Examiner

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the independent examination, but of which the independent examiner is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the independent examiner is aware of such information.

Approved by order of the board of directors on 26th October and signed on it's behalf by

Mr S F M Berry - Director



LUIS PALAU EVANGELISTIC TEAM (THE)

INDEPENDENT EXAMINER'S REPORT

TO THE DIRECTORS OF LUIS PALAU EVANGELISTIC TEAM (THE)

I report on my examination of the accounts for the year ended 31 December 2020, which are set out in the financial statements on pages 5 - 10.

Respective responsibilities of Directors and examiner

The directors who are also the trustees of Luis Palau Evangelistic Team (The) for the purposes of charity law, are responsible for the preparation of the financial statements. The consideration that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of FCA.

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

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

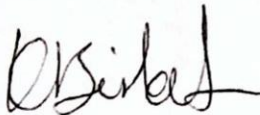
Basis of independent examiner's report

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

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mrs K L Birkett MAAT

Dated: 26th October

LUIS PALAU EVANGELISTIC TEAM (THE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Incoming resources from generated funds</u>					
Donations and legacies	2	214,024	-	214,024	233,492
Investment income	3	50	-	50	89
		<u>214,074</u>	<u>-</u>	<u>214,074</u>	<u>233,581</u>
Incoming resources from charitable activities	4	-	85,646	85,646	77,336
Other incoming resources	5	16,511	-	16,511	14,338
		<u>16,511</u>	<u>-</u>	<u>16,511</u>	<u>14,338</u>
Total incoming resources		<u>230,585</u>	<u>85,646</u>	<u>316,231</u>	<u>325,255</u>
<u>Resources expended</u>					
<u>Costs of generating funds</u>					
Costs of generating donations and legacies		4,623	-	4,623	7,173
		<u>4,623</u>	<u>-</u>	<u>4,623</u>	<u>7,173</u>
Net incoming resources available		<u>225,962</u>	<u>85,646</u>	<u>311,608</u>	<u>318,082</u>
Charitable activities		190,247	69,183	259,430	256,914
Governance costs		7,861	-	7,861	6,298
		<u>7,861</u>	<u>-</u>	<u>7,861</u>	<u>6,298</u>
Total resources expended		<u>202,731</u>	<u>69,183</u>	<u>271,914</u>	<u>270,385</u>
Net income for the year/ Net movement in funds		<u>27,854</u>	<u>16,463</u>	<u>44,317</u>	<u>54,870</u>
Fund balances at 1 January 2020		37,463	55,486	92,949	38,079
		<u>37,463</u>	<u>55,486</u>	<u>92,949</u>	<u>38,079</u>
Fund balances at 31 December 2020		<u>65,317</u>	<u>71,949</u>	<u>137,266</u>	<u>92,949</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All activities of the charitable company are classed as continuing. There were no recognised gains or losses other than those shown above.

The Notes form part of these financial statements

LUIS PALAU EVANGELISTIC TEAM (THE)

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible fixed assets	8	2,500	5,000
Current assets			
Debtors	9	1,377	8,465
Cash at bank and in hand		149,119	95,679
		150,496	104,144
Creditors: amounts falling due within one year	10	(15,730)	(16,195)
Net current assets		134,766	87,949
Total assets less current liabilities		137,266	92,949
Income Funds			
Restricted funds	11	71,949	55,486
Unrestricted funds		65,317	37,463
Total Funds		137,266	92,949

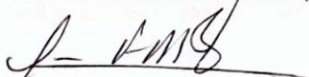
The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The directors acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The notes form part of these financial statements.

The financial statements were approved by the Board on

26th October



Mr S F M Berry - Director
Director

Company Registration No. 01648879. (England and Wales)

LUIS PALAU EVANGELISTIC TEAM (THE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

1.2 Income

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

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure inclusive of VAT, is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Motor vehicles - 25% on cost

1.5 Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.6 Pensions costs and other post retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.7 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

1.8 Fund accounting

Unrestricted funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

LUIS PALAU EVANGELISTIC TEAM (THE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Designated funds – these are funds set aside by the directors from unrestricted funds for specific purposes or projects.

1.9 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.10 Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements, especially in the light of the Covid-19 pandemic. The directors have made this assessment with respect to a period of one year from the date of approval and signature of these financial statements. The directors have concluded that there are no material uncertainties related to events or conditions, including Covid-19, that may cast significant doubt on the ability of the Charity to continue as a going concern during this period, (see also the directors' report under Achievements performance and future plans.) The directors are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due over this period, taking into account ongoing donations from Portland and the present cash resources of the company.

2 Donations and legacies

	2020 £	2019 £
Donations and gifts	214,024	232,992
Legacies receivable	-	500
	<u>214,024</u>	<u>233,492</u>

3 Investment income

	2020 £	2019 £
Interest receivable	<u>50</u>	<u>89</u>

4 Incoming resources from charitable activities

	2020 £	2019 £
Donations	<u>85,646</u>	<u>77,336</u>

LUIS PALAU EVANGELISTIC TEAM (THE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other incoming resources

	2020	2019
	£	£
Other income	<u>16,511</u>	<u>14,338</u>

6 Directors remuneration, benefits and expenses

The directors received no remuneration, benefits or expenses in the year ended 31 December 2020 (2019: nil)

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
	<u>4</u>	<u>4</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	196,520	130,011
Social security costs	17,108	10,299
Other pension costs	<u>5,845</u>	<u>3,858</u>
	<u>219,473</u>	<u>144,168</u>

No employees received emoluments in excess of £60,000.

LUIS PALAU EVANGELISTIC TEAM (THE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

8 Tangible fixed assets

	Motor vehicles £
Cost	
At 1 January 2020 and at 31 December 2020	10,000
Depreciation	
At 1 January 2020	5,000
Charge for the year	2,500
At 31 December 2020	7,500
Net book value	
At 31 December 2020	2,500
At 31 December 2019	5,000

9 Debtors

	2020 £	2019 £
Trade debtors	1,377	8,465

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,736	3,007
Other creditors	327	1,521
Accruals and deferred income	11,667	11,667
	15,730	16,195

Deferred Income relates to grants of £11,667 at 31 December 2020 (2019; £11,667)

LUIS PALAU EVANGELISTIC TEAM (THE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

11 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020 £	Movement in funds		Balance at 31 December 2020 £
		Incoming £	Outgoing £	
Mission events	55,486	75,000	(68,890)	61,596
City Gospel Movements	-	5,000	(163)	4,837
Global Network of Evangelists	-	5,000	(130)	4,870
Festival Manchester	-	646	-	646
	-	-	-	-
	<u>55,486</u>	<u>85,646</u>	<u>(69,183)</u>	<u>71,949</u>

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	2,500	-	2,500
Current assets	78,547	71,949	150,496
Creditors: amounts falling due within one year	(15,730)	-	(15,730)
	<u>65,317</u>	<u>71,949</u>	<u>137,266</u>

13 Related parties

Businesses that share one or more of the directors of the company made donations of £3,000 in the year. (2019: £3,000)

Directors donated a total of £13,900 in the year. (2019: £17,763).