

**Registered number: 00654913 (England and Wales)**  
**Charity number: 311098 (England and Wales) SC040008 (Scotland)**

**GRACE COMMUNION INTERNATIONAL  
(FORMERLY WORLDWIDE CHURCH OF GOD)  
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2021**

**Trustees**

James Lambu	(Chair)
Ray Walker	Appointed 2 November 2021
Gordon Brown	
Linda Halford	
Simon Williams	
Maureen Watson	
Hilary Buck	Appointed 17 June 2021
James Henderson	Resigned 13 March 2021
Peter Sheppard	Retired 15 August 2021
James Esom	Appointed 17 June 2021, resigned 18 August 2021
David Silcox	Retired 20 August 2022
James Mc Ivor	Appointed 2 November 2021

**National Ministry Team** (Effective until 9 May 2021)

Gavin Henderson	(Operations Manager)
Barry Robinson	(Ombudsman)
Peter Mill	(Mission Developer)

**National Ministry Leader** (Effective from 9 May 2021)

Gavin Henderson

**Secretary to the Trustees**

Peter Sheppard

**Registered Charity Name:**

Grace Communion International

**Names Also Known By**

Worldwide Church of God  
Summer Educational Programme (Summer camp only)

**Registered Office and Operational Address**

9 The Point  
Rockingham Road  
Market Harborough  
Leicestershire  
LE16 7QU

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**REFERENCE AND ADMINISTRATIVE DETAILS  
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**Company Registered Number**

00654913 (England & Wales)

**Charity Registered Numbers**

311098 (England & Wales)  
SC040008 (Scotland)

**Independent Auditor**

MHA MacIntyre Hudson Chartered Accountants  
11 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

**Bankers**

Barclays Bank Plc  
20 High St  
Market Harborough  
LE16 7NR

**Solicitors**

Edward Connor Solicitors  
10 The Point,  
Market Harborough,  
Leicestershire  
LE16 7QU

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**TRUSTEES' REPORT**  
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The Trustees (who are also the directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Grace Communion International ("GCI UK", "we", the charitable company, the Church, the Charity) for the year ended 31 December 2021. The Trustees confirm that the annual report and financial statements of the charitable company comply with current statutory requirements, the requirements of the charitable company's governing document, the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), and the Companies Act 2006.

The Charity qualifies as small under S383 of the Companies Act 2006. A Strategic Report under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

### **OBJECTIVES AND ACTIVITIES**

#### **Vision and Mission Statement**

The mission of the Charity is to proclaim the good news of Jesus Christ whenever and wherever it can. We take care of those whom God calls into our part of the body of his Church by inspiring and training them to serve and love others, reflecting the way in which Jesus Christ loves humanity. Thus, we seek to create a positive and accountable spiritual environment in which the Church lives and shares the Gospel of Jesus Christ in the UK, in the Republic of Ireland, and beyond.

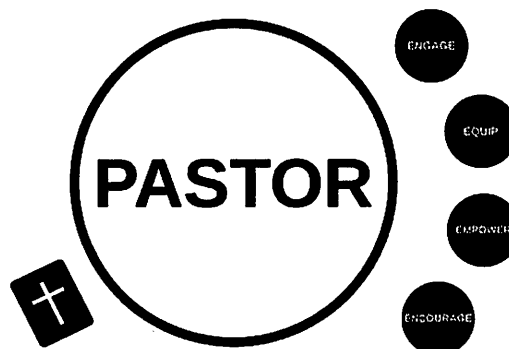
To help us achieve this vision of 'Healthy Church' and to fulfil our mission statement of 'Living and Sharing the Gospel', the Church has the following four avenues of focus:

#### **Team-based, Pastor Led Avenue**

*"I always pray with joy because of your partnership in the gospel from the first day until now" (Philippians 1:4-5 NIVUK)*

*"Then Peter stood up with the Eleven, raised his voice and addressed the crowd" (Acts 2:14 NIVUK)*

GCI UK believes that it is essential that Church leadership is team-based. To achieve this, leaders in GCI UK (both on a national and local level) are encouraged to practice the 4 E's: Engage, Equip, Empower and Encourage.



This means that our leaders seek to *engage* with the membership of the Church as they look to recognise and recruit new volunteers and potential leaders. These volunteers are then *equipped* by the leadership by investing time and/or resources in them so that they can develop in their role and in turn multiply their skills within the congregation. Where leadership qualities are identified, potential leaders can then be *empowered* by creating space for them to actively serve in leadership and commissioning them for the role. Finally, these volunteers are *encouraged* by the leadership on an ongoing basis, thus affirming their suitability for the role and recognising their contribution to the Church.

TRUSTEES' REPORT  
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**Hope Avenue**

*"When they saw him, they worshipped him"*  
(Matthew 28:17 NIVUK)

*"Every day they continued to meet together in the temple courts... praising God and enjoying the favour of all the people."* (Acts 2:46-47 NIVUK)

Worship services are a key part of GCI UK's activities, and our aim is that all our worship services are centred on Jesus Christ and that they are inspiring, bringing hope to all those who attend. This involves intentional preparation for our weekly services and a focus on being an inclusive gathering that welcomes people of all ages, ethnicities, and backgrounds.



**Faith Avenue**

*"And teaching them to obey everything I have commanded you."* (Matthew 28:20 NIVUK)

*"They devoted themselves to the apostles' teaching and to fellowship, to the breaking of bread and to prayer... They broke bread in their homes and ate together with glad and sincere hearts"* (Acts 2:42, 46 NIVUK)

Discipleship is a key part of GCI UK's activities. The Church is committed to providing opportunities for people to strengthen their faith and to follow in the footsteps of Jesus Christ. This is done through Church events (both on a national and congregational level) that provide a chance for people to deepen their relationship with God and with one another as well as by providing midweek events such as Bible studies and prayer meetings.

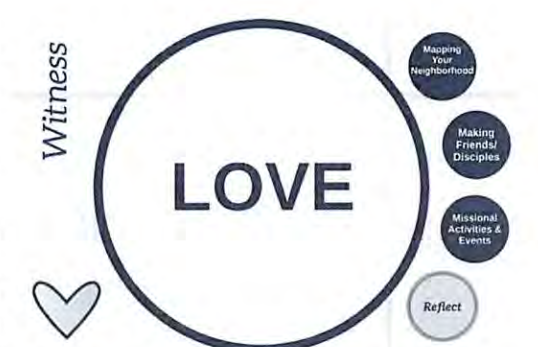


**Love Avenue**

*"Therefore go and make disciples of all nations, baptising them in the name of the Father and of the Son and of the Holy Spirit"* (Matthew 28:19 NIVUK)

*"And the Lord added to their number daily those who were being saved."* (Acts 2:47 NIVUK)

GCI UK believe that a "healthy Church" is one that is showing the love of Jesus Christ to the world. This means that one of the key objectives of the Church is engaging both the general public and the local community near where congregations meet and proclaiming to them the Gospel of Jesus Christ through both our words and our actions.



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**Main Activities**

As a Church our primary activity is to hold regular (weekly) Church services. These services are open to everyone, including the public, who are welcome to join in and participate with us in worship and to hear a message proclaiming Jesus Christ and his Kingdom, though we reserve the right to refuse entry where and when necessary. We have 21 congregations or fellowship groups that meet weekly and a further 15 that meet on a less frequent basis throughout the UK and Ireland. Our services in these congregations provide a safe environment for people to celebrate the Church's beliefs.

Experienced local pastoral workers provide support for people through biblical counselling, and, in the case of ordained ministry, through performing ministerial duties such as weddings, funerals, and offering general assistance where possible or where needs have been expressed. Ministers and approved pastoral workers are often asked to give biblical counsel and comfort to the sick and terminally ill, and to bereaved relatives and friends. Often such services are provided to people with little or no prior connection to the Church and are provided free of charge.

We communicate regularly to our members and Church contacts using various different types of communication media. A member letter was sent out by post every month in 2021. In addition, each month one of two in-house produced magazines were sent with the letters. The *Because* magazine, which ceased publication during 2021, was an outreach magazine designed for those "on the edge of spirituality" and aimed to encourage and support those who are beginning to ask questions about God and faith. The *Belong* magazine helps to encourage our existing members by developing their faith through topical articles and providing updates about our current projects and activities. There is no charge for the magazines or the member letter that members receive, which has a circulation of just under 800 members. The magazines are also available on our websites.

We also produced a daily Bible study series in 2021, called *Word of Life* which is published on our website [wordoflife.gracecom.church](http://wordoflife.gracecom.church). The studies are freely available, and we also offer an email subscription allowing members and contacts to receive the study each day in their inbox. The project has a significant proportion of international readers.

Several of our congregations now also offer online access to services using both Zoom and Facebook Live. Additionally, we offer weekly sermons nationally via our YouTube channel: <https://www.youtube.com/c/GCIUKandIreland>, as well as offering live-streamed Bible studies every fortnight. All our online activities, both at a national and congregational level, can also be accessed via our website [www.gracecom.church](http://www.gracecom.church).

The Church also puts on conferences, holds celebration events and organises summer camps for children and teenagers. In 2021, celebration events were held in Larbert, Galway, Bridlington and Paignton and Adventure Camp, an activity camp for younger children, was held in Kettering.

GCI UK is a member organisation of the Evangelical Alliance and many of its congregations are members of the Churches Together network in their respective areas. GCI UK is keen on working with other Churches and organisations to further its mission of Living and Sharing the Gospel.

**Volunteers**

We are greatly indebted to all our volunteers for their dedication, time, and skills: in particular, to the over 100 voluntary pastoral workers, without whom the Church and Charity could not provide its services. Because of the Covid pandemic, 2021 was a particularly challenging year for our Church and

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we are very appreciative of our ministers, congregational leaders and pastoral council members who helped keep the connectivity alive in our Church in difficult circumstances.

We are also very grateful for those who helped write, promote, and produce our magazines *Because* and *Belong*, and, also, for those involved in our daily Bible study series *Word of Life*.

Finally, while our main summer camp for teenagers was not able to proceed in 2021, we are very appreciative of those who work with our Youth.

**Public Benefit**

GCI UK, as outlined above, carries out numerous activities to achieve its aims and objectives. The Trustees consider that these activities provide a public benefit both in terms of the redemptive work of the Church as well as the social outreach the Church engages in on regional, national, and international levels. They have considered the guidance issued by both the Charity Commission and the Office of the Scottish Charity Regulator on Public Benefit in this regard. In particular the Trustees would like to emphasise the Church's desire to be inclusive, where we strive to make the services and events that we run open to all and endeavour not to present a financial barrier to attendance and participation. Our online services have been particularly helpful in helping our services be more inclusive of those who are unable to attend due to health or other reasons.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance Summary**

The global coronavirus pandemic had a significant impact on our Church in 2021. Due to both government regulations and hall hire restrictions, many of our congregations were unable to meet physically at times during 2021, with some unable to meet at all. The pandemic also meant that some of our leadership development plans were delayed, with retreats for our developing leaders cancelled and our denominational conference having to take place via Zoom as opposed to meeting physically. Where our congregations were able to meet in the year, we often had to reduce the services we offered in light of covid restrictions (e.g. not offering refreshment/fellowship, congregational singing was not allowed, etc..).

In response to these challenging circumstances, the Church continued to provide national services via YouTube and Zoom. This included a virtual Celebration that ran from the 26-28<sup>th</sup> of February 2021 which included a number of virtual activities in addition to services, e.g. fellowship time, a quiz and a musical evening. Our annual denominational conference also took place via Zoom on the 19-20<sup>th</sup> June 2021 and included a number of presentations as well as a Q&A session for our ministry workers.

Fortnightly Bible studies took place via YouTube which, in the first half of the year, included both a series on specific topics as well as a series covering specific books of the Bible. In the second half of the year, the Bible studies covered the first part of our "We Believe" series which covers the core beliefs of the Christian faith. A free workbook was distributed to our members and contacts so they could follow along and make their own notes.

For those without internet, many of our congregations arranged to send out CDs of sermons and, in addition to our regular mailing, a special edition of our *Belong* magazine was sent out for Easter. A copy of the book *Serving Without Sinking* by John Hindley was also included in this mailing to our members

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and contacts to encourage them at a key time of the year when many of our congregations were unable to meet due to a lockdown.

In April 2021, the decision was made to cancel our long running *Because* project. The aim of the project had always been to reach people on the edge of spirituality but a challenge was that it was not consistently reaching its intended audience. This problem was exacerbated by the Covid pandemic which stopped the magazine being handed out door to door in areas near our congregations, and it also meant that copies were no longer able to be left in a number of venues (e.g. libraries and waiting rooms).

During the year, including during Covid related lockdowns, three of our congregations offered support for homeless and low-income families – a soup kitchen was offered in Llanelli and homeless outreach initiatives took place in Market Harborough and Glasgow.

The Church also sponsored several of our volunteers and employees in the area of theological education, both with local UK institutions (e.g. the Queen's Foundation, Birmingham) as well as our denominational accredited seminary ([www.gcs.edu](http://www.gcs.edu)) in the US and our denominational seminary in Australia ([www.ambascol.org](http://www.ambascol.org)).

Due to the Covid pandemic we had to cancel our summer camp for teenagers in 2021, however, we are pleased we were able to go ahead with our Adventure Camp (for children aged 7-13). Adventure camp welcomed over 50 children and staff in 2021 to the Sir John Lowther Scouting centre in Kettering for the August bank holiday weekend. The camp ran a number of activities such as go-karting, Christian living, tunnelling, soap making, archery and pebble painting.

Additionally, several celebration events were held during 2021 for the first time since the Covid pandemic began. Celebration events were held in Larbert, Galway, Bridlington and Paignton and the theme for the celebrations was Ephesians 3:17-18 (NIV): "And I pray that you, being rooted and established in love, may have power, together with all the Lord's holy people, to grasp how wide and long and high and deep is the love of Christ". These events featured both traditional worship services as well as seminars and fellowship events. The combined attendance over all four events was over 240.

The Church also continued to run its Life Club project which teaches public speaking skills to all age groups. Geoff Sole, who runs the project, continues to advise GCI congregations around the world with respect to running Life Clubs and has facilitated getting the Life Club manual translated into a number of languages. In 2021 there was, for the first time, an International Life Club that took place via Zoom and featured speakers from Ghana, Malawi, Kenya, Madagascar and the UK.

#### **Administration & Management**

In 2021 the leadership structure of the Church was changed from a three-person National Ministry Team to a National Ministry Leader. This change in structure allowed a wider (and consequently more diverse) team structure to be used. Subsequently, the Pastoral Worker role changed from a part-time role to a full time Regional Pastor role. The aim of this latter change was to reflect workload expectations and to increase the support given to our congregations.

During the year there were some changes in employed personnel. In particular, the Church would like to welcome Anthony Dady who began as Regional Pastor in August 2021 and to say thank you and goodbye to Richard Fowler and David Gibbs, both of whom left employment in the first half of 2021.

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In addition to the above, the Board of Trustees also held a significant review of the Charity's governing documents and in December the Charity passed a special resolution to update and modernise its Articles of Association. The new articles ensure the Charity is up to date with current legislation and allows the Church to take advantage of new technology that was not available when the original articles were created.

GCI UK has also continued to review and update its policies and to assess the risks facing the Charity. During 2021, Covid risk assessments were regularly reviewed and updated as the guidance from the government changed during the course of the pandemic allowing a number of our congregations to return to physical services.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Name**

The registered name of the Charity was changed from Worldwide Church of God to Grace Communion International on the 29<sup>th</sup> June 2022. Grace Communion International had previously been used as a trading name by the charity for a number of years.

**Constitution**

Grace Communion International was incorporated as a company limited by guarantee in 1960 and registered as a Charity in 1963. The Charity is governed by Articles of Association that were last updated on the 12<sup>th</sup> December 2021. This significant update was done in consultation with our solicitors with Charity Commission approval obtained for changes to the Charity's objects and clauses relating to both Trustee benefits and winding up the Charity. These changes were designed to bring the articles of association up to date with current legislation and changes in technology that have taken place since the Charity was originally incorporated (e.g. to take advantage of video-conferencing and the use of electronic media).

**Method of Appointment or election of Trustees and Training Policies**

As set out in the Articles of Association there are a minimum of five Trustees and a maximum of eleven. As of 31 December 2021 there were eight Trustees. Trustees are elected in accordance with the Articles of Association for a term of three years and may serve if so elected, for three terms, before normally being required to step down for at least one year. Trustees are required to abide by the Code of Ethics for Elders and the Grace Communion International Statement of Beliefs as published by Grace Communion International USA (GCI HQ) based in Charlotte, USA. The Board of Trustees considers Diversity, Equality and Inclusion when selecting Trustees and aims to have a Board that not only has a good mix of skills and experience but also reflects the diversity of our members and the people we are serving as a Charity.

All new Trustees are given copies of the Memorandum and Articles of Association. Induction is provided in the form of copies of previous minutes and copies of the latest Governance & Leadership magazine and Charity Commission News. Each new Trustee is also provided with a copy of the guidance advice for new Trustees issued by the Charity Commission and Office of the Scottish Charity Regulator. Trustees are also kept up to date with the availability of courses/seminars on Trustees' responsibilities (funded by the Charity). In 2021, three Trustees attended Trustee training courses.

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**Trustee Benefits**

GCI UK does not give remuneration to Trustees for their role as Trustee. It does, however, help cover the costs of their travel and the training required or recommended for their duties as Trustees.

As permitted by the Articles of Association, each Trustee has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006.

**Trustee Changes in 2021**

In March 2021, James Henderson resigned as a Trustee because he had a family connection to one of the candidates being considered for the new position of NML (to ensure there would be no possible conflict of interest or loyalty in the appointment process). In June 2021, two new Trustees were appointed – Hilary Buck and James Esom. In August two Trustees stepped down from the Board with James Esom resigning and Peter Sheppard retiring having served 9 years on the Board. In December 2021, Ray Walker was appointed as a Trustee to the Board. The Church would like to thank James Henderson, James Esom, and Peter Sheppard for their service to the Church as Trustees.

In August 2021, the Trustees amended the Articles of the Association to allow a Trustee to stay on beyond their normal 3 terms in exceptional circumstances. Following this the Board agreed to extend the term of Mr David Silcox for an additional year to allow him to help finalise the overhaul to the Church's articles of association (in which he had been heavily involved). During this time David Silcox served as Chair of the Charity. James Lambu was appointed Chair when David Silcox stepped down as a Trustee in August 2022.

**Organisational Structure and Decision Making**

GCI UK is governed by a Board of Trustees, which meets at least four times a year to:

- Agree the policy of the Charity
- Determine strategic direction and objectives
- Ratify major decisions on and monitor the use of finances
- Review management reports

**Board Committees**

Sub-committees, if necessary, are appointed on an ad hoc basis and disbanded when they have completed the task for which they are formed. In 2021 there were three sub-committees: the National Ministry Team's remuneration sub-committee, the Leadership and Operational Structure sub-committee and an Appeal Committee setup to hear an appeal relating to an employee grievance.

**International Connections**

GCI UK operates as an organisation associated with GCI HQ. Although capable of independent operation, GCI UK has willingly subordinated itself in doctrinal matters to the GCI HQ insofar as it does not bring our Church and Charity into conflict with UK laws.

Additionally, we have a working relationship with various Grace Communion International organisations overseas – in particular those based in Europe, and, upon the request of the President of GCI HQ, the Church agreed that James Henderson, our former National Director and one of the UK's ministers,

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would fulfil the role of the Denominational Superintendent for Europe. As he is not paid for this role, we have accordingly agreed to subsidise his expenses within our budgetary limitations.

In addition, we seek to support and value our international connections, although due to the difficulty in international travel throughout much of 2021, this was mostly limited to financial support and virtual support via Zoom.

**Operational management**

At the beginning of 2021, the general management and strategic planning was delegated to the NMT within the guidelines of the Board's Mission Statement and within the vision of the denomination. The NMT reported regularly to the Board and to GCI HQ and was supported by its staff with whom it consulted regularly.

In early 2021, the Board appointed Leadership and Organisational Structure sub-committee reviewed the leadership structure of the Church and following the sub-committee's recommendation, agreed to move from a National Ministry Team structure to a National Ministry Leader structure. In May 2021, after having interviewed candidates, the Board of Trustees appointed Gavin Henderson as the new National Ministry Leader (NML). The Board is keen for the new National Ministry Leader to continue to have a team-based approach.

**Management Remuneration**

The NMT's salaries were determined by a sub-committee of the Board consisting of the Honorary Treasurer and GCI's European Superintendent. When the NML was appointed to replace the NMT his salary was approved by the Board following a recommendation made by the Company Secretary. The salaries of staff were seen and approved by the Board of Trustees at the November 2020 Board meeting where the budget for 2021 was approved. GCI UK seeks to ensure that its staff are paid appropriately but not excessively.

**FINANCIAL REVIEW**

GCI UK ended 2021 in a positive financial position. While our income was affected by Covid, many of the donations we received were sent to the Church directly either by cheque or bank transfer. This meant that our finances were not significantly affected by the inability to take up physical offerings due to Covid restrictions. The Church ended the financial year with its income significantly exceeding expenditure.

The Covid pandemic significantly reduced our expenditure for the year. All of our congregations meet in hired halls or at members' homes, this meant that there were no costs for our congregations when they were unable to meet due to Covid regulations. This meant our hall hire expenditure was significantly under expenditure for the year. Travel and mileage expenses were also heavily reduced as there was significantly less travel. Expenditure was also reduced by the cancellation of SEP, our summer camp for teenagers, and by our denominational conference being held by Zoom instead of taking place as a physical meeting. The two significant areas where our expenditure increased were legal expenses (in part, due to advice relating to a significant overhaul and modernisation of the Church's Memorandum and Articles of Association) and computer costs.

The Church did not need to call upon any of its reserves in 2021.

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**Reserves Policy**

The Board of Trustees has established that the level of reserves in cash or cash equivalent should be at least six months' operating expenses. This level of reserve was maintained throughout 2021. Following Charity Commission guidance any pension scheme surplus is not reflected in the level of reserves, as they do not represent an immediately realisable asset.

At 31 December 2021 the total funds comprised:

Restricted	£13,539
Unrestricted: Pension reserve	£195,471
Unrestricted: other	<u>£2,555,913</u>
	<u>£2,764,923</u>

The Board of Trustees has established that the level of reserves in cash or cash equivalent should be at least six months' operating expenses (for 2021 this was determined to be £290,000). Following Charity Commission guidance any pension scheme surplus is not reflected in the level of reserves, as they do not represent an immediately realisable asset. The Charity's reserves held in 2021 were significantly above the six month's operating expenses. For a number of years the Charity has operated a policy of not budgeting for legacies (which, due to the size of our organisation are not easily predictable) – instead, the Board of Trustees has determined that funds above budget should be kept in reserve to help provide an additional revenue stream for the Charity in the future.

**Investment Powers and Policy**

GCI UK's constitution allows the Board of Trustees to invest money not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

The Board of Trustees, having regard to the liquidity requirements of operating GCI UK and the reserves policy set out above, kept funds in 2021 in a 'Targeted Return Fund', with Barings Asset Management and Newton's 'Growth and Investment fund for charities' to provide a revenue stream for the charity and diversify investments. The Charity also had funds in Clerical Medical and Canada Life investment vehicles in 2021 as part of a legacy that had been received in a prior year. The Charity did not invest directly in the tobacco industry.

In 2022, the Charity is planning on moving the Church's investments and reserves into funds that have a greater alignment with the Church's ethical position. These funds would be invested in a 2:1 ratio between providing capital growth and income. This would help ensure the long-term viability of the Church in the light of the current financial pressures facing the charity as well as providing options for strategic capital investments (e.g. purchasing or building a new church hall).

**Fundraising**

Most of the income for the Church comes from donations as opposed to fundraising. While the Church encourages members to support the Church financially, the Church stresses that members should only give as they are able. In 2021, a regular member letter was sent out in a mailshot. Each mailshot contained a donation envelope in case recipients wanted to help support the Church financially. In

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addition, offerings were taken up at our Celebration events and in some of our congregations during the year.

The Church complies with the law as it applies to charities and fundraising and in 2021 did not use third party or professional fundraisers and received no complaints in relation to fundraising. Due to the very limited nature of the Church's active fundraising, the Church has not signed up to the code of fundraising practice — however, the Board keeps its position under review and is keen that the Church follows best fundraising practices. No specific fundraising activities are currently planned for 2022.

#### **Indigenous Income**

The income of GCI UK is predominantly derived from donations from its congregational members in Great Britain and Eire with occasional contributions from non-members. As in previous years, full advantage has been taken of Gift Aid tax relief on eligible donations. Additionally, a small proportion of the Charity's income comes from income arising from investment returns.

#### **Pension Scheme**

The Church operates a defined benefit pension scheme called the Pension and Life Assurance Plan of the Worldwide Church of God (Worldwide Church of God is the former name of Grace Communion International). The scheme has been closed to new members since 2004. The recent scheme funding valuation showed the scheme had moved to a deficit having previously been in surplus. The last active member of the scheme retired in 2015 leaving only deferred members as non-insured liabilities. A recovery plan has been agreed with a payment of £24,900 paid in 2020 and £49,800 to be paid in 2022 and a final payment of £24,900 to be paid in 2023 to address the deficit.

#### **Fiscal Responsibility**

The Board of Trustees requires that the executive of GCI UK operate a balanced budget, based on anticipated Income and Expenditure for the year. The Board had determined that any income in excess of expenditure can be assigned to projects suggested by the NML to the Board of Trustees. Until then funds should be invested to provide additional revenue for the Church in the future.

#### **Risk management and internal controls**

The Trustees ensure that major risks to which GCI UK is exposed are reviewed and assessed and that systems are in place to mitigate those risks. The Trustees have agreed a risk management policy for which they have overall responsibility. Operational responsibility was delegated by the Trustees to the National Ministry Leader and his staff. A risk register identifies risks and assigns specific actions and responsibilities for mitigating the risks. The risk management process is on-going. The Trustees consider that a major risk is one that has a high likelihood of occurring and would, if it occurred, have a severe impact on operational performance. The National Ministry Team reported regularly to the Board of Trustees on major risks and how they are being managed.

The Trustees expect all staff and volunteers when engaging in any activity on behalf of GCI UK to consider the risks posed and to act in accordance with the risk management policy and procedure. All increases to on-going or new activities are risk assessed prior to being introduced or undertaken.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Trustees want to be risk alert but do not wish to be averse to taking reasonable risks as part of the Board's strategy to achieve the objectives of GCI UK. All key policies within the organisation were regularly reviewed and updated as appropriate to reflect legislative changes and the latest developments in this area. In particular, new Covid risk assessments were made for the Church office and for all congregations that resumed physical services after returning from the hiatus caused by the pandemic.

The Board has identified four major risks to the Church. The first is the age of its membership. The increasing age of our volunteers means that some of our congregations are having to meet less frequently, and the increasing age of our members also has an impact on our finances as our regular donors retire etc. Another major risk to the Church is the Church's pension scheme; the full impact of Covid and the current cost of living crisis is not yet clear on the Pension scheme. The pension scheme was closed to new members in 2004, no longer has active members (only pensioners and deferred pensioners)— however, due to the size of the pension fund compared to our annual income, this remains a significant concern. The third risk facing the Charity involves the difficulty that has been experienced in returning to physical services after the prolonged absence caused by Covid. The leadership has encouraged local Zoom meetings and services and continued with weekly YouTube broadcasts that were started in the Pandemic to help combat this. Finally, the last risk facing the Church is the loss of members due to doctrinal divisions (and resultant changes to liturgical practice) that are a legacy of the Church's past teachings. The Church is committed to handling these divisions in a loving and caring way to try to mitigate this risk.

**Third party indemnity insurance**

The Church pays third party liability insurance in respect of the Trustees and senior management.

**PLANS FOR THE FUTURE**

A focus for 2022 is re-opening our congregations following the Covid pandemic. As a number of our smaller fellowship groups will not be able to go back to meeting weekly we have been developing plans to support some of our larger congregations in offering blended Zoom services (i.e. so that members can be involved both physically and virtually). This would allow members of the smaller fellowship groups to sometimes attend the services of the larger congregations.

It is also the hope that in 2022, the Church will be able to resume all the conferences and summer camps that were in operation before the Covid pandemic began. In particular, this will mean that our summer camp for teenagers, SEP, will return to Morfa Bay in Wales.

The Church is also looking to outsource some of its finance and administration roles in 2022 to free up more time for existing employees (particularly the NML). By taking advantage of outside expertise this will allow the Charity to continue to ensure it is meeting best practices in these areas.

Additionally, the Church plans to continue to explore the four avenues of "healthy Church" as outlined in the objectives section above. In this regard the Regional Pastors will continue to work with their developing leaders in their regions, and a national conference is planned with Dr Greg Williams, the President of the denomination internationally, to attend.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Charity does not hold any such funds on behalf of any other organisations.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently; and
- observe the methods and principles of the Charities SORP (FRS 102); and
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

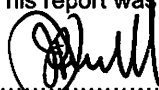
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' Report is approved confirm that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees and signed on their behalf by:



.....  
**James Lambu**

Chair of the Board of Trustees

Date: 16-DEC-2022

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL  
(FORMERLY WORLDWIDE CHURCH OF GOD)**

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**Opinion**

We have audited the financial statements of Grace Communion International (Formerly Worldwide Church of God) (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL  
(FORMERLY WORLDWIDE CHURCH OF GOD) (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 13 and 14, the Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL  
(FORMERLY WORLDWIDE CHURCH OF GOD) (CONTINUED)**

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In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under Section 44 (1) (C) of the Charities and Trustees Investment (Scotland) Act 2005 and the Companies Act 2006, and report in accordance with regulations made within those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing Financial Statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL  
(FORMERLY WORLDWIDE CHURCH OF GOD) (CONTINUED)**

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**Use of our report**

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charity's Trustees as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Helen Blundell*

**Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)**

for and on behalf of  
**MHA MacIntyre Hudson (Statutory Auditors)**  
Leicester, United Kingdom

Date: 19 December 2022

MHA MacIntyre Hudson is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	2	-	597,629	597,629	588,598
Investments	3	-	34,750	34,750	46,571
Other income	4	-	225	225	-
<b>Total income</b>		-	<b>632,604</b>	<b>632,604</b>	<b>635,169</b>
<b>Expenditure on:</b>					
Charitable activities	5	-	684,584	684,584	370,651
Governance costs	6	-	60,056	60,056	41,936
<b>Total expenditure</b>		-	<b>744,640</b>	<b>744,640</b>	<b>412,587</b>
Net gains/(losses) on investments		-	89,157	89,157	(29,145)
<b>Net movement in funds before other recognised gains</b>		-	<b>(22,879)</b>	<b>(22,879)</b>	<b>193,437</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	100,000	100,000	(189,000)
<b>Net movement in funds</b>		-	<b>77,121</b>	<b>77,121</b>	<b>4,437</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		13,539	2,674,263	2,687,802	2,683,365
Net movement in funds		-	77,121	77,121	4,437
<b>Total funds carried forward</b>		<b>13,539</b>	<b>2,751,384</b>	<b>2,764,923</b>	<b>2,687,802</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 43 form part of these financial statements.

**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 00654913 (England & Wales)**

**BALANCE SHEET  
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	180,494	199,511
Investments	13	611,228	1,424,980
		<u>791,722</u>	<u>1,624,491</u>
<b>Current assets</b>			
Debtors	14	45,629	108,284
Cash at bank and in hand	19	1,822,778	731,212
		<u>1,868,407</u>	<u>839,496</u>
Creditors: amounts falling due within one year	15	(90,677)	(60,185)
<b>Net current assets</b>		<u>1,777,730</u>	<u>779,311</u>
<b>Total assets less current liabilities</b>		<u>2,569,452</u>	<u>2,403,802</u>
Defined benefit pension scheme asset	20	195,471	284,000
<b>Total net assets</b>		<u><u>2,764,923</u></u>	<u><u>2,687,802</u></u>
<b>Charity funds</b>			
Restricted funds	16	13,539	13,539
Unrestricted funds			
Unrestricted funds excluding pension asset	16	2,555,913	2,390,263
Pension reserve	16	195,471	284,000
Total unrestricted funds	16	<u>2,751,384</u>	<u>2,674,263</u>
<b>Total funds</b>		<u><u>2,764,923</u></u>	<u><u>2,687,802</u></u>

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

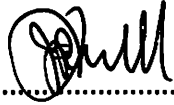
**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 00654913 (England & Wales)**

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**BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2021**

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The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....  
**James Lambu**  
Chair of the Board of Trustees

Date: 16-DEC-2022

The notes on pages 23 to 43 form part of these financial statements.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	<b>159,066</b>	<b>163,766</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		<b>30,750</b>	<b>37,571</b>
Purchase of tangible fixed assets		<b>(1,159)</b>	<b>(10,395)</b>
Gains on investments		<b>902,909</b>	<b>-</b>
		<hr/>	<hr/>
<b>Net cash provided by investing activities</b>		<b>932,500</b>	<b>27,176</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>1,091,566</b>	<b>190,942</b>
Cash and cash equivalents at the beginning of the year		<b>731,212</b>	<b>540,270</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	19	<b>1,822,778</b>	<b>731,212</b>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 43 form part of these financial statements

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

Worldwide Church of God is an incorporated Charity registered with the Charity Commission for England and Wales registration number 311098, and with OSCR in Scotland registration number SC040008. The company is registered in the UK, registration number 00654913.

The financial statements 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), and the Companies Act 2006.

Grace Communion International (Formerly Worldwide Church of God) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Charity's functional and presentational currency is British Pound Sterling (£) and is rounded to the nearest pound (£).

The following principal accounting policies have been applied.

**1.2 Company status**

The Charity is a company limited by guarantee. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £7 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are included in the Trustees Report on page 3.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**1. Accounting policies (continued)**

**1.3 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Collections and donations are accounted for when they are received.

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Direct costs are related support costs associated with preaching, pastoral care and the production and distribution of Charity literature. These are separately disclosed in the Statement of Financial Activities as Charitable Activities.

Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. Accounting policies (continued)**

**1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Historically the Charity has taught the principle of tithing (which is the donation of ten percent of one's net income for the Charity's unrestricted use). Most of the Charity revenue consists of such unrestricted donations. Donations are used for the publishing of Charity literature, assistance for members which are more in need, operating expenses of the annual Church festivals, ministerial activities and maintenance of buildings, as seems appropriate by Charity doctrine. Restricted funds comprise amounts donated for specific objectives. They are expended in furtherance of certain aspects of the Charity. In the Trustees' opinion, at 31 December 2021, all donations received for specific purposes had been expended in accordance with, and in furtherance of, their intended purposes with the exception of the restricted funds not yet utilised as detailed in note 16.

**1.6 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This consideration has taken into account the expected impact of Covid-19 and the current economic environment on the Charity, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

**1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

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**GRACE COMMUNION INTERNATIONAL (FORMERLY WORLDWIDE CHURCH OF GOD)**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. Accounting policies (continued)**

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.9 Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.10 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold buildings	- 4% on a straight-line basis
Motor vehicles	- 25% on a straight-line basis
Fixture and fittings	- 10% and 20% on a straight-line basis

Freehold land is not depreciated.

Profit on disposal of fixed assets are included in net expenditure for the year.

**1.11 Investments**

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. The Statement of Financial Activities includes the unrealised and realised gains and losses arising on revaluations and disposals throughout the year.

Investments held as fixed assets are shown at fair value.

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**1. Accounting policies (continued)**

**1.12 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.

**1.13 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.14 Creditors and provisions**

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.15 Pensions**

**Defined Contribution**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**Defined Benefit**

The Charity operates a defined benefit, fully insured pension scheme administered externally and the pension charge is based on a full actuarial valuation dated 19 May 2022 for the year ended 31 December 2021.

The scheme was closed to new entrants from 31 December 2002. Payments made to the funds are charged annually in these financial statements. The funds are actuarially valued on a regular basis by a qualified actuary, the rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

The amount charged to the Statement of Financial Activities is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations to the cost.

Any difference between amounts charged to the Statement of Financial Activities and contributions paid to the independent pension scheme is shown as a liability or asset at the balance sheet date. Further information on pension costs is shown in note 20.

A pension scheme asset is recognised in the Balance Sheet under FRS 102 to the extent that the Charity is able to recover the surplus through refunds or through a reduction in future contributions to the scheme.

**1.16 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.

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**1. Accounting policies (continued)**

**1.17 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**1) Defined benefit pension schemes valuation**

The FRS 102 valuation for the charitable company's Defined Benefit Pension Schemes is recognised in the Balance Sheet as an asset. This is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. This is sensitive to change in the assumptions made by the actuaries who have been appointed to value the schemes. See note 20 for the assumptions made for the pension commitments, and note 1.15 for the pensions accounting policies.

**2) Depreciation of tangible fixed assets**

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 12 for the carrying amount of the tangible fixed assets and note 1.10 for the useful economic lives for each class of assets.

**2. Donations and legacies**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Donations	506,292	506,292
Legacies	15,253	15,253
Gift aid	76,084	76,084
<b>Total 2021</b>	<b>597,629</b>	<b>597,629</b>

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2. Donations and legacies (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	513,005	513,005
Gift aid	75,593	75,593
<b>Total 2020</b>	<b>588,598</b>	<b>588,598</b>

3. Investment income

	<b><i>Unrestricted funds 2021 £</i></b>	<b><i>Total funds 2021 £</i></b>
Investment income	30,750	30,750
Pension income (note 11)	4,000	4,000
<b>Total 2021</b>	<b>34,750</b>	<b>34,750</b>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	37,571	37,571
Pension income (note 11)	9,000	9,000
<b>Total 2020</b>	<b>46,571</b>	<b>46,571</b>

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4. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	225	225	-

5. Charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Mileage and travel	41,261	41,261
Insurance	6,591	6,591
Other expenses	99,424	99,424
General assistance	16,150	16,150
Depreciation	20,176	20,176
Summer Educational Programme	10,395	10,395
Hall hire and rent	39,373	39,373
Wages and salaries	230,014	230,014
National insurance	21,225	21,225
Pension cost	199,975	199,975
<b>Total 2021</b>	<b>684,584</b>	<b>684,584</b>

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5. Charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Mileage and travel	7,978	7,978
Insurance	5,842	5,842
Other expenses	87,961	87,961
General assistance	8,285	8,285
Depreciation	18,987	18,987
Summer Educational Programme	7,638	7,638
Hall hire and rent	27,201	27,201
Wages and salaries	185,097	185,097
National insurance	15,437	15,437
Pension cost	6,225	6,225
<i>Total 2020</i>	<u>370,651</u>	<u>370,651</u>

6. Governance costs

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Auditors' remuneration	16,150	16,150
Professional fees	39,158	39,158
Board expenses	4,748	4,748
<b>Total 2021</b>	<u>60,056</u>	<u>60,056</u>

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6. Governance costs (continued)

	<i>Restated unrestricted funds 2020 £</i>	<i>Restated total funds 2020 £</i>
Auditors' remuneration	15,529	15,529
Professional fees	26,115	26,115
Board expenses	292	292
<i>Total 2020</i>	<u>41,936</u>	<u>41,936</u>

7. Net income/(expenditure)

This is stated after charging:

	<i>2021 £</i>	<i>2020 £</i>
Depreciation of tangible fixed assets	20,176	18,987
Operating lease rentals	<u>1,330</u>	<u>1,330</u>

8. Auditors' remuneration

The Auditor's remuneration comprises audit fees of £16,150 (2020: £15,529) and fees for other non-audit services of £3,730 (2020: £5,269). This includes fees for the Charity and its pension scheme.

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**9. Staff costs**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	230,014	185,097
Social security costs	21,225	15,437
Pension costs (note 20)	7,446	6,225
Provision for GMP equalisation	192,529	-
	<u>451,214</u>	<u>206,759</u>

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Persons employed	6	8
Stipendiary persons employed	7	6
	<u>13</u>	<u>14</u>

No employee received remuneration amounting to more than £60,000 in either year.

The Key Management Personnel of the Charity are deemed to be those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the Charity. The Key Management Personnel of the Charity comprise the National Ministry Team. The total employee benefits of the Key Management Personnel of the Charity (including employer national insurance and employer pension) amounted to £157,294 (2020: £126,015).

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020: £Nil).

During the year ended 31 December 2021, expenses totalling £3,089 were reimbursed or paid directly to 8 Trustees in respect of travel and subsistence (2020: £67 to 1 Trustee in respect of travel and subsistence).

Other related party transactions involving the Trustees are set out in note 22.

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**11. Pension finance income**

	2021 £	2020 £
Interest income on pension scheme assets	129,000	196,000
Interest on pension scheme liabilities	(125,000)	(187,000)
	4,000	9,000
	4,000	9,000

**12. Tangible fixed assets**

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2021	359,256	4,714	242,583	606,553
Additions	-	-	1,159	1,159
At 31 December 2021	359,256	4,714	243,742	607,712
<b>Depreciation</b>				
At 1 January 2021	191,776	4,714	210,552	407,042
Charge for the year	11,597	-	8,579	20,176
At 31 December 2021	203,373	4,714	219,131	427,218
<b>Net book value</b>				
At 31 December 2021	155,883	-	24,611	180,494
At 31 December 2020	167,480	-	32,031	199,511

Freehold land and buildings includes freehold land, the value of which is estimated by the Trustees as being £69,324 (2020: £69,324), which has not been depreciated.

The most recent valuation on 15 May 2018 indicated that the value of the property is £305,000.

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**13. Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 January 2021	1,424,980
Disposals	(902,909)
Revaluations	89,157
At 31 December 2021	<u>611,228</u>

The investments are invested in a number of investment funds including Clerical Medical Bonds, Canada Life Bonds and Newton Growth Fund.

**14. Debtors**

	<b>2021 £</b>	<b>2020 £</b>
VAT repayable	351	7,968
Other debtors	16,452	23,708
Prepayments and accrued income	28,826	76,608
	<u>45,629</u>	<u>108,284</u>

**15. Creditors: Amounts falling due within one year**

	<b>2021 £</b>	<b>2020 £</b>
Trade creditors	14,862	-
Other taxation and social security	35,487	24,563
Other creditors	10,414	10,407
Accruals	29,914	25,215
	<u>90,677</u>	<u>60,185</u>

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**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2021 £	Income £	Resources expended £	Gains/ (losses) £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>					
Charitable fund	2,390,263	628,604	(552,111)	89,157	2,555,913
Pension reserve (note 20)	284,000	4,000	(192,529)	100,000	195,471
	<u>2,674,263</u>	<u>632,604</u>	<u>(744,640)</u>	<u>189,157</u>	<u>2,751,384</u>
<b>Restricted funds</b>					
Restricted building fund	12,539	-	-	-	12,539
Restricted Africa fund	1,000	-	-	-	1,000
	<u>13,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,539</u>
<b>Total of funds</b>	<u><u>2,687,802</u></u>	<u><u>632,604</u></u>	<u><u>(744,640)</u></u>	<u><u>189,157</u></u>	<u><u>2,764,923</u></u>

**Unrestricted funds**

Charitable funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

**Restricted funds**

The restricted building fund represents the balance of unspent funds received towards property related expenditure.

The restricted Africa fund is funded by the Estate of I King and is to be used for work in Africa.

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**16. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Resources expended £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 December 2020 £</i>
<b>Unrestricted funds</b>					
Charitable fund	2,230,826	626,169	(437,587)	(29,145)	2,390,263
Pension reserve (note 20)	439,000	9,000	25,000	(189,000)	284,000
	<u>2,669,826</u>	<u>635,169</u>	<u>(412,587)</u>	<u>(218,145)</u>	<u>2,674,263</u>
<b>Restricted funds</b>					
Restricted building fund	12,539	-	-	-	12,539
Restricted Africa fund	1,000	-	-	-	1,000
	<u>13,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,539</u>
<b>Total of funds</b>	<u><u>2,683,365</u></u>	<u><u>635,169</u></u>	<u><u>(412,587)</u></u>	<u><u>(218,145)</u></u>	<u><u>2,687,802</u></u>

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	-	180,494	180,494
Fixed asset investments	-	611,228	611,228
Current assets	13,539	1,854,868	1,868,407
Current liabilities	-	(90,677)	(90,677)
Pension reserve	-	195,471	195,471
<b>Total</b>	<u><u>13,539</u></u>	<u><u>2,751,384</u></u>	<u><u>2,764,923</u></u>

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**17. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	199,511	199,511
Fixed asset investments	-	1,424,980	1,424,980
Current assets	13,539	825,957	839,496
Current liabilities	-	(60,185)	(60,185)
Pension reserve	-	284,000	284,000
<b>Total</b>	<b>13,539</b>	<b>2,674,263</b>	<b>2,687,802</b>

**18. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2021 £</b>	<b>2020 £</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(22,879)</b>	<b>193,437</b>
<b>Adjustments for:</b>		
Depreciation charges (note 12)	<b>20,176</b>	<b>18,987</b>
(Gains)/losses on investments	<b>(89,157)</b>	<b>29,145</b>
Interest and rents from investments (note 3)	<b>(30,750)</b>	<b>(37,571)</b>
Pension scheme finance income (note 11)	<b>(4,000)</b>	<b>(9,000)</b>
Decrease in net pension liability (note 20)	<b>192,529</b>	<b>-</b>
Pension scheme contributions by the employer (note 20)	<b>-</b>	<b>(25,000)</b>
Decrease/(increase) in debtors (note 14)	<b>62,655</b>	<b>(6,938)</b>
Increase in creditors (note 15)	<b>30,492</b>	<b>706</b>
<b>Net cash provided by operating activities</b>	<b>159,066</b>	<b>163,766</b>

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**19. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	1,822,778	731,212
<b>Total cash and cash equivalents</b>	<b>1,822,778</b>	<b>731,212</b>

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	731,212	1,091,566	1,822,778
	<b>731,212</b>	<b>1,091,566</b>	<b>1,822,778</b>

**20. Pension commitments**

**Defined contribution pension scheme**

The Charity is part of the NEST defined contribution pension scheme.

Contributions to the pension scheme recognised as an expense in the year was £7,446 (2020: £6,225).

**Defined benefit group stakeholder pension scheme**

The Charity operates a defined benefit group stakeholder pension scheme for its employees, which is funded.

The pension cost and asset for the year ending 31 December 2021 are based on the advice of a professionally qualified actuary. The most recent formal valuation is 19 May 2022.

The scheme was closed to new entrants with effect from 31 December 2002.

The defined contribution asset is allocated to unrestricted funds.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021 %	2020 %
Discount rate	1.80	1.30
Future pension increases	2.90	2.40
Consumer price inflation	2.90	2.40
RPI inflation	<b>3.80</b>	<b>3.30</b>

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**20. Pension commitments (continued)**

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>2021 Years</b>	<b>2020 Years</b>
Mortality rates (in years)		
- for a male aged 65 now	21.2	21.2
- at 65 for a male aged 45 now	22.9	22.9
- for a female aged 65 now	23.2	23.1
- at 65 for a female aged 45 now	25.0	25.0

The Charity's share of the assets in the scheme was:

	<b>Fair value at 31 December 2021 £</b>	<b>Fair value at 31 December 2020 £</b>
Equities (including property)	1,402,000	1,210,000
Bonds	463,000	572,000
Insured pensions	7,390,000	8,206,000
Cash	210,000	211,000
<b>Total fair value of assets</b>	<b>9,465,000</b>	<b>10,199,000</b>

The actual return on scheme assets was £174,000 (2021: £657,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2021 £</b>	<b>2020 £</b>
Interest income	(129,000)	(196,000)
Interest cost	125,000	187,000
Provision for GMP equalisation	192,529	-
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>188,529</b>	<b>(9,000)</b>

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20. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	9,915,000	9,623,000
Provision for GMP equalisation	192,529	-
Interest cost	125,000	187,000
Actuarial (gains)/losses	(403,000)	650,000
Benefits paid	(560,000)	(545,000)
<b>Closing defined benefit obligation</b>	<b>9,269,529</b>	<b>9,915,000</b>

Changes in the fair value of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	10,199,000	10,062,000
Interest income	129,000	196,000
Actuarial (losses)/gains	(303,000)	461,000
Benefits paid	(560,000)	(545,000)
Contributions by the employer	-	25,000
<b>Closing fair value of scheme assets</b>	<b>9,465,000</b>	<b>10,199,000</b>

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20. Pension commitments (continued)

Net Actuarial gains in the year amounted to £100,000 (2020: losses £189,000).

The Charity expects to contribute £24,900 to its Defined Benefit Pension Scheme in 2022.

Amounts for the current and previous year are as follows:

Defined benefit pension schemes

	2021 £	2020 £
Defined benefit obligation	(9,269,529)	(9,915,000)
Scheme assets	9,465,000	10,199,000
<b>Surplus</b>	<b>195,471</b>	<b>284,000</b>
Experience adjustments on scheme liabilities	403,000	(650,000)
Experience adjustments on scheme assets	(303,000)	461,000
	<u>100,000</u>	<u>(189,000)</u>

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**21. Operating lease commitments**

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<b>2020</b>
	£	£
Not later than 1 year	<b>270</b>	1,330
Later than 1 year and not later than 5 years	-	270
	<u><b>270</b></u>	<u>1,600</u>

**22. Related party transactions**

No related party transactions took place in the year ended 31 December 2021, other than those disclosed in note 9.

**23. Controlling party**

The Charity is ultimately controlled by the Board of Trustees.

**24. Company limited by guarantee**

The Charity is a Company limited by guarantee and does not have share capital.