

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

**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**GRACE COMMUNION INTERNATIONAL**

**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2023**

**Trustees**

James Lambu	(Chair)
Ray Walker	(Vice-Chair)
Gordon Brown	(Resigned 17 August 2024)
Linda Halford	(Resigned 26 August 2023)
Simon Williams	
Maureen Watson	
Hilary Buck	
James McIvor	

**Secretary**

Peter Sheppard (Resigned 5 March 2023)

**National Ministry Leader**

Gavin Henderson

**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

**Company Registered Number**

00654913 (England & Wales)

**Charity Registered Number**

311098 (England & Wales)  
SC040008 (Scotland)

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**REFERENCE AND ADMINISTRATIVE DETAILS (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Independent Auditor**

MHA Chartered Accountants  
Moorgate House  
201 Silbury Boulevard  
Milton Keynes  
MK9 1LZ

**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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**GRACE COMMUNION INTERNATIONAL**  
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**TRUSTEES REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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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 2023. 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), 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:

**Pastor 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 practise 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.

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**TRUSTEES REPORT (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**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 believes 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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**TRUSTEES REPORT (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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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 18 congregations or fellowship groups that meet weekly and a further 3 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 2023. In addition, every other month an in-house produced magazine called *Belong* was sent out in addition to the member letter. 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 magazine or the member letter that members receive, which has a circulation of over 600. The magazine is also available on our website.

We also produced a daily Bible study series in 2023, 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 2023, celebration events were held in Larbert, Galway, Hemel Hempstead, Bridlington and Paignton, and a conference was held via Zoom. In addition, a twelve-day summer camp for teenagers, called SEP, was held in Morfa Bay and a three-day activity camp for younger children, called Adventure Camp, 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 would not be able to provide its services.

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**TRUSTEES REPORT (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Finally, we are very appreciative of those who work with our Youth, particularly as there was a significant increase in campers for both SEP and Adventure Camp in 2023.

**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 ill health, not being near one of our congregations, or other reasons.

Examples of the social outreach the Church has engaged in during 2023 include putting on a Christmas Day dinner for people who do not have anywhere else to go, running a soup kitchen in Llanelli, and holding events to celebrate the King's coronation. On top of this, many of our congregations also donate food to their local food banks.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance Summary**

The Church has continued to provide national services via YouTube and Zoom as well as some online services on a congregational level too. For those without internet access, a number of our congregations arranged to send out CDs of sermons.

Fortnightly Bible studies took place via YouTube which included a Bible study series called "We Believe" that covers the core beliefs of the Christian faith. An accompanying two-part workbook is available free of charge for those who want to follow along.

The Church also sponsored several of our volunteers and employees in the area of theological education with Grace Communion Seminary, our accredited denominational seminary in the USA ([www.gcs.edu](http://www.gcs.edu)) and Ambassador College of Christian Ministry, our denominational seminary in Australia ([www.ambascol.org](http://www.ambascol.org)).

In 2023, we were able to hold our summer camp for teenagers, called SEP (24 July – 4 August 2023). The camp was held in Morfa Bay in Wales and ran for twelve days. We were pleased to be able to welcome 70 campers (up from 54 the year before). The camp featured a number of activities including daily worship, Christian living, leatherworking, a ceilidh, paddle-boarding, a mud assault course, caving and coasteering.

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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We were also pleased to be able to go ahead with our summer camp for children aged 7-13, called Adventure Camp (25-28 August 2023). Adventure camp welcomed 40 campers (up from 35 campers the year before) in 2023 to the Sir John Lowther Scouting centre in Kettering for the August Bank holiday weekend. The camp ran a number of activities such as daily worship, go-karting, tunnelling, archery, firecraft and tie-dying.

Celebration events were held in Hemel Hempstead (14-16 April 2023), Larbert (5-7<sup>th</sup> May 2023), Galway (7-10 September 2023), Bridlington (22-25 September 2023) and Paignton (9-16 October 2023) and each celebration had a different theme based on a Scripture. A mini-celebration was also held in Tullamore on the 18 June 2023 to provide a chance to meet up for our scattered members in the Republic of Ireland. These events featured both traditional worship services as well as seminars and fellowship events. The combined attendance over all events was over 150. Additionally, in January 2023, we held a Zoom conference for our ministry.

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 2023 regular International Life Clubs took place on Zoom and featured speakers from Africa, Asia, Europe and North America.

At the beginning of 2023 the Church requested that all of our congregations move to Sunday as their main day of worship with a target date for this transition of the end of 2024. This change will affect the majority of our congregations, which still meet on Saturday for historical reasons. This will help bring our congregations into alignment with the denomination internationally. The change will also remove a potential obstacle to new people attending our congregations. Several of our congregations made this change in 2023 and we are on track to complete the transition by the end of 2024. This change is likely to negative impact the Church's finances and Church attendance in the short term.

In June 2023 we also had a significant update of our Church website ([www.gracecom.church](http://www.gracecom.church)) which aimed to make the website more accessible, particularly on mobile devices as well as bring a more modern look and feel to the website.

Throughout 2023 we also held a series of community-based events in Market Harborough, where our office is based, with the aim of launching a Church plant. These events included: a quiz, an afternoon tea, a Barbeque, as well as a Christmas Day meal for those who are not able to spend Christmas with family or friends. In November 2024 our Northampton fellowship relocated to Market Harborough to help support the Church plant.

### **Administration & Management**

Our Regional Pastor for Wales, Central and Northern England, Anthony Dady, stepped down from his role in August 2023 to emigrate to New Zealand. We are very thankful to Anthony for his work and wish him well for the future.

In March 2023 the Board reviewed and updated the data protection policy of the Church. The Board and management also reviewed the safeguarding procedures of the Church. As part of this review training was given to staff and trustees, and a new database MyConcern was introduced to help securely record safeguarding incidents.

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### **Employment Tribunal**

In May 2024 the Church received the judgement of an Employment Tribunal relating to claims brought by an ex-employee. Whilst the vast majority of the claims brought were not upheld, several were. Whilst any finding that the Church fell short is regrettable, we take some comfort in that the three claims upheld were not of the most serious nature. A serious incident report was filed with the Charity commission in 2023 about the employment tribunal and kept up to date. Whilst the Church's solicitors advised that there were grounds to appeal these findings, the Board of Trustees decided it was in the best interests of the Charity to draw a line, learn the lessons that can be learnt, and dedicate the Church's time and effort to ministry.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **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 20 August 2022. This was an update made to reflect the new name of the Charity following the name being registered with both Companies House and the Charity Commission.

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

As set out in the Articles of Association there are a minimum of five Trustees and a maximum of eleven. As of 31 December 2023 there were seven 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 in the United Kingdom and Ireland.

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). The majority of our Trustees were able to attend a Safeguarding for Trustees seminar put on by 31:8, a safeguarding Charity that works with Churches.

#### **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.

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**TRUSTEES REPORT (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Trustee Changes in 2023**

In August 2023, Linda Halford stepped down as a Trustee having reached the end of her second term of office. The Church is very appreciative of the wisdom and insight that Linda contributed to the Board of Trustees during her term of service.

**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 policies of the Charity;
- determine strategic direction and objectives;
- ratify major decisions on and monitor the use of finances; and
- 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 2023 there were two sub-committees: one to appraise the National Ministry Leader's performance and another to determine the National Ministry Leader's remuneration.

**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. Gavin Henderson, the National Ministry Leader (NML) also serves as GCI HQ's Superintendent for Europe. This is a non-salaried position, though the Board of Trustees has agreed to help support some of the travel expenses associated with the role and to donate some of Gavin Henderson's employed time as NML to the role. The Board has agreed to regularly review this arrangement to ensure it is in the best interest of the Charity.

As part of this role the NML travelled to the Netherlands in April, Switzerland in June and Italy in August where he held seminars and meetings with the leaders of the GCI congregations in those countries as well as attending the GCI international celebration in the US (along with other delegates from the UK).

**Operational management**

The general management and strategic planning was delegated to the NML within the guidelines of the Board's Mission Statement and within the vision of the denomination. The NML reported regularly to the Board and to GCI HQ and was supported by his staff with whom he consulted regularly.

**Management Remuneration**

The NML's salary was determined by the Board based on a recommendation of a sub-committee consisting of Ray Walker, Simon Williams and Hilary Buck. The salaries of staff, set by the NML, were seen and approved by the Board of Trustees at the November 2022 Board meeting where the budget for 2023 was approved. GCI UK seeks to ensure that its staff are paid appropriately but not excessively.

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**TRUSTEES REPORT (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**FINANCIAL REVIEW**

GCI UK remains in good financial health as it has significant reserves. In 2023 the expenditure of the Charity was significantly above income and above budget. This was primarily due to a deficit recovery payment that was made into the Church's pension scheme and increased legal costs due to an employment tribunal.

The income of the Church dropped compared to previous years in 2023. This is, in part, a result of an ongoing decline in the donations received by the Church due to the age profile of the Church and its decreasing membership. There was a further drop in income at the end of 2023 which is likely a result of the liturgical changes being made in the Church (moving from Saturday to Sunday as the main day of worship).

**Fiscal Responsibility**

The Board of Trustees normally requires that the executive of GCI UK operate a balanced budget, based on the anticipated Income and Expenditure for the year. Since 2021 the Board has agreed that, given the Church's reserves, the Church could operate the next couple of years with expenditure in excess of income (within limits). This would allow the Church to invest in its future at a key moment for the Charity. The Board of Trustees regularly reviews the finances of the Charity and is keen for the Church to return to a balanced budget in future years.

The Board had determined that should income be in excess of expenditure (e.g. in the case of receipt of exceptional donations or legacies), these funds can be assigned to projects suggested by the NML to the Board of Trustees. Until then any funds in excess of budget should be invested to provide additional revenue for the Church in the future. Due to their uncertain nature, the Church does not budget for legacy income.

**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 (for 2023 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 2023 were significantly above the six months' 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.

At 31 December 2023 the total funds comprised:

Restricted	£12,539
Unrestricted: other	<u>£2,052,398</u>
Total	<u>£2,064,937</u>

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### **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 2023 in Newton's 'Growth and Investment fund for charities', CCLA Charities Ethical Investment fund and Epworth multi-asset fund as well as in Clerical Medical and Canada Life investment vehicles which had been received as part of a legacy in a prior year.

The Epworth corporate bonds fund was closed in April and at that point some of the Charity funds were transferred to the Epworth Cash plus account where they remained throughout the year.

The Church's investments 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 in the future (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 2023, 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 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 2023 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 2024.

### **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 2002. The last active member of the scheme retired in 2015 leaving only deferred members as non-insured liabilities. The pension scheme was in deficit as per the 31<sup>st</sup> December 2021 valuation (received in March 2023). Part of the reason for this deficit was the inclusion of costs relating to determining Guaranteed Minimum Pension equalisation for the scheme. As per the agreed recovery plan, the Church made a deficit reduction contribution in 2023 of £188,500 to eliminate the deficit in the pension scheme.

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**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 Leader 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.

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 are reviewed at regular intervals and updated as appropriate to reflect legislative changes and the latest developments in this area. In particular, the Church reviewed its data protection policy and procedures as well as its Safeguarding procedures.

The Board has identified three 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 pension scheme was closed to new members in 2002, 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. Finally, the last risk facing the Church is the loss of members due to disagreements on the Church's current doctrinal position (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**

The Church plans to continue to develop the four avenues of "healthy Church" as outlined in the objectives section of this report. This will be accomplished by creating a cohort for each avenue that meets regularly throughout the year for training and to help share thoughts and ideas that can be implemented within their congregation.

Our transition to Sunday as our main day of worship will be completed by the end of 2024 and our Regional Pastors are focused on providing support during this period for the congregations that still have to make this move. We will continue to explore ways in which we can support our members and contacts who are unable to make this transition with us.

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We have secured a new location for our SEP summer camp in 2024 at the Frontier Centre in Northamptonshire. Our hope is that by moving to this new location, and reducing the length of camp to 7 days, we will make camp more sustainable for the future (due to easier transport and lower costs). Adventure Camp will once again take place in 2024 in the same location as 2023, although we are actively investigating the possibility of holding a second Adventure Camp in another location at a different time of the year.

As in 2023, the Church is planning to hold Celebrations in Larbert, Galway, Tullamore, Hertfordshire, Bridlington and Paignton. We also plan on holding a weekend conference for our ministers and leaders in November 2024.

From an administrative perspective, the Board of Trustees will continue with its review of the Church's policies and as part of this the Management is planning to create a Volunteers' handbook in 2024 which gathers together in one place all the relevant policies for our volunteers. The Church already has a staff handbook for employees. Work will also continue to integrate the Church's existing websites into one unified site.

**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;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

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**GRACE COMMUNION INTERNATIONAL  
(A Company Limited by Guarantee)**

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**TRUSTEES REPORT (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

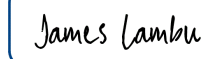
Each of the persons who are Trustees at the time when this Trustees' Report is approved confirm that:

- 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.

A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

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

Signed by:



.....0BEC3C478DD945F.....

**James Lambu**

Chair of the Board of Trustees

Date: september 24, 2024

9 The Point  
Rockingham Road  
Market Harborough  
Leicestershire  
LE16 7QU

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**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL**

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### **Opinion**

We have audited the financial statements of Grace Communion International (the 'Charity') for the year ended 31 December 2023 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 2023 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 Trustee's 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**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL**  
**(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 Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report included within the Trustee's 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 Trustee's 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 Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustee 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 Trustee's Report and from the requirement to prepare a Strategic Report.

**Responsibilities of Trustees**

As explained more fully in the Trustee's Responsibilities Statement set out on page 13, the Trustees (who are also the Directors of the Charitable Company 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**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL**  
**(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**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL**  
**(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.



**Elizabeth Newell BA (Hons) FCA (Senior Statutory Auditor)**

for and on behalf of  
**MHA (Statutory Auditors)**  
**Milton Keynes, United Kingdom**

Date: 25 September 2024

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

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

**GRACE COMMUNION INTERNATIONAL**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>					
Donations and legacies	3	-	488,334	488,334	570,311
Investments	4	-	64,029	64,029	16,985
<b>Total income</b>		-	<b>552,363</b>	<b>552,363</b>	587,296
<b>Expenditure on:</b>					
Charitable activities - (including pension 2023: £87,889 and 2022: £181,755)	5	1,000	871,157	872,157	854,407
<b>Total expenditure</b>		<b>1,000</b>	<b>871,157</b>	<b>872,157</b>	854,407
Net gains/(losses) on investments	12	-	159,204	159,204	(47,814)
<b>Net movement in funds before other recognised losses</b>		<b>(1,000)</b>	<b>(159,590)</b>	<b>(160,590)</b>	(314,925)
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(145,000)	(145,000)	116,000
<b>Net movement in funds</b>		<b>(1,000)</b>	<b>(304,590)</b>	<b>(305,590)</b>	(198,925)
<b>Reconciliation of funds:</b>					
Total funds brought forward		13,539	2,356,988	2,370,527	2,569,452
Net movement in funds		(1,000)	(304,590)	(305,590)	(198,925)
<b>Total funds carried forward</b>		<b>12,539</b>	<b>2,052,398</b>	<b>2,064,937</b>	2,370,527

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

The notes on pages 23 to 42 form part of these financial statements.

**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 00654913**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	154,719	164,935
Investments	12	1,822,618	1,663,414
		<u>1,977,337</u>	<u>1,828,349</u>
<b>Current assets</b>			
Debtors	13	87,857	49,069
Cash at bank and in hand	18	99,979	588,182
		<u>187,836</u>	<u>637,251</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(100,236)	(95,073)
		<u>87,600</u>	<u>542,178</u>
<b>Net current assets</b>		<u>87,600</u>	<u>542,178</u>
<b>Total net assets</b>		<u><u>2,064,937</u></u>	<u><u>2,370,527</u></u>
<b>Charity funds</b>			
Restricted funds	15	12,539	13,539
Unrestricted funds	15	2,052,398	2,356,988
<b>Total funds</b>		<u><u>2,064,937</u></u>	<u><u>2,370,527</u></u>

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**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 00654913**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2023**

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The Trustee acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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

Signed by:  
  
.....0BPC3C478DD943F.....  
**James Lambu**  
Chair of the Board of Trustees

Date: September 24, 2024

The notes on pages 23 to 42 form part of these financial statements.

**GRACE COMMUNION INTERNATIONAL**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	17	(510,360)	(141,675)
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		30,029	9,985
Proceeds from the sale of tangible fixed assets		-	(2,906)
Purchase of tangible fixed assets		(6,687)	-
Proceeds from sale of investments		23,147	-
Purchase of investments		(24,332)	(1,100,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>22,157</b>	<b>(1,092,921)</b>
<b>Cash flows from financing activities</b>			
<b>Change in cash and cash equivalents in the year</b>		<b>(488,203)</b>	<b>(1,234,596)</b>
Cash and cash equivalents at the beginning of the year		588,182	1,822,778
<b>Cash and cash equivalents at the end of the year</b>	18	<b>99,979</b>	588,182

The notes on pages 23 to 42 form part of these financial statements

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**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

Grace Communion International 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 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.

**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 investment income is recognised at the time the investment income is receivable.

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.

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**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

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.

**1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustee 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 who are more in need, operating expenses of the annual Church festivals, ministerial activities and maintenance of buildings, as seems appropriate as seems in line with our charitable purposes. 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 2023 all donations received for specific purposes had been expended in accordance with, and in furtherance of, their intended purposes with the exception of of the restricted funds not yet utilised as detailed in note 15.

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**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. Accounting policies (continued)**

**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 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.

**1.8 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.

**1.9 Tangible fixed assets and depreciation**

Tangible fixed assets costing £1,000 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.

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**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. Accounting policies (continued)**

**1.9 Tangible fixed assets and depreciation (continued)**

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.

**1.10 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.

**1.11 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.

**1.12 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.

**1.13 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.

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

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**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. Accounting policies (continued)**

**1.14 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 15 April 2024 for the year ended 31 December 2023.

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.

**1.15 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.

**2. 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.

**GRACE COMMUNION INTERNATIONAL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. Critical accounting estimates and areas of judgement (continued)**

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 1.14 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 11 for the carrying amount of the tangible fixed assets and note 1.9 for the useful economic lives for each class of assets.

**3. Donations and legacies**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Donations	433,185	<b>433,185</b>
Legacies	6,000	<b>6,000</b>
Gift aid	49,149	<b>49,149</b>
<b>Total 2023</b>	<b>488,334</b>	<b>488,334</b>

**GRACE COMMUNION INTERNATIONAL**  
(A Company Limited by Guarantee)

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**3. Donations and legacies (continued)**

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	473,411	473,411
Legacies	33,148	33,148
Gift aid	63,752	63,752
<b>Total 2022</b>	<u>570,311</u>	<u>570,311</u>

**4. Investment income**

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	30,029	<b>30,029</b>
Pension income (note 10)	34,000	<b>34,000</b>
<b>Total 2023</b>	<u>64,029</u>	<u><b>64,029</b></u>

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	9,985	9,985
Pension income (note 10)	7,000	7,000
<b>Total 2022</b>	<u>16,985</u>	<u>16,985</u>

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**5. Analysis of expenditure by Charitable activities**

	<b>Activities undertaken directly 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total funds 2023 £</b>
Charitable activities	650,957	221,200	<b>872,157</b>

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Charitable activities	743,098	111,308	854,406

**Analysis of direct costs**

	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Mileage and travel	<b>83,089</b>	85,422
Other expenses	<b>15,121</b>	12,654
General assistance	<b>19,624</b>	18,029
Depreciation	<b>16,903</b>	18,465
Summer Educational Programme	<b>73,227</b>	48,153
Hall hire and rent	<b>65,656</b>	66,027
Field conferences	<b>2,552</b>	19,164
Printing, postage and stationery	<b>5,908</b>	5,879
Staff costs	<b>262,776</b>	268,435
Young Peoples Ministry, website expenses and professional development	<b>12,851</b>	13,680
Governance costs	<b>15,250</b>	14,190
Pension asset derecognition	<b>78,000</b>	173,000
	<b>650,957</b>	743,098

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**5. Analysis of expenditure by Charitable activities (continued)**

**Analysis of support costs**

	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Mileage and travel	-	43
Insurance	<b>4,236</b>	7,181
Other expenses	<b>25,775</b>	31,990
Summer Educational Programme	<b>842</b>	2,149
Printing, postage and stationery	<b>576</b>	378
Staff costs	<b>4,831</b>	7,816
Young Peoples Ministry, website expenses and professional development	<b>8,175</b>	7,388
Professional fees	<b>171,262</b>	50,028
Governance costs	<b>5,503</b>	4,335
	<b>221,200</b>	111,308

Professional fees have increased due to an employment tribunal.

**6. Net income/(expenditure)**

This is stated after charging:

	<b>2023 £</b>	<b>2022 £</b>
Depreciation of tangible fixed assets	<b>16,903</b>	19,806
Operating lease rentals	-	270

**7. Auditors' remuneration**

The Auditor's remuneration comprises audit fees of £15,250 (2022: £14,190) and fees for other non-audit services of £3,850 (2022: £3,310). This includes fees for the Charity and its pension scheme.

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**8. Staff costs**

Staff costs were as follows:

	<b>2023</b>	2022
	£	£
Wages and salaries	<b>236,632</b>	242,271
Social security costs	<b>22,698</b>	25,225
Pension costs (note 20)	<b>8,277</b>	8,755
Pension asset derecognition (note 20)	<b>78,000</b>	173,000
	<b>345,607</b>	449,251

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

	<b>2023</b>	2022
	No.	No.
Persons employed	<b>6</b>	5
Stipendiary persons employed	<b>6</b>	7
	<b>12</b>	12

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 £212,900 (2022: £202,716).

**9. Trustee's remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022: Nil).

During the year ended 31 December 2023, expenses totalling £5,417 were reimbursed or paid directly to 3 Trustees in respect of travel and subsistence (2022: £4,326 to 8 Trustees in respect of training, travel and subsistence).

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

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**10. Pension finance income**

	2023 £	2022 £
Interest income on pension scheme assets	400,000	176,000
Interest on pension scheme liabilities	(366,000)	(169,000)
	<u>34,000</u>	<u>7,000</u>

**11. Tangible fixed assets**

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2023	359,256	4,714	246,648	610,618
Additions	-	-	6,687	6,687
Disposals	-	(764)	(74,906)	(75,670)
At 31 December 2023	<u>359,256</u>	<u>3,950</u>	<u>178,429</u>	<u>541,635</u>
<b>Depreciation</b>				
At 1 January 2023	214,970	4,714	225,999	445,683
Charge for the year	11,597	-	5,306	16,903
On disposals	-	(764)	(74,906)	(75,670)
At 31 December 2023	<u>226,567</u>	<u>3,950</u>	<u>156,399</u>	<u>386,916</u>
<b>Net book value</b>				
At 31 December 2023	<u>132,689</u>	<u>-</u>	<u>22,030</u>	<u>154,719</u>
At 31 December 2022	<u>144,286</u>	<u>-</u>	<u>20,649</u>	<u>164,935</u>

Freehold land and buildings includes freehold land, the value of which is estimated by the Trustees as being £69,324 (2022: £69,324), which has not been depreciated.

The most recent valuation on 12 July 2022 indicated that the value of the property is £305,000, per the accounting policy 1.9 the property is held at cost less depreciation.

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**12. Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 January 2023	1,663,414
Additions	24,332
Disposals	(23,147)
Revaluations	158,019
At 31 December 2023	1,822,618

The investments are invested in a number of investment funds including Clerical Medical Bonds, Canada Life Bonds, Newton Growth Fund, Epworth Cash Plus Fund and CCLA COIF Charities Ethical Investment Fund.

**13. Debtors**

	<b>2023 £</b>	2022 £
VAT repayable	-	6,070
Other debtors	24,372	17,831
Prepayments and accrued income	63,485	25,168
	87,857	49,069

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

	<b>2023 £</b>	2022 £
Trade creditors	-	300
Other taxation and social security	31,212	33,099
Other creditors	10,407	10,786
Accruals	58,617	50,888
	100,236	95,073

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2023 £	Income £	Resources expended £	Gains/ (losses) £	Balance at 31 December 2023 £
<b>Unrestricted funds</b>					
Charitable fund	2,356,988	518,363	(982,157)	159,204	2,052,398
Pension reserve	-	34,000	111,000	(145,000)	-
	<u>2,356,988</u>	<u>552,363</u>	<u>(871,157)</u>	<u>14,204</u>	<u>2,052,398</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>(1,000)</u>	<u>-</u>	<u>12,539</u>
<b>Total of funds</b>	<u><u>2,370,527</u></u>	<u><u>552,363</u></u>	<u><u>(872,157)</u></u>	<u><u>14,204</u></u>	<u><u>2,064,937</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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**15. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 January 2022 £	Income £	Resources expended £	Gains/ (losses) £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>					
Charitable fund	2,555,913	580,296	(731,407)	(47,814)	2,356,988
Pension reserve	-	7,000	(123,000)	116,000	-
	<u>2,555,913</u>	<u>587,296</u>	<u>(854,407)</u>	<u>68,186</u>	<u>2,356,988</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>2,569,452</u></u>	<u><u>587,296</u></u>	<u><u>(854,407)</u></u>	<u><u>68,186</u></u>	<u><u>2,370,527</u></u>

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

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

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	154,719	<b>154,719</b>
Fixed asset investments	-	1,822,618	<b>1,822,618</b>
Current assets	12,539	175,297	<b>187,836</b>
Current liabilities	-	(100,236)	<b>(100,236)</b>
<b>Total 2023</b>	<u><u>12,539</u></u>	<u><u>2,052,398</u></u>	<u><u><b>2,064,937</b></u></u>

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

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

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	164,935	164,935
Fixed asset investments	-	1,663,414	1,663,414
Current assets	13,539	623,712	637,251
Current liabilities	-	(95,073)	(95,073)
<b>Total 2022</b>	<b>13,539</b>	<b>2,356,988</b>	<b>2,370,527</b>

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(160,590)</b>	(314,925)
<b>Adjustments for:</b>		
Depreciation charges (note 11)	<b>16,903</b>	18,465
(Losses)/gains on investments (note 12)	<b>(158,019)</b>	47,814
Interest and rents from investments (note 4)	<b>(30,029)</b>	(9,985)
Pension scheme finance income (note 10)	<b>(34,000)</b>	(7,000)
Decrease in net pension asset (note 20)	<b>78,000</b>	173,000
Pension scheme contributions by the employer (note 20)	<b>(189,000)</b>	(50,000)
Increase in debtors (note 13)	<b>(38,788)</b>	(3,440)
Increase in creditors (note 14)	<b>5,163</b>	4,396
<b>Net cash used in operating activities</b>	<b>(510,360)</b>	(141,675)

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**18. Analysis of cash and cash equivalents**

	2023 £	2022 £
Cash in hand	99,979	588,182
<b>Total cash and cash equivalents</b>	<b>99,979</b>	<b>588,182</b>

**19. Analysis of changes in net debt**

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	588,182	(488,203)	99,979
	<b>588,182</b>	<b>(488,203)</b>	<b>99,979</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 £8,277 (2022: £8,555).

**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 2023 are based on the advice of a professionally qualified actuary. The most recent formal valuation is at 31 December 2023.

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

The defined contribution asset is allocated to unrestricted funds.

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**20. Pension commitments (continued)**

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

	<b>At 31 December 2023</b>	At 31 December 2022
	%	%
Discount rate	<b>4.80</b>	5.10
Future pension increases	<b>2.50</b>	2.60
Consumer price inflation	<b>2.50</b>	2.60
RPI inflation	<b>3.40</b>	3.50

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

	<b>At 31 December 2023</b>	At 31 December 2022
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	<b>21.6</b>	22.3
- at 65 for a male aged 45 now	<b>23.2</b>	24.0
- for a female aged 65 now	<b>24.8</b>	25.4
- at 65 for a female aged 45 now	<b>26.5</b>	27.1

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

	<b>Fair value at 31 December 2023</b>	Fair value at 31 December 2022
	£	£
Equities (including property)	<b>1,294,000</b>	1,268,000
Bonds	<b>659,000</b>	583,000
Insured pensions	<b>5,712,000</b>	5,931,000
Cash	<b>171,000</b>	269,000
<b>Total fair value of assets</b>	<b>7,836,000</b>	8,051,000

The actual return on scheme assets was £210,000 gain (2022: £858,000 loss).

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**20. Pension commitments (continued)**

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

	2023 £	2022 £
Interest income	400,000	176,000
Interest cost	(366,000)	(169,000)
Movement in derecognition of scheme asset	(78,000)	(173,000)
Contribution by employer	189,000	50,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>145,000</b>	<b>(116,000)</b>

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

	2023 £	2022 £
Opening defined benefit obligation	9,269,529	9,269,529
Interest cost	366,000	169,000
Actuarial gains	(1,632,000)	(1,150,000)
Benefits paid	(614,000)	(606,000)
<b>Closing defined benefit obligation</b>	<b>7,389,529</b>	<b>7,682,529</b>

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2023 £	2022 £
Opening fair value of scheme assets	8,051,000	9,465,000
Interest income	400,000	176,000
Actuarial losses	(190,000)	(1,034,000)
Benefits paid	(614,000)	(606,000)
Contributions by the employer	189,000	50,000
<b>Closing fair value of scheme assets</b>	<b>7,836,000</b>	<b>8,051,000</b>

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	2023 £	2022 £
Defined benefit obligation	(7,389,529)	(7,682,529)
Scheme assets	7,836,000	8,051,000
Derecognition of surplus	(639,000)	(561,000)
Provision for GMP equalisation	192,529	192,529
<b>Provision carried forward</b>	<b>-</b>	<b>-</b>

The actuarial reports in terms of the Defined Benefit Pension Scheme suggest a surplus of assets over liabilities of £639,000. In accordance with FRS102, a pension scheme asset is only recognised to the extent that it is recoverable. As the Charity cannot demonstrate that this asset is recoverable via a cash payment or reduction in future premiums it has not been recognised in the primary statements. A £Nil position has been reflected.

	2023 £	2022 £
Experience adjustments on scheme liabilities	1,632,000	1,150,000
Experience adjustments on scheme assets	(190,000)	(1,034,000)
<b>Net Actuarial gains</b>	<b>1,442,000</b>	<b>116,000</b>

The Charity does not expect to make any contributions to its Defined Benefit Pension Scheme in 2024.

## 21. Operating lease commitments

At 31 December 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	2,564	2,564
Later than 1 year and not later than 5 years	5,172	7,736
	<b>7,736</b>	<b>10,300</b>

## 22. Related party transactions

Other than expenses paid to the Trustees as per note 9, no related party transactions took place in the year ended 31 December 2023.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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.