

Charity Registration No. 292082

UNIVERSAL PENTECOSTAL CHURCH
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Lake & Co
Chartered Accountants
25A Kenton Park Parade
Kenton
Harrow
Middlesex HA3 8DN

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Pastor Vaithialingam Rudran Sister Rachel George Mr Mark Jeyaseelan Abraham Mrs Folasade Lawson Brother Asharoshan Selvarajah Chandradarshan
President	Pastor Vaithialingam Rudran
Secretary	Sister Rachel George
Treasurer	Brother Asharoshan Selvarajah Chandradarshan
Charity number	292082
Principal address	20 Acre Lane Brixton London SW2 5SG
Auditors	Lake & Co Chartered Accountants and Statutory Auditors 25A Kenton Park Parade Kenton Harrow Middlesex HA3 8DN
Bankers	Lloyds Bank plc 3 St Georges Road Wimbledon London SW19 8AQ
Solicitors	McGlennons Solicitors 157 Arthur Road London SW19 8AD

UNIVERSAL PENTECOSTAL CHURCH

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UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by the Governing Board of Trustees constituted in accordance with The Constitution of the Universal Pentecostal Church, filed with the Charity Commission.

The Governing Board of Trustees consists of three Ministers of the Church and two lay members appointed by the President.

According to the Constitution, the Ministers who serve the Church shall be men and women who have lived as believers with a good report in the Church, are Spirit-Baptised and have dedicated themselves to full time service in the Church. They have resigned from all secular employment and sold all their possessions and laid them at the Apostles' feet. The Ministers shall do voluntary service, receiving no remuneration in the form of salary. The Ministers are maintained by the voluntary offerings and tithes of the Church and well-wishers.

The lay members of the Church consist of such adults who have repented for their sins and received remission of sin and have taken immersion baptism at the hands of a Spirit-Baptised Minister and accept the Doctrines, Practices and Constitution of the Church. The two Trustees are appointed by the President, from among the lay members, based on their experience.

The Universal Pentecostal Church has its principal church in Brixton with six branches at North London, East London, Southall, Leicester, Liverpool and Newport. Each branch church is operated by a Minister appointed by the President to look after the spiritual welfare of its believers and to manage its operations at local level.

The government and conduct of affairs of the Charity are vested in the Governing Board of Trustees. The Trustees are aware of their responsibilities as Charity Trustees and collectively get independent professional advice in areas such as governance, the law and finance. This is either on a pro-bono basis or at the charity's expense if needed for the board of Trustees to discharge its duties.

The Universal Pentecostal Church is an international church. The international headquarters is in India. Apart from India and Britain it has established itself in other parts of Europe, America, Canada, Africa, the Far East and Australasia.

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed, and procedures have been established to manage those risks.

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

OBJECTIVES AND ACTIVITIES

Objects

The object of the Church as set out in The Constitution is furtherance of the Christian Faith through the spread of the Gospel of Jesus Christ as found in the Holy Bible and to provide good living by Christian values and knowledge.

Aims

The main aims of the Universal Pentecostal Church as set out in the Constitution are:

To facilitate the worship of Almighty God through its services and the teachings of Jesus Christ and to provide for the needs of its believers.

To preserve the practice of Christianity found in the Gospel of Jesus Christ so that it will remain available to people everywhere.

To protect the standards and values of the Church.

To encourage peace, harmony and understanding between peoples regardless of their age or ethnic origin.

To make freely available information on the teachings of Jesus Christ.

Activities during the year

When planning our activities for the year the Trustees have considered the Charity Commission guidance on public benefit and in particular, the specific guidance on Charities for the Advancement of Religion.

The main activities during the year were its religious and spiritual services conducted by Ministers and lay members for the benefit of its believers, well wishers and the public.

The Church has regular gatherings for all on Saturday, Sunday and on other days of the week. These events are conducted in halls owned by the Church and other rented venues. At present, the Church owns halls at Brixton, Leicester, North London and Newport. All meetings are open to the public and we welcome people regardless of their beliefs or social status.

House Groups

Every month the Church minister conducts gatherings for isolated believers. The Church sees these ministries as an encouragement for the believers and an opportunity to plant a new full time ministry.

Old Peoples Home Visits

The Ministers of the Church visit retirement homes, nursing homes and hospices regularly for the spiritual welfare of the residents and the staff there. These visits enable the elderly to feel that they are part of the community, and not cut-off from the outside world.

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

European Ministry

The Church has a regular programme to introduce its believers to those in other European countries and to conduct meetings there. They share the Good News of the Gospel and give personal testimonies of how the Lord Jesus has transformed their lives. Many who attend are in need of comfort and assurances that there is a living God who is alive and understands how they feel and answers their prayers. Some believers are lonely as they have had to flee their own countries, friends and relatives and are in need of the knowledge of the reality of the presence of God and His love for them.

Revival Meetings and Conventions

The Church organises Revival Meetings and Conventions annually to introduce Jesus Christ and His teachings to those who are not aware of His precious words of life and truth, of forgiveness and peace.

Religious Camps

During the year the Church organised: Young Adults Camp (ages 26 - 46), Youth and Teens Camp (ages 13 - 25) and Mini Camp (ages 8 - 12). The Camps conduct activities which are spiritual, religious and based on the Bible teachings. This was another successful year for the camps and facilities were made available to everyone without any charge.

Sunday classes for various age groups

Each Sunday there are classes for children and youth (ages 3 - 25), young adults (ages 26 - 46) and the rest of the ages. The Ministers impart knowledge on the Bible teachings, which include restoring Christian values and standards, with a desire that young people will grow up to be good examples to others and to be faithful citizens.

Counselling

The Charity provides faith based counselling required within the family unit for youth and young adults.

Magazine Ministry

The Charity publishes and circulates quarterly magazines which contains spiritual articles, Bible studies and testimonial.

Volunteers

All the charitable activities of the Universal Pentecostal Church are carried out by Ministers and members of the Church, who volunteer their services. They assist with the day to day operation of the Church, Conventions, Revival Meetings, Camps and various other spiritual activities and events taking place. The total number of Ministers are 31.

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

Achievements and performance

Financial review

Each branch Church manages its own financial affairs with income being derived from its believers by way of donations given freely. The Charity provides for the maintenance of its Churches and for the well-being of its Ministers and volunteers.

The Statement of Financial Activities shows net income for the year of £490,784 (2017: £599,915). The principal source of income is voluntary income of donations received from its believers and members of the Churches. The Church gave donations toward missionary work totalling £65,612 (2017: £86,280), principally to our sister Churches in India, Europe and Africa. Donations received from our sister church in Switzerland have been offset against the contributions given towards missionary work in the year of receipt.

The Statement of Financial Activities and Income and Expenditure shows an overall net surplus for the year of £490,784 (2017: £599,915).

The total unrestricted funds amounts to £8,473,404 (2017: £7,982,620).

During the year, the Charity carried out major refurbishment works to its Brixton property. Other maintenance works have been undertaken during the year at all Churches so that the buildings continue to function and to be compliant in accordance with statutory regulations.

Reserves policy

Our reserves policy mandates an adequate level of funds to be held by all church branches. This is to ensure that the Church is able to discharge its financial commitments, day to day operations, sustain the upkeep of the Church properties and to provide for the needs of the Ministers and the volunteers over the short term. Surplus funds are passed on to the principal Church in Brixton as tithes or inter church donations. The Charity invests funds in short term deposits with the Bank which earns interest.

The Board of Trustees are mindful of the need to acquire additional halls suitable for its Ministers and believers to practice their faith, and during the year purchased faith homes in Liverpool and Newport.

The Church continues to support its Churches abroad.

Funding sources

Principal funding sources continue to be voluntary unrestricted donations from its believers and donors.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three to six months expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities. The level of reserves has been maintained throughout the year.

UNIVERSAL PENTECOSTAL CHURCH

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

Funding sources - continued

Donations made under Gift Aid by tax paying members benefit the Charity with an extra £25 tax refund for every £100 donated. The tax recovered from the Gift Aid scheme amounted to £120,676 (2017: £124,673) out of total donations received of £1,394,091 (2017: £1,350,065) during the year.

Statement of Trustees' responsibilities

The Trustees 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).

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

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

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

In so far as the Trustees are aware:

- i) there is no relevant audit information of which the Charity's auditors are unaware; and
- ii) The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board of Trustees

.....

Sister Rachel George

Secretary

Dated : 22 August 2018

UNIVERSAL PENTECOSTAL CHURCH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF UNIVERSAL PENTECOSTAL CHURCH

We have audited the financial statements of the Universal Pentecostal Church for the year ended 31 March 2018 set out on pages 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of Trustees' responsibilities set out on page 5, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Universal Pentecostal Church as at 31 March 2018 and of its incoming resources and application of resources, including 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 Charities Act 2011.

UNIVERSAL PENTECOSTAL CHURCH

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE TRUSTEES OF UNIVERSAL PENTECOSTAL CHURCH

Matter on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Satish Lakhani (Senior Statutory Auditor)
for and on behalf of Lake & Co
Chartered Accountants and Registered Auditors
25A Kenton Park Parade
Kenton
Harrow
Middlesex HA3 8DN

Dated : 22 August 2018

UNIVERSAL PENTECOSTAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted Total 2018 £	Unrestricted Total 2017 £
<u>Incoming resources from generated funds</u>			
Donations and gifts	2	1,394,091	1,350,065
Investment income	3	13,107	4,780
		1,407,198	1,354,845
Other incoming resources	4	- 8,140	37
Total incoming resources		1,399,058	1,354,882
<u>Resources expended</u>			
Charitable activities			
Charitable activities expenditure		893,274	737,979
Governance costs		15,000	16,988
Total resources expended	5	908,274	754,967
Net incoming resources for the year		490,784	599,915
Net movement in funds		490,784	599,915
Reconciliation of Funds			
Fund balances at 1 April 2017		7,982,620	7,382,705
Fund balances at 31 March 2018	10	8,473,404	7,982,620

UNIVERSAL PENTECOSTAL CHURCH

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	6		5,891,698		5,196,353
Current assets					
Debtors	7	276,669		146,954	
Cash at bank and in hand	8	2,321,187		2,657,167	
		<u>2,597,856</u>		<u>2,804,121</u>	
Creditors					
Amounts falling due within one year	9	<u>- 16,150</u>		<u>- 17,854</u>	
Net current assets			<u>2,581,706</u>		<u>2,786,267</u>
Total assets less current liabilities			<u>8,473,404</u>		<u>7,982,620</u>
Income funds					
Unrestricted funds	10		<u>8,473,404</u>		<u>7,982,620</u>
Total Charity funds			<u>8,473,404</u>		<u>7,982,620</u>

Approved by the board of trustees on 22 August+A24 2018

..... **President**
Pastor Vaithialingam Rudran

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard for Smaller Entities (effective April 2008), Accounting and Reporting by Charities - Statement of Recommended Practice (SORP 2005) and the Charities (Accounts and Reports) Regulations 2008.

1.2 Fund accounting

Unrestricted funds are funds that can be used for any purpose within the Charity's objectives or at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. The charity has not received restricted funds during the year.

1.3 Incoming resources

Incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and it can be quantified with reasonable certainty. No amounts are included in the financial statements for services donated by the volunteers.

Voluntary income

Voluntary income is received by way of donations, gifts and grants and are accounted for when funds are received. Grants where entitlement is not conditional on the delivery of a specific performance of the Charity are recognised when the Charity becomes unconditionally entitled to the grant.

Gift Aid is included in the financial statements based on amounts recoverable at the balance sheet date.

Investment income

Investment income is accounted for on an accruals basis.

Other incoming resources

Profit on sale of fixed assets has been recognised on exchange of a non-conditional contract.

1.4 Resources expended

Expenditure is accounted for on an accrual basis and is classified under the relevant activity within the Statement of Financial Activities. Irrecoverable VAT is included within the expense item to which it relates. Resources expended comprise of:

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

1.4 Resources expended - continued

Costs of generating funds

The cost of generating voluntary income represent central support costs, directly attributable overheads and those costs of an indirect nature necessary to support them. Missionary work expenses and donations includes support for the churches abroad and where such support is then returned, this is off set against cost in the year of receipt.

Governance costs

Governance costs are costs associated with meeting the constitutional and statutory requirements of the charity including audit fees, professional fees and are linked to strategic management of the charity.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land and building are stated at cost less depreciation. Only assets over £500 are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% per annum on reducing balance basis
Motor vehicles	25% per annum on reducing balance basis

No depreciation is provided on freehold land and building used for the Charity's activities. It is the Charity's policy to maintain these properties in continuous state of sound repair and to improve the properties from time to time, and accordingly, it is considered that the anticipated useful life of the properties is such that any charge for depreciation would be insignificant.

1.6 Lease

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

1.7 Taxation

The activities of the Charity are exempt from corporation tax under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objects.

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

2 Donations and gifts: Unrestricted funds

	2018	2017
	£	£
Donations and gifts	1,273,415	1,225,392
Gift Aid donations	120,676	124,673
	<u>1,394,091</u>	<u>1,350,065</u>

3 Investment income

	2018	2017
	£	£
Interest receivable	<u>13,107</u>	<u>4,780</u>

4 Other incoming resources

	2018	2017
	£	£
Net (Loss)/gain on disposal of fixed assets	<u>- 8,140</u>	<u>37</u>

5 Total resources expended: Unrestricted funds

	Missionary		Total	Total
	work &	Charitable	2018	2017
	donations	expenditure	£	£
	£	£		
Charitable activities				
<u>Charitable activities expenditure</u>				
Missionary work and donations (UK & overseas)	65,612	-	65,612	86,280
Activities undertaken directly	-	827,662	827,662	651,699
	<u>65,612</u>	<u>827,662</u>	<u>893,274</u>	<u>737,979</u>
 Governance costs				
	-	15,000	15,000	16,988
	<u>65,612</u>	<u>842,662</u>	<u>908,274</u>	<u>754,967</u>

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

5 Total resources expended: Unrestricted funds (continued)

Direct charitable expenditure

	2018	2017
	£	£
Faith Homes household expenses	149,780	128,567
Motor and travelling expenses	177,774	184,830
Rent & rates	213,986	146,355
Insurance	11,405	11,144
Repairs & renewals	164,062	87,426
Light & heat	26,961	27,497
Literature & publications	22,199	10,140
Printing, post and stationery	10,030	10,271
Telephone	14,910	14,350
Bank charges	255	266
Depreciation	36,300	30,853
	<u>827,662</u>	<u>651,699</u>

Governance costs

	2018	2017
	£	£
Auditors Remuneration	15,000	15,000
Legal and professional fees	-	1,988
	<u>15,000</u>	<u>16,988</u>

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

6 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost:				
At 1 April 2017	5,075,345	255,977	126,377	5,457,699
Additions	669,420	33,755	42,210	745,385
Disposals	-	-	36,985	36,985
At 31 March 2018	5,744,765	289,732	131,602	6,166,099
Depreciation:				
At 1 April 2017	-	195,549	65,797	261,346
Charge for year	-	14,038	22,262	36,300
Disposals	-	-	23,245	23,245
At 31 March 2018	-	209,587	64,814	274,401
Net Book Value:				
At 31 March 2018	5,744,765	80,145	66,788	5,891,698
At 31 March 2017	5,075,345	60,428	60,580	5,196,353

7 Debtors

	2018 £	2017 £
Income tax recoverable	245,349	124,673
Other debtors	-	2,782
Prepayments and accrued income	31,320	19,499
	276,669	146,954

8 Cash at bank and in hand

	2018 £	2017 £
Bank deposit account	2,255,469	2,597,476
Bank current account	57,120	52,377
Cash in hand	8,598	7,314
	2,321,187	2,657,167

UNIVERSAL PENTECOSTAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2018

9	Creditors: amounts falling due within one year		
		2018	2017
		£	£
	Other creditors	<u>16,150</u>	<u>17,854</u>
10	Funds		
			2018
			£
	Unrestricted Fund Reserves		
	Balance as at 1 April 2017		7,982,620
	Surplus of funds for the year		490,784
			<u>8,473,404</u>
11	Capital commitments		
		2018	2017
		£	£
	At 31 March 2018 the Charity had capital commitments as follows:		
	Expenditure contracted for but not provided in the accounts	<u>-</u>	<u>-</u>

12 Related parties

The Charity is controlled by the Board of Trustees.

