



COUNTIES

(Formerly Counties Evangelistic Work)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

Charity registration number: 264278

Company registration number: 1041761



COUNTIES (Formerly Counties Evangelistic Work)

YEAR ENDED 30 SEPTEMBER 2017



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COUNTIES (Formerly Counties Evangelistic Work)

YEAR ENDED 30 SEPTEMBER 2017



LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES:

R Barnett
S R Bennett
R J Brind
R E Canham (Chair)
G J Davies (retired 26 April 2017)
J Davies (appointed 5 October 2017)
J K Hyde
P A Jack (retired 31 October 2016)
S McQuoid
P Sparkes
C Taylor
J M Webber
J Wilkes (appointed 6 October 2016)

CHIEF EXECUTIVE OFFICER

J G Martin Erwin

OPERATIONS MANAGER

J Brooks-Martin

REGISTERED OFFICE

30 Haynes Road
Westbury
BA13 3HD

BANKERS

Barclays Bank plc
32 Market Place
Warminster, BA12 9AR

SOLICITORS

Loosemores
Alliance House
18/19 High Street
Cardiff, CF101PT

INDEPENDENT EXAMINER

Ed Marsh FCA DChA
Burton Sweet
The Clock Tower, 5 Farleigh Court
Old Weston Road, Flax Bourton
BRISTOL, BS48 1UR

INVESTMENT BROKERS AND ADVISERS

Brewin Dolphin Securities Ltd
12 Smithfield Street
London, EC1A 9BD

COUNTIES (Formerly Counties Evangelistic Work)



REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2017

The trustees, who are also Directors for the purposes of the Companies Act, submit their Annual Report and the financial statements for the year ended 30 September 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (FRS 102 2016) Accounting and Reporting by Charities in preparing the annual report. The financial statements have been prepared in accordance with the accounting policies set out on pages 14 and 15 and comply with the charity's governing documentation and applicable law.

Constitution

The charity is a charitable company, Counties (formerly Counties Evangelistic Work), number 1041761, but is known publicly as Counties. The charity (registered number 264278) was founded in 1899 and was set up as a company on 9 February 1972, limited by guarantee. It is governed by the Memorandum and Articles of Association.

Objects

The object of the charity is to communicate the Christian faith in the U.K. through evangelism, training and resources and to assist Churches in evangelism.

Structure, Governance and Management

The charity does not have share capital and is limited by guarantee of the members. All trustees are members along with the chair, secretary and treasurer of each Counties Link Group, where such offices are filled. Members meet annually at the AGM when the affairs of the charity are considered and detailed reports are presented on various activities.

The trustees meet quarterly and control the overall administration and policy decisions. Every effort is made to ensure that the trustees, all of whom are committed Christians with an interest in the promotion of the Christian faith, includes trustees of varied professional skills, qualifications and experience who are drawn from various parts of the UK. Due regard is given to the recruitment of new trustees who will ensure continuity. The trustees, from time to time, appoint sub-committees to deal with specific areas of the work. These constitute one or more trustees, administrative staff and other suitably qualified individuals who usually form part of the general charitable body.

Potential new trustees are nominated and if selected are interviewed by representative(s) of the trustees, with their appointment being confirmed at the AGM. All new trustees are provided with a portfolio of papers giving appropriate information including policies and procedures, together with Charity Commission publications. They are also provided with training as appropriate. All trustees serve for a three-year period but may stand for re-election.




There is a small salaried staff administering the day-to-day affairs of the charity and the office is located at 30 Haynes Road, Westbury, Wiltshire, BA13 3HD. The trustees on the finance committee meet independently with the independent examiners to ensure an independent view is received on how the office team maintains the finances of the charity. General management of the charity is in the hands of the CEO and Operations Manager.

Arrangements for setting key management personnel pay: the trustees review all staff salary annually, including advice from Counties' H.R. group which includes four trustees.

Related Parties and Relationships with other Charities

The trustees, who are all Directors, received no remuneration as a result of their office during the year. No Trustee or other person related to the charity, apart from as detailed in note 17, had any personal interest in any contract or transaction entered into by the charity during the year.

In the furtherance of its objects, the charity has entered into strategic alliances with other charities.

- **The Church Planting Initiative (CPI)**, charity 1085172 and registered company number 3928850, seeks to advance the Christian faith and this is currently being put into effect by facilitating the planting of local independent evangelical churches and networking of church planters. The CPI trustees currently comprise two representatives from each of the member charities, which are Counties, GLO (Gospel Literature Outreach - Scottish registered charity SCO07355), Partnership (registered charity 802564) and Church Growth Trust (registered charity 234714). The logo for the Church Planting Initiative (CPI), featuring a stylized cluster of dots above the letters 'cpi' and the text 'church planting initiative' below.
- **Living the Passion:** Counties was also involved in planning a third joint conference in October 2015, together with GLO, Church Growth Trust, Partnership and CPI. Since then smaller regional conferences have been planned and the next national conference is being considered for 2018. The logo for 'Living the Passion', with the words 'LIVING THE PASSION' in a large, bold, sans-serif font.
- **The Evangelization Charity (TES)** (TES registered charity 245273): Counties provides administration for TES, with Counties Operations Manager acting as the Trust Manager, assisted by Counties' Office Secretaries. The logo for The Evangelization Charity (TES), featuring the letters 'tes' in a bold, lowercase font, with the tagline 'supporting evangelism across the uk' below.

Review of Developments during the year

The following summarises the main developments during 2016/17. The trustees met in April 2017 for a retreat to review the organizational strategy for the years ahead.

• Evangelists

The number of self-employed evangelists supported at the year end was 47. This included several seniors, widows and church planters linked to the Church Planting Initiative. The figure does not include spouses, many of whom are also very active in the work. In addition, Counties has four **Associate Evangelists** who are able to benefit from fellowship, training and conferences, however they do not receive financial gifts.

During the year **Caleb & Adanesh Mathewos** joined the training programme in September 2017.

Martin & Angie Korchinsky transitioned from the training programme in October 2016 and **Julian & Ella Gutteridge** just after the year end in October 2017.

During the year **Mavis Clargo** passed away in December 2016 and **Geoff Carr** passed away in June 2017.

The evangelists, in seeking to fulfill the objects, are involved in a host of initiatives such as holiday clubs for children and seniors; training; drop in centre for family crisis; parenting and money/debt; youth camps; focus groups for men; door-to-door outreach; street evangelism; small groups; school visits; Christian education and preaching. Some evangelists work with all ages and backgrounds, whilst others have a specific focus such as on international students, teenagers, children, men, women, migrants or other communities. Some of the more experienced evangelists are involved in mentoring other evangelists or working with churches to help them develop more effective teaching and evangelistic programmes.

• Training

- A **Training Development Group** has continued to develop Counties training programme during the year, including: two residential weeks with the Emerging Evangelists' Institute; Biblical money management (preparing accounts, dealing with HMRC, basic Admin skills); schools' work training day; opportunities to train with other organisations e.g. GLO, The Association of Evangelists, Open Air Campaigners; outreach at Agriculture shows; public speaking training; individual training placements to Counties evangelists; monthly reflections; book reviews and mentoring meetings.
- One **Training Workshop day** was organized during the year for evangelists and church leaders from across the country. In September 2017, the session was led by guest speakers from the Maranatha Group on the theme of 'Looking for His Return?'.
- The **National Training Network** continued to develop a network of service groups and independent churches with Mark Davies as Coordinator.

• Resources

- The **Life exhibition** is an educational resource to help groups of Christians and churches to link with their local schools and demonstrates that Jesus Christ is relevant in the 21st century. The main focus of this resource is with primary schools, but the full time Co-ordinator continues to develop its use for the wider community. The exhibition continues to be developed to ensure that it is kept technologically up-to-date and to enable more churches to be aware of the impact which the *Life exhibition* can have on their community.



- **GSUS Live** – the two mobile, multi-media classrooms continue to visit secondary schools, introducing Key Stage 3 students to Jesus' teaching on the issues of fear, forgiveness and rejection. The trailers visit around 60 secondary schools each year. The steering group for *GSUS Live* continues to investigate how this resource can be kept up to date to match changes in education and technology. Bookings are now being taken into 2020, with many schools visited asking for a return visit. Counties continues to acknowledge the generosity of the sponsoring Trust which continues to support this resource.



- **Key to Life** is Counties latest cutting-edge mobile experience sharing the story of Jesus through a series of interactive and immersive lessons. This resource began to be created in 2015, following a legacy received which was assigned towards the development of the schools exhibitions. Although it's aimed primarily at schoolchildren, *Key to Life* can also be used with adults at outreach events such as beach missions, fun days and agricultural shows and it can be hired for a day or up to a week. Following initial testing, this exciting new resource began to be used in June 2016 and continues to make an exciting impact. In November 2017 *Key to Life* won the annual award at the Premier Digital Awards for 'Best use of Digital Media in Youthwork'.



- **Church Resources:** Counties' continues to encourage and provide financial investment for evangelists to develop resources which can be used by others. For evangelistic purposes the trustees previously agreed to make investments available, for the research, production, marketing and distribution of future initiatives. As a result Counties has developed **Neighbourhood Chaplains** resource for churches. Its main aim is to equip and encourage churches (Ephesians 4.12) in reaching out to people in their local communities through house-to-house contact (Acts 20.20). Volunteers can choose to be involved in initial contact, befriending or as a 'helping hand'. The scheme has begun to be tested including training sessions and a 'toolkit' for churches with teaching and procedures.

General Public Benefit

- The trustees acknowledge the guidance of the Charity Commission in respect of Public Benefit and the Advancement of Religion and have paid due regard to it in the affairs of the charity. Through the varied ministries of the evangelists and our resources we see
 - individuals of all ages finding friendship, hope and healing;
 - families being reordered and brought into stability;
 - communities being served with practical help;
 - encouragement towards personal responsibility and mutual acceptance;
 - bringing new Christian believers into local worshipping and supportive communities.

Christian belief offers people a set of values by which to live, to make moral decisions and to interact with others. The majority of Counties arranged events and services are open to the public and these benefits have helped to meet religious, spiritual and educational needs, as well as supporting and helping individuals irrespective of background and status.

Risk

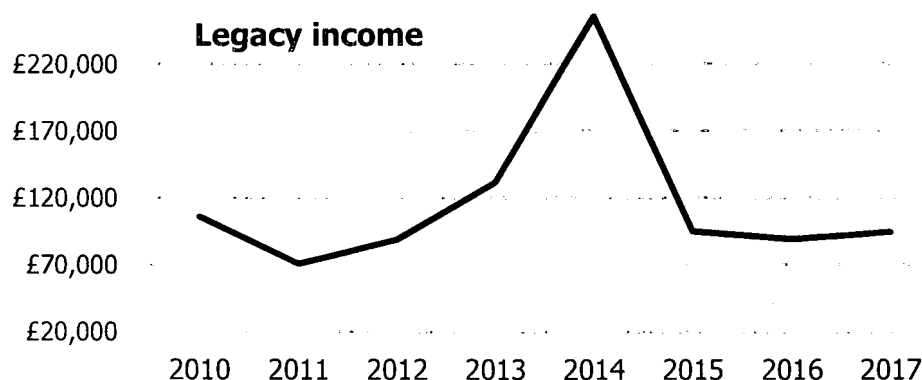
The trustees annually review the principal risks the charity faces including analysing the likelihood and impact of each risk. The Operations Manager carries responsibility as the Risk Assessment Manager. The principal risks currently identified, and strategies for managing these risks are as follows:

- Loss of key staff - reasonable notice period in place - major office procedures documented
 - appraisals consider future aspirations - backup staff trained in main roles
 - annual review by trustees of all salaries/expenses.
- Over dependency on income sources - monitoring sources of income
 - seeking to diversify and increase sources of income
 - encouraging deputation to increase income from individuals and churches.
- Maintaining relationship with funders - regular contact, briefings and periodic visits
 - key donors kept informed of activities
 - key donors invited to major events.
- Safeguarding vulnerable adults and children - Counties Safeguarding Officer appointed
 - Child protection and safeguarding policy is kept up to date through review and being a member of CCPAS - safeguarding training.

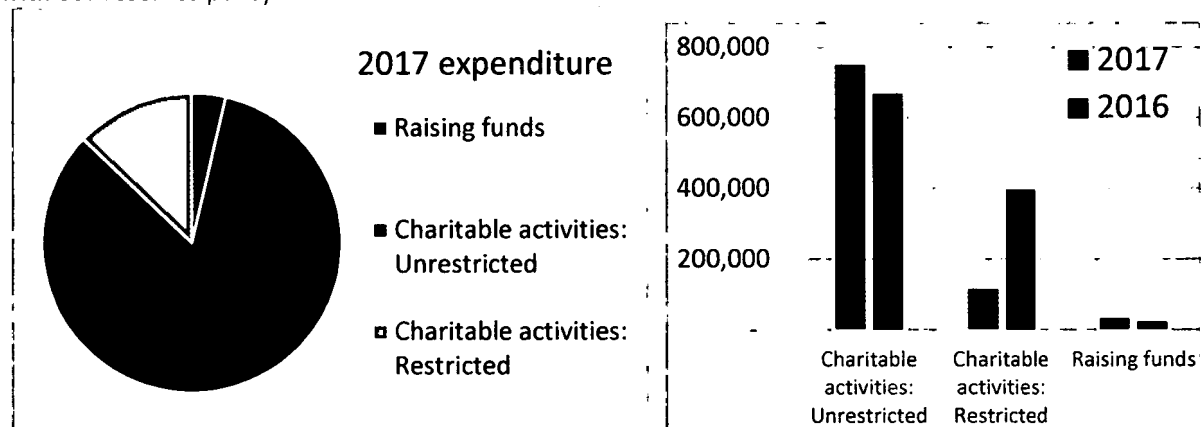
Results and Financial Review

Income and expenditure and the overall result for the year are shown in the Statement of Financial Activities on page 11. Movements on individual funds are summarized in note 14.

Unrestricted funds show net expenditure of £126,839, including gains on investments of £31,138. Income during the year included legacies of £94,016, which cannot be regarded as regular.



Regular supporters of Counties will have noticed that the charity has carried deficits on the General Fund for the last three years. This has been possible because the Counties benefited from a number of years of surpluses prior to this largely as a result of legacies. Legacies are a significant part of Counties income, but latterly those legacies have been lower than average and our reserves have been reduced. However, as you will note from the next section the Trustees are satisfied that the level of our reserves is consistent with our reserves policy.



As stated above, a large part of Counties income comes from legacies, we are greatly blessed by those who want to continue to support the work of Counties through their will. However, as we never know when legacies will be received we have to be slightly more cautious than we would like with respect to the use of reserves. This does make it a little more difficult for the trustees when we set our annual budget. Our approach is to set a budget deficit for the year ahead in faith that legacies will be forthcoming to cover that deficit, but also knowing that there are adequate free reserves available if the Lord's timing of legacies is different. The trustees aim to spend free reserves over a three-year period, which enables trustees to achieve the aims of the reserves policy and to manage Counties in a sustainable manner over the medium term.

The trustees are eager to see the work of Counties grow; we have an expectation to appoint more evangelists and hopefully some of those in new areas across the UK. We want to see greater use of the exhibitions and also the rollout of Neighbourhood Chaplains. We also hope to enhance what we can offer in terms of training for current and potential evangelists. For this to be possible we need to increase and diversify our income base. Over the last year we have been seeking ways of achieving this and have been encouraged that some areas are already bearing fruit. The areas we have been looking at are:

- **Deputation** Currently only 15% of our income comes via gifts from churches and individuals supporting Counties; we hope there is capacity for this to increase if we communicate information about the work more effectively. We do not wish to take anything away from the direct generous support of evangelists. However, we hope that churches and individuals will also recognise the need to give towards the essential support function offered by the charity as a whole. To this end we have provided resources to evangelists to help promote this when they visit churches in their area.
- **Grants** We have approached a number of charitable trusts with a view to them providing core support for specific aspects of the work of the charity. This is particularly helpful where we are trying to initiate new projects.
- **Legacies** A year ago we produced a legacy pack to help guide individuals when they are writing or renewing their wills.

The **Restricted funds** are the GSUS Live fund, the Life exhibition fund and the Key to Life fund. All running costs for GSUS Live are met by grants and donations. It is very encouraging to see that the GSUS Live and Life exhibitions enjoying greater utilisation. The generosity of those using the Life exhibition has meant

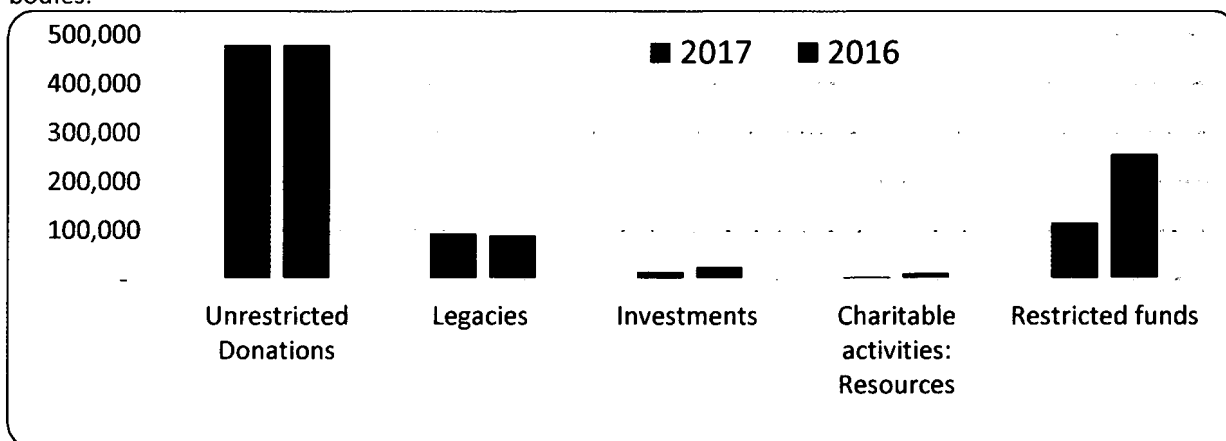
COUNTIES (Formerly Counties Evangelistic Work)



REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2017

that there is a reduced deficit on Life income and expenditure that has to be covered by transfers from the General fund. As we would expect in its early years, Key to Life is operating at a significant deficit. The trustees are seeking to address this through greater utilisation and seeking out support from grant making bodies.



The trustees have decided to change its policy in relation to gifts made by supporters through Counties with an expressed wish for them to be passed onto evangelists. Originally, the motivation for us to adopt this policy was because the trustees felt it was necessary for them to demonstrate their discretion in order to claim Gift aid before confirming that the gift could pass in accordance with the expressed wish. Having taken advice on the matter we now feel that the trustees have demonstrated their discretion at the point of appointing an evangelist and therefore entitled to make a Gift Aid claim on all gifts (assuming it is supported by a valid Gift Aid Form) received by the charity requesting that they be passed to one of the evangelists. The trustees felt it was appropriate to report these sums in the accounts within a new restricted fund and to adjust the previous year as well as the current year. To this end we have moved £63,026 (2016: £73,049) from unrestricted donations and gifts to a new separate restricted 'Evangelist fund'.

Reserves and Investment Policy

The Charity is currently reliant on voluntary and investment income which has fluctuated significantly in the past. At their annual **reserves policy** review Counties trustees agreed the target level for total liquid reserves should be £500,000-600,000 (base reserves of £300,000, plus free reserves of six months' expenditure approximately £200,000-300,000). The trustees aim to hold these unrestricted reserves to meet the objectives of:

- Funding the fixed and working capital needs of the charity;
- Enabling the charity to consistently deliver its aims and objectives over the medium term even though its income may fluctuate;
- Facilitating a restructuring or orderly winding up process if the need arose.

The Charity holds liquid reserves, being those unrestricted funds not held as fixed assets, designated for specific purposes or otherwise committed at the balance sheet date of £576,902 (see note 17 Total Unrestricted funds £796,801 less amount invested in fixed assets £219,899). These liquid reserves fall within our reserves policy satisfying the need to hold base reserves of £300,000 and leaving £276,902 of free reserves.

Legacies are an important part of the income received by Counties. By nature, this source can fluctuate significantly. Consequently, when setting the annual budget, the trustees plan to consume existing free reserves over a three-year period in the hope that they will be replenished by further legacies during that period. The trustees believe that this policy enables the charity to invest in sustainable growth and new strategic developments so that the charity can deliver a consistent quality of work over the years.

The charity is advised on investments by Brewin Dolphin Securities Limited and regular contact is maintained with them by means of reports and an annual visit. They have complete discretion, within stated guidelines, over investment decisions and changes in investment holdings have taken place during the year. Their performances are measured against relevant benchmark portfolios. An Investment Policy is documented and reviewed annually by the trustees. Whilst all major investments are available to the charity, in keeping with the nature of the charity and the views of the trustees, no investments are made in companies in which a turnover of 25% or more arises from alcohol, gambling, pornography, tobacco or the armaments industries.

Day to day financial management is the responsibility of the Operations Manager, Jonathan Brooks-Martin, who circulates to the Finance Sub Committee monthly management accounts and cashflows as well as quarterly valuations of the investment portfolio. The latter includes reports outlining performance against benchmarks, a summary of market performance and an investment strategy outlook. The Finance Committee, which comprises three trustees, the CEO and the Operations Manager, meets at least twice a year and keeps all trustees informed at their meetings. The full body of trustees has to approve any policy changes.

Responsibilities of the trustees

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its income and application of resources (including income and expenditure) for the financial year. In preparing these financial statements, the trustees seek to follow best practice and:

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

The trustees are responsible for maintaining proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Acts. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Trustees

Trustees, who are Directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are given on page 1.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102 2016) and in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of trustees and signed on its behalf by

R Canham
Chairman



Date: 19th April 2018

COUNTIES (Formerly Counties Evangelistic Work)

INDEPENDENT EXAMINATION REPORT TO THE TRUSTEES YEAR ENDED 30 SEPTEMBER 2017



I report on the accounts of the charitable company for the year ended 30 September 2017, which are set out on pages 11 to 23.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

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

Basis of independent examiner's report

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

Independent examiner's statement

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

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and the methods and principles of the 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.

have not been met;

or

- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

COUNTIES (Formerly Counties Evangelistic Work)

INDEPENDENT EXAMINATION REPORT TO THE TRUSTEES
YEAR ENDED 30 SEPTEMBER 2017



Ed Marsh FCA DChA
Burton Sweet Chartered Accountants
The Clock Tower
Farleigh Court
Old Weston Road, Flax Bourton
Bristol BS48 1UR

Date: 17th May 2018

COUNTIES (Formerly Counties Evangelistic Work)

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:					Restated
Donations and gifts		416,124	178,713	594,837	733,575
Legacies		94,016	-	94,016	88,735
Investments	2	15,180	-	15,180	24,278
Charitable activities					
<i>Resources</i>		4,486	-	4,486	11,355
Other income		-	-	-	250
Total income		529,806	178,713	708,519	858,193
Expenditure on:					
Raising funds	3	33,119	-	33,119	25,012
Charitable activities	4	654,664	178,713	833,377	1,069,251
Total expenditure		687,783	178,713	866,496	1,094,263
 Gains on investments	11	31,138	-	31,138	45,341
Net expenditure and net movement in funds	6	(126,839)	-	(126,839)	(190,729)
Reconciliation of funds					
Funds brought forward	17	923,640	-	923,640	1,114,369
Funds carried forward	17	796,801	-	796,801	923,640

The Statement of Financial Activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

Prior year fund comparatives are shown in note 9.

The notes on pages 14 to 23 form part of these financial statements

COUNTIES (Formerly Counties Evangelistic Work)

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

Company number 1041761

		2017	2016
	Note	£	£
Fixed assets			
Tangible assets	10	219,899	262,118
Investments	11	317,433	445,215
Total fixed assets		<u>537,332</u>	<u>707,333</u>
Current assets			
Debtors	12	67,989	154,043
Cash and bank balances		196,558	81,353
Total current assets		<u>264,547</u>	<u>235,396</u>
Creditors: Amounts falling due within one year	13	(5,078)	(19,089)
Net current assets		<u>259,469</u>	<u>216,307</u>
Net assets		<u><u>796,801</u></u>	<u><u>923,640</u></u>
Funds			
General funds	17	796,801	923,640
Designated funds	17	-	-
Total funds		<u><u>796,801</u></u>	<u><u>923,640</u></u>

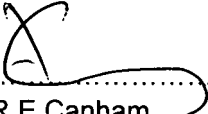
For the year ending 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors are responsible in ensuring:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

Approved by the board of Trustees and Directors and signed on its behalf by


R E Canham


S R Bennett

Date 19th April 2018

The notes on pages 14 to 23 form part of these financial statements

COUNTIES (Formerly Counties Evangelistic Work)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

		2017	2016
	Note	£	£
Net cash outflow from operating activities	15	(54,797)	(265,751)
Non-operational cash flows:			
Investing activities			
Payments for tangible fixed assets		-	(193,668)
Payments for investments		(32,106)	(103,222)
Proceeds from the sale of investments		196,495	480,081
Investment income		15,180	24,278
Investment management charges		(4,098)	(6,095)
Net cash inflow/(outflow) for the year	16	120,674	(64,377)

Cashflow Restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

The notes on pages 14 to 23 form part of these financial statements

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard 102, the Statement of Recommended Practice FRS102 based thereon, and the Companies Act 2006.

This is the first year that the accounts have been prepared under FRS102. The transition date is 1 October 2015. Certain comparatives have been restated due to adopting the FRS102 SORP this year; the net income/(expenditure) figure has been restated as investment unrealised gains and losses are now included within the figure, having been excluded under the FRSSE SORP. This increases net income/(expenditure) in the prior year to negative £190,729 from negative £215,544.

The charity is a public benefit entity as defined under FRS102.

b) Fund accounting

Funds held by the charitable company are either:-

- Unrestricted funds - these funds can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these funds can only be used for the specific purpose designated by the donor.
- Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

c) Income

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

- Other than legacies, all income is included when receivable.
- Legacies are not included in the financial statements until the amount receivable is known and confirmed.

d) Expenditure

Expenditure is included in the Statement of Financial Activities on an accrual basis, inclusive of any VAT which cannot be recovered.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. These costs are included within support costs.

Support costs have been allocated on the basis of staff time or the estimated use of facilities.

COUNTIES (Formerly Counties Evangelistic Work)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies (*continued*)

d) Expenditure (*continued*)

Liabilities are recognised as soon as there is legal or constructive obligation committing the charity to pay out resources.

e) Tangible fixed assets

Expenditure on assets with an estimated economic life of more than twelve months and a cost of more than £1,000 is capitalised.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less residual value of each asset over its expected useful life. No depreciation is charge on freehold land.

Annual depreciation rates are as follows:

Freehold property	Over 50 years
Office & computer equipment	33% straight line
GSUS Live exhibitions	20% straight line
Key to Life exhibitions	20% straight line
Life exhibitions	33% straight line

f) Fixed asset investments

Fixed asset investments are included at their market value. Realised and unrealised gains and losses on revaluation are included separately in the Statement of Financial Activities.

g) Going Concern

These financial statements have been prepared on the going concern basis. No material uncertainties that may cast significant doubt on the ability of the Charity to continue as a going concern have been identified by the Trustees.

2 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Quoted investments	15,178	-	15,178	24,274
Bank interest	2	-	2	4
	<u>15,180</u>	<u>-</u>	<u>15,180</u>	<u>24,278</u>

All investment income arises from assets held in the UK.

COUNTIES (Formerly Counties Evangelistic Work)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Salaries and office assistance	14,228	-	14,228	14,036
Pension premiums	-	-	-	768
News magazine (inc. postage)	4,909	-	4,909	2,096
Motor, mileage and travel	-	-	-	1,384
Website and internet	5,075	-	5,075	77
Promotion and publicity	4,809	-	4,809	556
Investment management costs	4,098	-	4,098	6,095
	33,119	-	33,119	25,012

4 Analysis of charitable expenditure

	Grants payable £	Direct costs £	Support costs £	Total 2017 £	Total 2016 £
Evangelists and training	365,548	40,796	98,352	504,696	594,167
Schools Resources	-	208,121	120,560	328,681	475,084
	365,548	248,917	218,912	833,377	1,069,251

Counties supports a number of evangelists and monthly grants are made to them of varying amounts, plus occasional one-off gifts towards specific items, as funds allow. The average number of evangelists financially supported during the year was 44. All grants made in the year were to individuals.

Support costs

	Evangelists and training £	Schools Resources £	Total 2017 £	Total 2016 £
Personnel costs including wages	54,307	44,436	98,743	-
Premises costs	3,119	2,550	5,669	3,759
Office expenses	35,326	28,896	64,222	73,981
Depreciation costs	1,169	41,051	42,220	20,233
Governance costs	4,431	3,627	8,058	14,602
	98,352	120,560	218,912	112,575

COUNTIES (Formerly Counties Evangelistic Work)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

5 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Audit and accountancy fees				
- current year	-	-	-	5,000
- prior year under accrual	88	-	88	809
Independent examiner's fees	3,240	-	3,240	-
Salaries and office assistance	-	-	-	4,753
Meetings costs	4,730	-	4,730	4,040
	<u>8,058</u>	<u>-</u>	<u>8,058</u>	<u>14,602</u>

6 Net expenditure for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	42,219	20,233
Auditor remuneration		
- audit and accountancy fees	-	5,000
- prior year under accrual	88	809
Independent examiner's fees	3,240	-
Reimbursement of Trustees' travel and subsistence expenses: for trustees' meetings and duties to 7 Trustees (2016: 6 Trustees)	<u>3,496</u>	<u>4,224</u>

No trustees received remuneration during this year or in the previous year.

7 Staff costs and numbers

The aggregate payroll costs were:

	2017 £	2016 £
Wages and salaries	143,580	151,274
Social security costs	11,098	11,764
Pension contributions	6,095	4,052
Benefits in kind	11,617	10,394
	<u>172,390</u>	<u>177,484</u>

No employee received emoluments of more than £60,000.

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was 5.9 in 2017 (2016: 6.1). When calculated on the basis of average headcount, the average weekly number of employees during the year was 9.0 in 2017 (2016: 9.6).

Key management personnel received employment benefits in the year of £78,432 (2016: £46,846).

COUNTIES (Formerly Counties Evangelistic Work)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 SEPTEMBER 2017****8 Taxation**

The company is registered as a charity and is therefore not liable to corporation tax on its charitable income as long as it is applied for charitable purposes. It is not considered there are any activities giving rise to a tax liability.

9 Fund comparatives for the Statement of Financial Activities

	Unrestricted funds £ Restated	Restricted funds £ Restated	Total 2016 £ Restated
Income from:			
Donations and gifts	405,145	328,430	733,575
Legacies	88,735	-	88,735
Investments	24,278	-	24,278
Charitable activities			
<i>Resources</i>	11,355	-	11,355
Other income	250	-	250
Total income	529,763	328,430	858,193
Expenditure on:			
Raising funds	25,012	-	25,012
Charitable activities	597,365	471,886	1,069,251
Total expenditure	622,377	471,886	1,094,263
Gains on investments	45,341	-	45,341
Net income/(expenditure)	(47,273)	(143,456)	(190,729)
Gross transfers between funds	77,168	(77,168)	-
Net movement in funds	29,895	(220,624)	(190,729)
Reconciliation of funds			
Funds brought forward	893,745	220,624	1,114,369
Funds carried forward	923,640	-	923,640

COUNTIES (Formerly Counties Evangelistic Work)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

10 Tangible fixed assets

	Freehold Property £	GSUS Live exhibition £	Key to Life exhibition £	LIFE exhibition £	Office & computer equipment £	Total £
Cost						
At 1 Oct 2016	113,250	510,774	183,468	330,552	33,058	1,171,102
At 30 Sept 2017	113,250	510,774	183,468	330,552	33,058	1,171,102
Depreciation						
At 1 Oct 2016	28,004	510,774	15,289	322,902	32,015	908,984
Charge for the year	1,393	-	36,694	3,400	732	42,219
At 30 Sept 2017	29,397	510,774	51,983	326,302	32,747	951,203
Net book value						
At 30 Sept 2017	83,853	-	131,485	4,250	311	219,899
At 30 Sept 2016	85,246	-	168,179	7,650	1,043	262,118

11 Investments

	Cash £	Funds £	Total 2017 £	2016 £
Market Value at 1 October 2016	4,402	440,813	445,215	781,909
Additions	(32,106)	32,106	-	103,222
Disposal proceeds	196,495	(196,495)	-	(485,257)
Realised gains on investments	-	13,165	13,165	20,526
Management fees	(4,098)	-	(4,098)	
Dividends & interest	15,178	-	15,178	
Withdrawals	(170,000)	-	(170,000)	
Unrealised gains on investments	-	17,973	17,973	24,815
Market Value at 30 September 2017	9,871	307,562	317,433	445,215
Historical cost at 30 September 2017	9,871	259,473	269,344	403,403

All investments are held in the UK.

COUNTIES (Formerly Counties Evangelistic Work)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

12 Debtors

	2017 £	2016 £ Restated
Accrued income	57,722	134,398
Other debtors and prepayments	10,267	19,645
	<u>67,989</u>	<u>154,043</u>

Debtors includes grants due at the balance sheet, received after the year end; and (in the prior year) legacies due to the charity.

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Other creditors	1,838	14,083
Accruals	3,240	5,006
	<u>5,078</u>	<u>19,089</u>

14 Operating leases

At 30 September the organisation had total minimum commitments under non-cancellable operating leases as set out below.

	Vehicles 2017 £	Vehicles 2016 £
Amounts payable:		
Within 1 year	6,911	8,342
Between 2 to 5 years	5,948	3,914

15 Reconciliation of net movement in funds to net cash inflow from operating activities

	2017 £	2016 £
Statement of Financial Activities: Net movement in funds	(126,839)	(190,729)
Investment income	(15,180)	(24,278)
Investment costs	4,098	6,095
Depreciation	42,219	20,233
Realised net gain on sales of investments	(13,165)	(20,526)
Unrealised net gain on investments	(17,973)	(24,815)
(Decrease) / increase in creditors: current liabilities	(14,011)	8,620
Decrease / (increase) in debtors	86,054	(41,351)
Decrease in stock	-	1,000
Net cash outflow from operating activities	<u>(54,797)</u>	<u>(265,751)</u>

COUNTIES (Formerly Counties Evangelistic Work)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

16 Analysis of changes in cash during the year

	2017 £	2016 £	Change £
Cash at bank and in hand	196,558	81,353	115,205
Cash held within investments	9,871	4,402	5,469
	<u>206,429</u>	<u>85,755</u>	<u>120,674</u>
	2016 £	2015 £	Change £
Cash at bank and in hand	81,353	140,554	(59,201)
Cash held within investments	4,402	9,578	(5,176)
	<u>85,755</u>	<u>150,132</u>	<u>(64,377)</u>

17 Movement in funds

	At 1 Oct 2016 £	Income £	Expenditure £	Gains & losses £	Transfers £	At 30 Sep 2017 £
Restricted funds						
Evangelists	-	63,026	(63,026)	-	-	-
GSUS Live fund	-	115,687	(115,687)	-	-	-
	<u>-</u>	<u>178,713</u>	<u>(178,713)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted funds						
General funds	923,640	529,806	(687,783)	31,138	-	796,801
	<u>923,640</u>	<u>529,806</u>	<u>(687,783)</u>	<u>31,138</u>	<u>-</u>	<u>796,801</u>
Total funds	<u>923,640</u>	<u>708,519</u>	<u>(866,496)</u>	<u>31,138</u>	<u>-</u>	<u>796,801</u>

COUNTIES (Formerly Counties Evangelistic Work)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

17 Movement in funds (Continued)

	At 1 Oct 2015 £	Income £ Restated	Expenditure £ Restated	Gains & losses £	Transfers £	At 30 Sep 2016 £
Restricted funds						
Evangelists	-	73,049	(73,049)	-	-	-
GSUS Live fund	-	255,381	(343,858)	-	88,477	-
Key to Life	220,624	-	(54,979)	-	(165,645)	-
	<u>220,624</u>	<u>328,430</u>	<u>(471,886)</u>	<u>-</u>	<u>(77,168)</u>	<u>-</u>
Unrestricted funds						
General funds	853,745	529,733	(622,347)	45,341	117,168	923,640
Designated GSUS						
Live refurbishment	40,000	-	-	-	(40,000)	-
	<u>893,745</u>	<u>529,733</u>	<u>(622,347)</u>	<u>45,341</u>	<u>77,168</u>	<u>923,640</u>
Total funds	<u>1,114,369</u>	<u>858,163</u>	<u>(1,094,233)</u>	<u>45,341</u>	<u>-</u>	<u>923,640</u>

General fund

This is the main fund of the charity, which receives donations, investment and other income not received specifically for one of the funds. The fund provides support for the evangelists and also finances publicity and development and the overall running of the charity.

In the circumstances, all amounts received within the general fund have been treated as unrestricted income.

Evangelists fund

The Trustees have reviewed how donors support Counties Evangelists and have revised their treatment of this income. When the Trustees invite an individual to join Counties as an Evangelist, in effect a restricted fund is created for the Evangelist and their activities that further the purposes of the charity. Trustees then invite donations into this restricted fund which would be reduced by grants paid. The revised treatment of this income increases restricted income and expenditure in the 2016 year by £73,049. Note that funds held at the 2015 and 2016 year-ends are unaffected by this change.

GSUS Live fund

The fund exists to finance the running costs of the GSUS Live units.

Key to Life fund

The fund exists to finance the development and future running costs of the Key to Life resource. The development costs in the 2016 year were funded from a legacy received in previous financial years, which was assigned towards the development of the schools exhibitions.

COUNTIES (Formerly Counties Evangelistic Work)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

17 Movement in funds (*Continued*)

Designated GSUS Live Refurbishment

In the 2015 year, the trustees set aside £40,000 from the General Fund towards the costs of redeveloping one of the units and the software development. In the 2016 year - the redevelopment was carried out with two thirds of the costs covered by generous donations.

18 Analysis of net assets between funds

2017	Tangible Fixed assets £	Investments £	Other Net assets £	Total £
Unrestricted funds				
General funds	219,899	317,433	259,469	796,801

2016	Tangible Fixed assets £	Investments £	Other Net assets £	Total £
Unrestricted funds				
General funds	262,118	445,215	216,307	923,640

19 Related party transactions

M Jack who is the wife P A Jack, a trustee who resigned 6 October 2016, provides office assistance to the charity. The total amount charged for the year was £3,869 (2016: £4,368) and charges are on normal commercial terms.

V Jack, one of the evangelists supported by Counties, is the brother of P A Jack. Payments made to V Jack are on the same basis as for all other senior evangelists and the total paid to V Jack in the year was £2,000 (2016: £1,800).

Phil Davies is the brother of J Davies, a trustee who commenced trusteeship from 5 October 2017. Phil Davies is an evangelist supported by Counties and grants made are made on the same basis as for all other evangelists. The total paid to Phil Davies in the year was £9,160 (2016: £9,920).

During the year, three trustees and two members of the Senior management team of Counties were also trustees of The Evangelisation Society. During the year £4,074 (2016: £5,990) was received from The Evangelisation Society for administrative services. There were no balances outstanding at the year end.

The aggregate donations received from trustees and related parties in the year was £4,745 (2016: £3,760).

Apart from the above persons, no trustee or other person related to the charity, had any personal interest in any contract or transaction entered into by the charity during the year (2016 - None).

20 Share capital

The company is limited by guarantee and does not have a share capital. The members' liability is limited to £1 each.