

NORTHERN EVANGELICAL TRUST

REPORT AND ACCOUNTS

YEAR ENDED 31ST MARCH 2005

NORTHERN EVANGELICAL TRUST

REPORT AND ACCOUNTS - 2005

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NORTHERN EVANGELICAL TRUST

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MARCH 2005

Northern Evangelical Trust is a registered charity, number 517995, and is constituted by Deed of Trust. The charity may be contacted at The Hope Centre, Watson Street, Oswaldtwistle, Lancashire, BB5 3HH.

Trustees

In June 2004 Rev. R Priestley resigned as a Trustee, the remaining Trustees listed below served throughout the year:

Mr B Jackson
Mr G Pountain

Mrs M Jackson
Mr N Lawrence

Mr S Roberts

Charitable objects

The charity was established in 1986 with the object being to provide financial and other support for persons who are training to become or are already in full time pastoral and evangelical work of a Christian nature; to promote the Christian faith among school children and to work alongside ministers and elders of any Christian church in furthering the Christian faith. Thereafter the Bethany project was established with its aims of helping the most under privileged, deprived and vulnerable members of society, especially orphaned children.

Activities

The core activities of the charity now relate to the Bethany Orphanage.

The financial year started with the trip to England of 31 of our orphanage children, the bulk of the funding provided by one anonymous donor. Despite initial concerns this trip proved to be a very positive experience for both our children and all those they met. Our numbers went from 42 children at the start of the year to 73 children by the end of the year. Our new 60 bed girls dormitory started in November 2004 and by March 2005 the building was awaiting the finishing touches. In January we collected our new Toyota Land Cruiser from Dar-es-Salaam which was funded mainly by a grant of £15,000 from "Kidz-to-Care 4". This has proved very useful as our old Land Rover is proving costly to maintain due to its age. Overall Bethany is holding fast to its aims and objectives.

Reserves Policy

Unrestricted funds are needed to ensure the continuance of the charity's work. The Trustees consider it prudent that unrestricted reserves should be sufficient:

- a) to avoid the necessity of realising fixed assets held for the charity's use;
- b) to cover four months expenditure.

At the year end unrestricted reserves were sufficient to cover this.

The level of reserves is monitored and reviewed by the Trustees on a regular basis.

Finances

The charity's balance sheet at the year end showed a reasonable position.

The Trustees are satisfied that at the year end the charity is able to meet its ongoing liabilities.

We thank God for the support of all those who are faithful in their giving so that the charity's work can continue.

Signed on behalf of the Trustees on

.....
G Pountain - Trustee

**REPORT OF THE INDEPENDENT EXAMINER TO
THE TRUSTEES OF NORTHERN EVANGELICAL TRUST**

I report on the accounts of the charity for the year ended 31st March 2005 which are set out on pages 3 to 7.

Respective responsibilities of trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts and you consider that the audit requirement of section 43(2) of the Charities Act 1993 ("the Act") does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, 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 Commissioners. 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 seeking 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 I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

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

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Carlton G. Cooper, FCA

On behalf of Cassons
Chartered Accountants
Ashworth House
Manchester Road
Burnley BB11 1TT

NORTHERN EVANGELICAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST MARCH 2005

	Unrestricted funds	Restricted funds	Total funds 2005	Total funds 2004
	£	£	£	£
INCOMING RESOURCES				
Donations	2,589	110,575	113,164	74,445
Investment income – deposit interest	-	384	384	212
Charitable trading activities:				
Camp, barge and hire fees	-	-	-	12,012
Clinic income	-	2,336	2,336	2,276
Other income (note 2)	-	-	-	520
Total incoming resources	2,589	113,295	115,884	89,465
EXPENDITURE				
Direct charitable expenditure				
Wages and staff costs	-	14,897	14,897	15,807
Overseas travel costs	-	18,814	18,814	17,296
Light, heat and water	-	6,621	6,621	3,821
Food and subsistence	-	8,514	8,514	5,014
Medical supplies	-	1,956	1,956	1,813
Sundry expenses	-	-	-	1,154
Camp fees	400	-	400	9,634
Schoolswork	12,919	-	12,919	17,925
Children's trip to UK	-	3,595	3,595	16,708
Barge and motor expenses	339	3,229	3,568	2,749
Repairs and sundry equipment	-	20,627	20,627	8,288
Rent and insurance	791	-	791	1,800
Depreciation and amortisation	3,162	9,462	12,624	8,580
Loss/(profit) on sale of assets	8,389	-	8,389	(2,798)
Bad debt (note 5)	7,950	-	7,950	-
	33,950	87,715	121,665	107,791
Fund-raising costs	-	-	-	-
Management and Administration				
Insurance	500	-	500	500
Stamps and stationery	-	896	896	465
Telephone	-	-	-	263
Light, heat and water	617	-	617	2,165
Council tax	681	-	681	959
Depreciation	300	-	300	330
Sundry	348	38	386	4,145
	2,446	934	3,380	8,827
Total expenditure	36,396	88,649	125,045	116,618
Net outgoing resources for the year	(33,807)	24,646	(9,161)	(27,153)
Total funds brought forward	114,128	47,626	161,754	188,907
Total funds carried forward	80,321	72,272	152,593	161,754

NORTHERN EVANGELICAL TRUST

BALANCE SHEET

31ST MARCH 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Tangible assets	6		110,318		107,511
Current assets					
Debtors		12,432		18,623	
Cash at bank and in hand		34,243		41,620	
		<u>46,675</u>		<u>60,243</u>	
Liabilities: amounts falling due within one year					
Creditors and accruals		4,400		6,000	
Net current assets			<u>42,275</u>		<u>54,243</u>
Net assets	7		<u>152,593</u>		<u>161,754</u>
FUNDS					
Unrestricted Income Funds:					
General Purposes Fund			80,321		114,128
Restricted Income Funds:					
Bethany Orphanage Fund			<u>72,272</u>		<u>47,626</u>
			<u>152,593</u>		<u>161,754</u>

Approved by the Board of Trustees on

and signed on its behalf by

.....
M. Jackson - Trustee

NORTHERN EVANGELICAL TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MARCH 2005

1. Accounting policies

The accounts have been prepared in accordance with the Statement of Recommended Practice - "Accounting and Reporting by Charities" - and other relevant accounting standards issued by U.K. accountancy bodies. The particular accounting policies are described below.

a) Accounting convention

The accounts are prepared under the historical cost convention.

b) Donations

- i) Donations made under deeds of covenant and gift aid, together with the associated income tax recoverable, are recognised as income when the donation is received.
- ii) Other donations received are credited to the income and expenditure account in the period they are received.

c) Tangible fixed assets

- i) Depreciation is not provided on land. On other assets it is provided in annual instalments over the estimated useful lives of the assets from the date the assets are brought into use. The rates of depreciation are as follows:

Buildings	2% on cost
Equipment and fixtures	10% - 25% on cost
Mission Tent	7% on net book value
Computer equipment	25% on net book value

- ii) No value is attributed to donated fixed assets.

2. Other income

	2005	2004
	£	£
Rental income	-	520
	=====	=====

3. Expenditure

Included within expenditure for the year are the following costs:

	2005	2004
	£	£
Staff costs – United Kingdom	-	5,381
Overseas	14,897	10,426
Independent Examiner's fees	-	-
	=====	=====

The average number of UK employees in the year was nil (2004 – 1).

NORTHERN EVANGELICAL TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MARCH 2005

4. Trustees' remuneration, expenses and other transactions

Other than disclosed below, no remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person known to be connected with any trustee (2004 – Nil).

No reimbursement of expenses has been made to any trustees in respect of the year (2004 – Nil). The Charity paid travel costs taking Mr G. Pountain, a Trustee, to Tanzania to oversee and assist with the work at the Bethany Orphanage. In common with all volunteer helpers, Mr Pountain makes donations to the Charity which, generally, cover the travel expenses.

Mr B. Jackson, a Trustee, is a leader of the Oswaldtwistle Community Church (OCC). The school's work previously undertaken and supervised by the Charity's own staff is now being resourced by OCC. During the year the charity has made a grant of £12,919 (2004 - £1,292) towards the employment costs incurred by OCC in respect of school's work.

Included within other creditors is a loan of £3,000 (2004 - £6,000) from Mr G. Pountain to the charity.

5. Bad debt

During 2001 the charity sold the stock of the Emmaus Bookshop. The sales proceeds were being paid by instalments. These instalments ceased during the year and a provision of £7,950 has been made against the outstanding debt.

6. Fixed assets for use by the charity

	Leasehold property	Mission Tent	Equipment and vehicles	Total
Cost	£	£	£	£
At 1st April 2004	79,000	16,205	88,552	183,757
Additions	-	-	24,128	24,128
Disposals	-	-	(23,478)	(23,478)
At 31st March 2005	79,000	16,205	89,202	184,407
Depreciation				
At 1st April 2004	11,100	8,366	56,780	76,246
Charge for the year	800	590	12,924	14,314
Disposals	-	-	(16,471)	(16,471)
At 31st March 2005	11,900	8,956	53,233	74,089
Net book value				
At 31st March 2005	67,100	7,249	35,969	110,318
At 31st March 2004	67,900	7,839	31,772	107,511

- a) The leasehold property is subject to a Deed of Trust entered into between the charity and Mr. and Mrs. Mott (the "Motts"). The Motts contributed 30% of the initial purchase price of the property and the Deed permits them to occupy a part of the property, rent free, providing they bear 30% of the general maintenance, heat and lighting costs. The Motts are entitled to 30% of any sale proceeds should the property be sold. The costs capitalised and included within the accounts excludes any monies contributed by the Motts. The property was sold in April 2005 the proceeds exceeding the carrying value in these accounts.
- b) The costs of the construction of the orphanage in Tanzania have not been capitalised. The land upon which the orphanage has been built is not owned by the charity and the Trustees have been unable to secure any legal documentation transferring title of the property to the charity.

NORTHERN EVANGELICAL TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MARCH 2005

7. Analysis of Net Assets by Fund

	General Purposes Fund £	Bethany Orphanage Fund £	Total £
Fixed assets	75,773	34,545	110,318
Current assets	4,698	41,977	46,675
Liabilities: amounts falling due within one year	(150)	(4,250)	(4,400)
Fund balance	<u>80,321</u> =====	<u>72,272</u> =====	<u>152,593</u> =====

Donations and gifts are given specifically to the Bethany Orphanage Fund. Separate bank accounts have been established for the purpose of ensuring all funds are correctly deposited and administered. The Bethany project is registered in Tanzania as an International Society.