

GRACE & LIGHT UK

UNAUDITED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

CHARITY NUMBER: 1115859

COMPANY NUMBER: 5862183

LEGAL AND ADMINISTRATIVE INFORMATION

31 DECEMBER 2010

TRUSTEES AND DIRECTORS:

E J Greening
P D S King
M T E Hopkins
F Ogunyide
M Mwatsama
J Sweeney
L Lawuyi

SECRETARY:

P D S King

REGISTERED OFFICE:

8 Kingswood Drive
London
SE19 1UR

REGISTERED COMPANY NUMBER:

5682183 (England and Wales)

REGISTERED CHARITY NUMBER

1115859

ACCOUNTANTS:

BANKERS:

Lloyds TSB plc
64 Fore Street
Trowbridge
BA14 8EU

REPORT OF THE TRUSTEES

The trustees present their report and financial statements for the year ended 31 December 2009. Legal and administrative information set out on page one forms part of this report. The financial statements comply with the charity's Memorandum of Articles of Association, the Charities Act 1993, the Statement of Recommended Practice: Accounting Reporting by Charities (2005) and the Companies Act 2006.

Structure, governance and management

The charity is a company limited by guarantee without a share capital. The limit of the members' liability under the terms of the company's Memorandum and Articles is £1.00 each. The charity was established in 2006 as the UK branch of Grace & Light International Ministry, a Christian HIV/Aids charity based in Jos, Nigeria.

New trustees are normally appointed by the members of the charity at a general meeting, or by the existing trustees at other times. In this latter case the trustee must retire at the next annual general meeting, but can be reappointed. One third of all directors retire at each AGM by rotation, but can be re-elected. The Memorandum and Articles provide for a minimum of three trustees, with no maximum number.

Trustees meet at least quarterly to agree the broad strategy and areas of activity for the charity. The charity has no employees so the trustees share the responsibilities of fundraising and day-to-day administration. All trustees give of their time freely and no trustee received remuneration or expenses during the year.

Risk assessment and management

The trustees have considered the major risks to which the charity is exposed and seek to manage them on an ongoing basis.

Our major operational risk is our dependence on a small team of volunteers for our work in raising funds and for future ministry in the UK.

Financially, the charity relies mainly on private donations and much of our income is given by standing order. The ability of the wider Grace & Light movement to carry on its work is directly dependent on these donors' continued giving and the raising of additional funds.

Political events in Africa can affect the charity's working in that continent. The availability of international funding for anti-retroviral drugs greatly impacts the quality of care for HIV-positive members. In the UK changes in government policy may affect our plans for voluntary counselling and testing through UK churches.

Objectives and activities for the public benefit

Grace & Light takes a unique church-centred approach to the HIV pandemic, integrating prevention, care and support and attitude change activities.

We believe that the HIV/AIDS pandemic is more than a medical emergency, it is also a spiritual and moral crisis. Indeed the spiritual and moral issues go deeper than the medical ones in both developed and developing nations.

Thus we have constructed a response that tackles all three areas. In Grace & Light medical personnel and theologians work together to transform lives through our three principles grace, openness and love.

We work through local churches of any denomination. They are rooted in their communities and retain respect, a potent combination in the fight against HIV & AIDS.

The process begins with the minister and leaders. We only go into churches with their active support. Then we address the entire congregation during a service, giving basic information on the disease and preaching the gospel and challenging people.

That challenge begins with HIV testing on the church premises for all who are interested. Two options are offered: standard confidential testing or openness – sharing your results with other people in the church who have also chosen to be open.

All who choose the second option make three commitments, to:

- Belong to Christ in the gospel
- Be open about their HIV status, whether positive or negative
- Meet together regularly in small groups to support and encourage each other.

Though we began in Nigeria, in response to the particular cultural issues there, we aim to apply this approach wherever the pandemic and Christian churches coexist.

Review of activities

Achievements during 2010

Looking back at 2010 the greatest encouragement has been to see Grace & Light reassert itself outside Nigeria. Starts had been made in Liberia, Sierra Leone and Chad previously but with limited success. With our International Coordinator, Tassie, only able to visit about once a year, it is vital to have proactive boards and volunteers. This has not always been the case. Tassie was glad to be able to return to the first two countries in 2010, train volunteers and appoint new boards. In Zambia, a totally new country for Grace & Light, Idah Kayeka was appointed to be the first Programme Officer and 25 volunteers trained. When the Zambian team started ministry, we were struck by the much higher incidence of HIV in Zambia compared to W. Africa, over 10% as compared with 2.4% in Nigeria.

The ministry in Nigeria suffered for a lack of resources, in terms of finances and manpower. Most volunteers stay with us for about two years and thus the need to constantly train new volunteers is great. In 2010 lack of money meant we were not able to run many training programmes, impacting the number of churches visited and resulting in missing our target of testing 25,000 people. It is nevertheless encouraging that the message of openness is still well-received in churches, despite the widespread opinion that only those with something to hide will take an HIV test.

The real measure of Grace & Light's achievements will always be the effectiveness of life-sharing groups. After every new church is visited new members (those who have tested openly) are put into groups, coordinated by the newly-formed church action committee. It is very hard to share the intimate details of one's personal life with fellow believers to help prevent the spread of HIV. These are matters that many of us find hard to talk about even with our closest Christian friends. Life-sharing remains a challenging goal, but one worth pursuing.

Another major development in 2010 was the start of building on the site of Grace & Light's Jos headquarters. A fence has been built on the two sides without a road boundary. In the African context having your own headquarters adds greatly to an organization's credibility. Whilst ministry is our priority, we are conscious of the need to make progress on construction.

Plans for 2011 and beyond

Tassie Ghata outlined Grace & Light's international vision for 2011 thus:

“Our benchmark this year is to touch the lives of 30,000 people through our gospel messages, HIV counselling and testing and Care and Support (life sharing) for both HIV negatives and positives.

We intend to see God bringing attitudinal change, commitment in serving Him and close connection to shared life in Christ for all our members.

Please join us in praying that we will achieve this target in His strength; pray also for God's provision of necessary human and material resources.”

Financial review

The UK remains by far the most important source of finance for Grace & Light internationally, with over 90% of funding coming from Grace & Light UK in 2010. Most of that income is by standing orders from individuals, as well as the valuable support of AMEN Trust, Operation Mobilisation and Pioneers International.

Most of our UK giving goes to supporting the work in Nigeria, but increasingly to other countries (international development). Ministry includes the cost of training volunteers, paying their expenses, testing for HIV and the training of pastors and church leaders in running life-sharing groups in their churches.

Chairman’s message

Successful charities have a clear vision, strong personal relationships and a sound organisational structure. Grace & Light was founded on the vision of the Gospel, openness and love. The Gospel of grace and forgiveness remains at the heart of what we do, and our HIV-positive members would testify to the difference their hope in Christ makes. The concept of taking HIV testing to where people are, pioneered by Grace & Light, is now widely practiced in Nigeria. Encouraging those tested to be open about their status is not really understood, even amongst Christian HIV/Aids organisations.

The biggest challenge for Grace & Light remains that of love, our third principle. Openness is of little use if the Christian community is not willing to support those living with HIV, or to hold one another to account in life-sharing groups. Our International Coordinator, Tassie Ghata, put it like this: “Life sharing isn’t a strange extra thing that Grace & Light is trying to add on to the basics of Christianity; it is something essential that the church badly needs – not cosmetic surgery but a life- saving blood transfusion.”

It is tremendously encouraging to see the vision of Grace & Light spreading to other countries. New volunteers have been trained in Sierra Leone, Liberia and Zambia, accounting for nearly half of the total for 2010. Whilst this stretches us in terms of finances and human resources, we rejoice in God’s provision thus far.

In the charity sector HIV/Aids is seen as a ‘hard sell’, people prefer to give their money to other causes. But we know that the prayers and faithful giving of our supporters do make a difference. People are coming to Christ, lives are being transformed and churches challenged to preach the whole gospel. Grace & Light really brings grace and light.

Ed Greening

Reserves policy

The charity normally pays its expenses in cash and has no long-term liabilities.

Statement of trustees’ responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:-

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Make judgement and estimates that are reasonable and prudent;
- (c) Prepare the financial statements on the going concern unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Accounting and Reporting by Charities Statement of Recommended Practice. 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.

Approved by the trustees and signed on its behalf by:

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Edmund Greening

Chairman

26 June 2011

ACCOUNTANT'S REPORT TO THE TRUSTEES ON THE UNAUDITED ACCOUNTS OF GRACE & LIGHT (UK)

I report on the accounts for the year ended 31 December 2010 set out on pages ii to vi.

Respective responsibilities of directors and reporting accountant

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 trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity's gross income did not exceed £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 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 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 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, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met.

Glyn Coy, LLB FCA
4 Sussex Walk
Trowbridge
BA14 7GT

Statement of Financial Activities
for the year ended 31 December 2010

	Notes	Unrestricted £	Restricted £	2010 Total funds £	2009 Total funds £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	44,395	6,816	51,211	58,856
Giftaid reclaimed		2,093		2,093	1,745
Investment income	3	2	-	2	6
Total Incoming Resources		<u>46,490</u>	<u>6,816</u>	<u>53,306</u>	<u>60,607</u>
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating income		25	-	25	402
<i>Charitable activities</i>					
Provision of financial support for Grace & Light International		40,999	12,293	53,292	72,955
UK ministry		-	-	-	
Total Resources Expended		<u>41,204</u>	<u>12,293</u>	<u>53,317</u>	<u>73,357</u>
Net (outgoing)/incoming resources before transfers		5,466	5,477	(11)	(12,750)
Transfers between funds		-	-	-	-
Net income/(expenditure) for the year		<u>5,466</u>	<u>5,477</u>	<u>(11)</u>	<u>(12,750)</u>
Total funds brought forward		<u>(4,287)</u>	<u>8,322</u>	<u>4,035</u>	<u>16,785</u>
Total funds carried forward		<u>1,179</u>	<u>2,845</u>	<u>4,024</u>	<u>4,035</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on page iv form part of these accounts.

Balance Sheet as at 31 December 2010

	2010	2009(restated)
	£	£
Current assets		
Cash at bank and in hand	3,717	3,699
Accrued income	307	336
Creditors: Amounts falling due within one year	<u>-</u>	<u>-</u>
Net current assets	4,024	4,035
Funds		
Restricted funds	2,845	8,322
Unrestricted funds	<u>1,179</u>	<u>(4,287)</u>
Total charity funds	<u><u>4,024</u></u>	<u><u>4,035</u></u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the year ended 31 December 2010.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2010 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibility for:

- (a) ensuring the company keeps accounting records which comply with Section 386 of the Companies Act 2006 and;
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 393 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Approved on behalf of the trustees:

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Peter King – Trustee

26 June 2011

The notes on page iv form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. Accounting policies

- (a) The financial statements have been prepared under the historic cost convention, and follow the recommendations of *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in 2005, applicable accounting standards and the Companies Act 2006.
- (b) Voluntary income is received by way of donations and is included in the Statement of Financial Activities when received.
- (c) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
 - i. Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
 - ii. Charitable expenditure comprises those costs incurred directly by the charity in the delivery of its activities and service for its beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.
 - iii. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.
 - iv. All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.
- (d) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and available as general funds.
- (e) The charity's restricted funds are those where the donor has imposed restrictions on the use of funds.
- (f) The company is registered as a charity and therefore its activities are exempt from Corporation Tax. Accordingly no provision for taxation is made in these financial statements.
- (g) The company is limited by guarantee and does not have any share capital.
- (h) Transactions in foreign currencies are recorded at the rate of exchange ruling at the balance sheet date or at the date of transaction where this is known.

2. Voluntary income

Pioneers is a UK charity which supports the work of Grace & Light. It collects donations for Grace & Light for which it levies an administration charge.

3. Investment income

	2010 £	2009 £
Investment income		
Deposit account interest	<u>2</u>	<u>6</u>

4. Trustees' remuneration and benefits

There were no trustees' remuneration or benefits for the year ended 31 December 2010, nor for the year ended 31 December 2009. No trustees' expenses were paid for the year ended 31 December 2010.

5. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Current assets	<u>1,179</u>	<u>2,845</u>	<u>4,024</u>	<u>4,035</u>

6. Movement in funds

	At 1 January 2010 £	Net movement in funds £	At 31 December 2010 £
Unrestricted funds			
General reserve	(4,287)	5,466	1,179
Restricted funds:			
Building project (general)	6,893	(6,379)	514
Building project (gatehouse)	1,300	1,030	2,330
Internet	128	(128)	-
Testing	-	-	-
Vehicle expenses	-	-	-
Printing	-	-	-
Total restricted funds	<u>8,322</u>	<u>(5,477)</u>	<u>2,845</u>
Total funds	<u>4,035</u>	<u>(11)</u>	<u>4,024</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General reserve	46,490	41,024	5,466
Restricted funds:			
Building project (general)	250	6,629	(6,379)
Building project (gatehouse)	1,030	-	1,030
Internet	-	128	(128)
Testing	3,516	3,516	-
Vehicle expenses	20	20	-
Printing	2,000	2,000	-
Total restricted funds	<u>6,816</u>	<u>12,293</u>	<u>(5,477)</u>
Total funds	<u>53,306</u>	<u>53,317</u>	<u>(11)</u>

Building project: Funds received to finance the construction of Grace & Light's headquarters in Nigeria. This is divided between the general building fund and a specific project to build a gatehouse.

Internet: Funds received to finance an internet connection for the Nigerian office.

Testing: Funds received to finance HIV testing in Africa.

Vehicle expenses: Funds received for running costs of vehicles in Nigeria.

Printing: Funds received to help pay for printing of various materials used by Grace & Light in Africa.

Detailed Statement of Financial Activities
For the year ended 31 December 2010

	2010 £	2009 £
INCOMING RESOURCES		
Voluntary income		
Donations	51,211	58,856
Giftaid reclaimed	2,093	1,745
	<u>53,304</u>	<u>60,601</u>
Investment income		
Deposit account interest	2	6
	<u>2</u>	<u>6</u>
Total incoming resources	53,306	60,607
RESOURCES EXPENDED		
Costs of generating voluntary income		
Mail shots & fundraising	25	402
Charitable Activities		
Grants paid for Nigeria ministry	51,236	69,542
Grants paid for Liberia ministry	1,276	3,116
	<u>52,512</u>	<u>72,658</u>
Support costs		
Management		
Travel	494	10
Pioneers administration	198	184
	<u>692</u>	<u>194</u>
Finance		
Bank charges	88	103
	<u>88</u>	<u>103</u>
Total resources expended	<u>53,317</u>	<u>73,357</u>
Net income/(expenditure)	<u>(11)</u>	<u>(12,750)</u>