

# **LIVING WORD INTERNATIONAL**

**Charity No. 1165611**

**Company No. 09523029**

## **TRUSTEES' REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**For the 15 months ended 31<sup>st</sup> July 2018**

**LIVING WORD INTERNATIONAL****REPORT OF THE TRUSTEES****FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018**

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## LIVING WORD INTERNATIONAL

### REPORT OF THE TRUSTEES

#### FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018

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The trustees (who are also directors for the purposes of company law) present their annual report and financial statements of the charitable company ('the charity') for the period ended 31<sup>st</sup> July 2018. The period is 15 months following the decision of trustees to change the reporting date from 30<sup>th</sup> April to 31<sup>st</sup> July each year to harmonise with the reporting dates of Living Word Uganda.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

#### OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The purposes of the Charity as set out in its governing Articles of Association can be summarised as:

**Object 1** - To advance the Christian faith in accordance with the Statement of Beliefs appearing in the Schedule in the United Kingdom and the World as the directors of the Charity may from time to time think fit and to fulfill such other purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity.

**Object 2** - To relieve sickness and financial hardship and to promote good health by the provision of funds, goods or services of any kind, including through the provision of counselling and support in the United Kingdom or the World as the directors from time to time think fit.

The organization achieves these objectives by:

**Object 1** - To supply funding, subject to appropriate accountability, to "Living Word Uganda" a Ugandan registered charitable company, which provides free education to Ugandan University students by means of an annual conference and regional events throughout the period.

**Object 2** - To supply grants and very low interest rate repayable loans via Living Word Uganda to selected Ugandan individuals to enable them to start businesses that will support them and their families successfully. This object remained unimplemented at the period-end.

**Object 3** - To supply funding, subject to appropriate accountability, for infrastructure projects and other essential needs to a school for pre- and primary school children in South West Uganda – The "Amazing Grace Pre-primary and Primary School" in Kisoro. The School is managed by a Ugandan charity: "Amazing Grace Advocacy and Support for the Vulnerable", not linked to "Living Word Uganda".

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities and setting the grant making policy for the period. The Charity achieves its charitable purposes for the public benefit through its grant-making policy which aims at furthering the three objectives listed.

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#### GRANT MAKING POLICY

The Charity has established its grant making policy to achieve its objects listed above for the public benefit. The Charity's aim for each objective is:

Object 1 to provide education regarding the Christian faith to undergraduate and postgraduate students throughout Uganda to the degree permitted by funds received by the Charity.

Object 2 to relieve poverty in individuals and families through low interest loans and grants to the degree permitted by funds received by the Charity.

Object 3 to provide infrastructure development to a pre and primary school in South West Uganda to the degree permitted by funds received by the Charity.

We review the grant making policy annually to ensure that it reflects the charity's objects and thereby advances public benefit.

#### DELIVERY OF PUBLIC BENEFIT AND MONITORING OF ACHIEVEMENT

**A review of our achievements and performance: How our grant and loan activities delivered public benefit.**

In the reporting period Living Word International ('LWI') provided public benefit through:

**Object 1 - Providing funding with appropriate accountability to "Living Word Uganda" a Ugandan registered charitable company.**

During the period covered by this report a total of £34,658 (2017: £27,992) was made as donations to "Living Word Uganda" ('LWU') and a further £3,857 (2017: £1,886) was spent in the UK on goods and services for LWU at their request. This Ugandan registered charity provides education to undergraduate and post graduate students in Uganda.

The education is centred on the Christian faith and how it is to be lived out, particularly encouraging charitable acts to others regardless of tribe, culture, religion or ethnicity.

In January 2018, 143 participants attended the annual 5-day residential conference in Lubowa, Kampala which was also attended by Dr. Creed (Chair of Trustees) who lectured at the conference. This visit allowed Dr. Creed to meet the 3 Directors of Living Word Uganda and 6 staff members (4 full time Ugandan nationals, 1 part-time German national, 1 part-time British national) to review and plan the year ahead.

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### REPORT OF THE TRUSTEES

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During the period multiple regional day events throughout Uganda covering 40 universities were held to provide further education to an estimated 1400 students. In June a six month “Apprenticeship Ministry Training Programme” began to cater for postgraduate students by providing more extensive training including church placements for 5 students.

In addition to the face to face visit made by Dr. Creed, regular skype meetings, phone and email correspondence have occurred between the Directors and staff of Living Word Uganda and trustees of Living Word International. In June 2018 Mr. Schwarz Manano (team leader of LWU) and his wife Mrs. Judith Manano (part time staff LWU) visited the UK for further training, and met supporters and had face to face meetings with all the trustees of LWI. Also in July 2018 Mr. Rodgers Atwebembeire vice, chair LWU Board, visited the UK and had face to face meetings with Dr Creed and Miss Menzies, trustees of LWI.

Satisfactory monthly account updates and activity reports have been received as has an annual financial report from Living Word Uganda, requirements specified in a partnership agreement between the Charity and Living Word Uganda in order for funding to be provided.

#### **Object 2 - Providing the relief of poverty through enabling suitable individuals to start their own businesses so becoming financially independent and able to support their families and community without ongoing aid.**

At the start of the period covered by this report no very low interest rate loans or grants were outstanding, and during the period none were made by Living Word International to Living Word Uganda for onward lending to deserving individuals.

The application process is open to any Ugandan citizen aspiring to start their own small business. In practice this tends to be by invitation to individuals known to be in financial need and with the necessary ability to successfully run a business, but it is open to all. The application requires details of:

- a) The Business Plan detailing how the loan will be spent, associated market research, implementation plan with financial estimates and contingencies.
- b) The repayment plan. (Note: Typically interest rates will be charged between 0% (capital only) and 1.5% per month (maximum) and the repayment is typically over 2-10 years depending on the size of the loan. This rate of interest compares with 3-5% per month that would ordinarily be charged by Ugandan banks for a similar loan.
- c) The applicant by way of his/her curriculum vitae.

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### REPORT OF THE TRUSTEES

#### FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018

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On receipt of the application if the finances are available to provide the loan, each application is assessed according to the following criteria:

- a) The assessed viability of the proposed business plan for success, with priority being given to business proposals that are deemed to be most likely to succeed.
- b) The size of the loan is in accordance with what is deemed appropriate for the business plan, the likelihood of successful repayment and amount of benefit to relieve poverty. Priority is given to proposals that involve small loans with a high likelihood of repayment and which relieve the most poverty.
- c) The financial needs of the applicant. Preference is given to unemployed individuals and those with dependents. A basic assessment of wealth is made by visiting the residence of the applicant. References are also taken in this regard where possible.
- d) The proven good character of the applicant. This is made by interview and taking references, but priority is given to applicants where the referees themselves are known to be of proven good character to Living Word International or Living Word Uganda.

After assessing an application as appropriate, Living Word International draws up an agreement with the applicant detailing the repayment plan along with other requirements such as the need to inform Living Word International of any change of contact details.

Payments are made monthly and failure to make a payment immediately triggers an enquiry. If there are mitigating circumstances the repayments may be suspended until such a time as they can be restarted. Living Word International never applies financial penalties for the failed repayment of loans as the aim is always to relieve, not cause poverty. Although there has never yet been a case of an individual who has disappeared (or attempted to disappear) with subsequent failure to make repayments, Living Word International acknowledges that under these circumstances the finance for the loan would not be retrievable.

#### **Object 3 - To supply funding, with appropriate accountability, for infrastructure projects and other essential needs to a school for pre- and primary school children in South West Uganda.**

During the period covered by this report approximately 420 children (aged 3-13) received high quality schooling at pre-primary and primary school level at "Amazing Grace Pre- and Primary School" in Kisoro, South West Uganda as proven by excellent Primary Leaving Examination results (3rd place in the district). 49% of these children were chosen from extremely poor backgrounds and most are orphans. The parents of the remaining children help by paying school fees to pay for the ongoing staff / running costs of the school, but this is not sufficient for the infrastructure / other essential facilities needed at the school.

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During the reporting period financial support of £9,610 (2017: £13,824) was sent to the school by Living Word International. The funds were spent on a variety of infrastructure projects including:

- a) Installation of solar panels to provide lighting to the accommodation blocks to provide a reliable source of lighting and decrease electricity costs.
- b) Completion of a side wall to the school premises to improve pupils' safety.
- c) A new brick-built room for the school bursar and welcome room for parents close to the front gate with water purification system for clean drinking water.
- d) Concreting of the courtyard at the front of the school with painting of courtyard classrooms.
- e) Construction of new dormitory for boarding pupils.
- f) A donation towards sundry items for the non-fee paying children including medical expenses, uniform, stationery, soap, toiletries and blankets.

Dr. Creed visited the school in January 2018 to inspect the accounts, bank statements and infrastructure projects and confirmed the funds have been spent as specified by the school. He was also able to speak to the staff at the school and reported a positive relationship with the Directors of the School. Dr. Creed acts as the UK Director for the school and was able to plan with the Ugandan Directors the school's future infrastructure projects.

#### **FINANCIAL REVIEW**

The financial statements for the 15 month period ended 31<sup>st</sup> July 2018 are specified below. These statements show how the funds have been applied in the period. The Trustees believe that the Charity is in a satisfactory financial position at the period end and is in a position to meet all its obligations. The Trustees confirm that the assets of the Charity are held solely for the charitable objectives set out in this report.

#### **FUND RAISING OBJECTIVES AND SOURCES**

Since the Charity's inception its target has been to raise sufficient funds to meet the agreed annual budget with Living Word Uganda and for the development and running of Amazing Grace School. The objective is primarily to raise what we can and pass the funds on in furtherance of the three objectives stated above.

Donors express non-binding wishes regarding the use of their gifts to the charity and, as far as possible, the trustees endeavor to respect those wishes by designating income, in accordance with those wishes, to the Living Word Uganda fund, the Loans fund or the Amazing Grace School fund. No restricted donations have been received. A target 'UK governance expenses to total donations ratio' of 3% is maintained and to date the charity has operated well within this limit. The amounts designated in respect of each fund are specified in Note 5 to the accounts.

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The Charity's work is dependent on a continuing flow of donations. The funding sources of the charity are from voluntary contributions from individuals, trusts and churches across the United Kingdom. The charity does not accept donations in cash.

The Trustees are encouraged that its supporting individuals, trusts and churches have demonstrated a loyalty to the Charity and expect their contributions to continue, but the Trustees will also continue to encourage voluntary contributions from other individuals and churches to allow the Charity to sustain its current activities.

At the period-end the Charity had a constructive obligation to make a grant payment for £2,500 in the new financial year and this has been included in these accounts; there were no other grant making obligations at the balance sheet date.

#### **INVESTMENT POLICY AND PERFORMANCE**

The Charity ensures that its current bank account, which does not pay interest, holds all its received donations until they are either paid out to grant and loan beneficiaries or moved to an interest bearing savings account. The Charity does not receive or hold any monies as cash in hand. Funds for the three objectives are co-mingled in the two bank accounts, but the designated purpose for which the funds were donated is maintained.

#### **MANAGEMENT RESOURCES AND EXPENSES**

All the activities of the Charity are undertaken by unpaid volunteers. There were no costs incurred other than expenses paid to volunteers and trustees. All payments of expenses were approved by the trustees and made against documented receipts of expenditure. Details of the expenditure are stated in note 2 to the accounts.

#### **RESERVES & INVESTMENTS POLICY**

By 30<sup>th</sup> April 2018 the Charity had set the aim to hold cash in each designated fund to cover three months of funding for the projects it supports, estimated at a total of £10,000. This target was achieved and has been maintained to date. This cash reserve was reviewed in September 2018 and was agreed as adequate until the next review in September 2019.

The Charity's investment policy is to hold its reserves as cash in bank. As at 31<sup>st</sup> July 2018 cash balances were £8,433 (2017: £2,208) in the current account with a further £10,009 (2017: £nil) held in a savings account opened in July 2017. The Charity's total reserves of £19,155 were designated as £16,702 (2017: £92) to Living Word Uganda and £2,453 (2017: £2,117) to Amazing Grace School.



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### REPORT OF THE TRUSTEES

FOR THE 15 MONTHS ENDED 31<sup>ST</sup> JULY 2018

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#### RISK ASSESSMENT

The Trustees carry out an annual review of the potential risks to the Charity and believe that there are satisfactory systems in place to identify and mitigate any material exposure. The Trustees regard the risk exposure as being low. The principal risks faced by the Charity are:

Objective	Risk	Mitigation
<b>Object 1</b> - Living Word Uganda	a) Misappropriation of funds. b) The inherent risks of working in Uganda's financial, banking, ethical and legal climate.	<ul style="list-style-type: none"> <li>• The Charity does not pledge credit and its sole asset is cash held in a UK bank.</li> <li>• Close monitoring of the use of funds through visits, Skype conversations, reference take-up and emails.</li> <li>• Strong relationships are sustained with all parties supported by the Charity.</li> <li>• Financial controls – budget monitoring, monthly reporting, audits of bank accounts and financial practice.</li> <li>• Structural and ethical accountability of the LWU board and staff to the LWI board is explicit in the partnership agreement with LWU. (Objective 1 only)</li> </ul>
<b>Object 2</b> - Small loans	a) Misappropriation of funds loaned or granted. b) The recipient becomes unable to repay according to the agreed terms. c) The inherent risks of working in Uganda's financial, banking ethical and legal climate.	
<b>Object 3</b> - Amazing Grace School	a) Misappropriation of funds. b) The inherent risks of working in Uganda's financial, banking ethical and legal climate.	

#### PLANS FOR THE FUTURE

The Charity intends to continue with its support of Living Word Uganda and the Amazing Grace School at a level of financial commitment similar to that of this reporting period.

The Charity is increasing its volunteers' efforts in raising money from Churches in Britain in the expectation that at least the current level of donations will be maintained in future.

Since January 2018 the Charity has been in discussions with two other charitable works similar to Living Word Uganda, namely "Servants of the Word" in The Gambia and "Preach the Word" in Rwanda. Face to face meetings have been held between Dr. Creed and the key people driving these works, and a partnership agreement covering how the Charity might support these additional works has been agreed. It is anticipated that these discussions will continue. Once the necessary requirements in the partnership agreement have been achieved, the Charity will apply to the UK Charities Commission to expand its work into these additional countries.

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**FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018**

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

The trustees consider that the board of trustees and the chief executive comprise the key management personnel of the charity in charge of directing and controlling the charity, and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the period. Details of trustee expenses and any related party transactions are disclosed in note 2 to the accounts. Trustees are required to disclose all relevant interests and register them with the chief executive and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

New trustees are appointed by the existing trustees and serve for one year after which they may put themselves forward for re-appointment. The Articles of Association provides for a minimum of three trustees, but does not stipulate any maximum number. At the quarterly trustees' meetings, the trustees agree the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

The trustees all share a united faith in the Lord Jesus Christ. It is the desire of the trustees to offer in service their experience to the Christian charitable work in which they become involved, making the charity a "behind the scenes" supporter for the majority of its work.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The charity was established by a charitable trust settlement dated 17<sup>th</sup> February 2016 and is registered with the Charity Commissioners as number 1165611. It is also registered as a private company limited by guarantee and not having a share capital as number 09523029. These financial statements cover the 3rd period of operation under a Memorandum and Articles of Association established on 1<sup>st</sup> April 2015. The charity became operational with the first donations it received in November 2015.

For the period to 31<sup>st</sup> July 2018 the Trustees were:

Dr. David Stuart Creed - Chair, Chief Executive, Treasurer and Trustee

Rev. Stephen Paul Smith - Trustee

Ms. Florence Louise Bosley Menzies – Secretary and Trustee

The Bankers for the Charity are Barclays Bank, St. Andrew's Street, Cambridge, CB2 3AR.

The Independent Examiner is Ruth Smith of CA Stewardship Services (UKET) Limited, 1 Lamb's Passage, London EC1Y 8AB.

The Charity's registered office and principal address is: Living Word International, 5 Sternes Way, Stapleford, Cambridgeshire CB22 5DA.

**LIVING WORD INTERNATIONAL****REPORT OF THE TRUSTEES****FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018**

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**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The charity trustees are responsible for preparing a trustees' annual report and 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 and Wales requires the charity trustees to prepare financial statements for each period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the Companies Act 2006, the applicable Charities (Accounts and Reports) Regulations, and the charity's Articles of Association. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Board of Trustees on 25th January 2019

And signed on their behalf by:

**Dr. David S. Creed, Director**

## LIVING WORD INTERNATIONAL

## REPORT OF THE TRUSTEES – BALANCE SHEET (COMPANY NUMBER: 09523029)

FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018

**Living Word International**  
**Balance Sheet as at 31 July 2018**

	Note	Designated funds		Total Funds	Prior Period 30/04/2017
		LWU	AG		
		£s	£s	£s	£s
<b>Current assets:</b>					
Debtors (Gift aid receipts due)		3,209	1,005	4,214	-
Cash at bank and in hand		16,849	1,593	18,442	2,208
<b>Total current assets</b>		20,057	2,598	22,655	2,208
<b>Creditors falling due within one year</b>					
Other creditors		3,355	145	3,500	-
<b>Net current assets</b>		16,702	2,453	19,155	2,208
<b>Net assets</b>		16,702	2,453	19,155	2,208
<b>The funds of the charity:</b>					
Designated income funds	5	16,702	2,453	19,155	2,208
<b>Total charity funds</b>		16,702	2,453	19,155	2,208

For the 15 month period ending 31<sup>st</sup> July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006 however, in accordance with Section 145 of the Charities Act 2011 the accounts have been examined by an independent examiner whose report forms part of this document. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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

Approved by the Board of Trustees on 25th January 2019

And signed on their behalf by:  
**Dr. David S. Creed, Director**

## LIVING WORD INTERNATIONAL

## REPORT OF THE TRUSTEES - STATEMENT OF FINANCIAL ACTIVITIES

FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018

**Living Word International**  
**Statement of Financial Activities**  
**for the 15 month period ending 31 July 2018**

	Note	Designated funds		Total Funds	
		LWU	AG	2018 15 months	2017 12 months
		£s	£s	£s	£s
<b>Income</b>					
Donations	6	58,658	10,512	69,170	39,644
Investment income		9	-	9	-
<b>Total income</b>		<b>58,667</b>	<b>10,512</b>	<b>69,179</b>	<b>39,644</b>
<b>Expenditure</b>					
<i>Costs of raising funds:</i>					
Promotional activities	3	-	-	-	40
<i>Charitable Activities:</i>					
Governance and management	3	3,542	566	4,108	1,378
Direct expenditure on Education	7	38,515	9,610	48,124	43,702
<b>Total expenditure</b>		<b>42,057</b>	<b>10,176</b>	<b>52,232</b>	<b>45,120</b>
<b>Net income / (expenditure) and net movement in funds</b>		<b>16,610</b>	<b>336</b>	<b>16,947</b>	<b>(5,476)</b>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	5	92	2,117	2,208	7,684
<b>Total Funds carried forward</b>		<b>16,702</b>	<b>2,453</b>	<b>19,155</b>	<b>2,208</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies

## (a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland

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(FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

**(b) Funds structure**

Donors express non-binding wishes regarding the use of their gifts and, as far as possible, the trustees endeavor to respect those wishes by designating income, in accordance with those wishes, to the Living Word Uganda fund, the Loans fund or the Amazing Grace School fund. Donors are made aware that a proportion of all donations will be used to meet the charity's governance and management costs. The charity has not received any restricted income in either the current or preceding periods; all income received in the current and preceding periods was designated. Governance and management expenses are charged, using an appropriate basis, to the relevant designated fund. Details of each fund are disclosed in note 5.

**(c) Income recognition**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. No gifts or donations were received in the period other than as bank cheques and bank cash deposits, or bank transfers.

**(d) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more detail on this attribution refer to note 3.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award and the notification gives the recipient a reasonable expectation that they will receive the grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable. Multi-year grants are not made.

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**(e ) Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**(f ) Allocation of support and governance costs**

All centrally incurred costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory independent examination and legal fees. Governance costs and support costs relating to charitable activities have been apportioned to the funds supported by the charity based on the purpose of the expenditure. The allocation of support and governance costs is analysed in note 3.

**(g ) Costs of raising funds**

There were no costs of generating funds in the period.

**(h ) Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 3.

**(i ) Tangible fixed assets and depreciation**

The charity holds no fixed assets.

**(j ) Fixed asset investments**

The charity holds no fixed asset investments and consequently has no realised or unrealised gains or losses.

**(k ) Contingent liabilities**

A contingent liability is identified and disclosed for those grants resulting from: (1) a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or (2) a present obligation following a grant offer where settlement is either not considered probable; or (3) the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

## LIVING WORD INTERNATIONAL

## REPORT OF THE TRUSTEES – NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018**2. Trustees' expenses and remuneration and other costs**

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2017: £nil). Expenses paid to the trustees and other costs incurred in the period were £7,965 (2017: £3,304). These expenses comprised:

Purpose of Expense	Recipient	2018	2017
		15 months £s	12 months £s
<b>Expenses incurred in the UK at Donees' request</b>			
Shipment of Books to Uganda	David S. Creed	759	483
Shipment of Reading Material	David S. Creed	-	193
Flight to UK and visa for LWU staff member	David S. Creed	853	-
Flights Nairobi/Kampala for conference speakers	David S. Creed	585	790
3 Return flights Kampala/ Johannesburg	David S. Creed	742	345
Flight rearrangement cost: Rogers and Prossie	David S. Creed	121	-
Expenses paid on behalf of LW Uganda	R Holyome	375	75
IT hardware sent to Uganda	David S. Creed	422	-
<b>Total</b>		<b>3,857</b>	<b>1,886</b>
<b>Promotional expenses</b>			
'Sponsor a child' print costs	David S Creed	-	40
<b>Expenses incurred in managing the Charity</b>			
Train tickets for Trustees for UK meetings	David S Creed	262	236
Uganda conference accommodation and local costs	David S Creed	426	-
Flight to Uganda and visa for D S Creed	David S. Creed	567	649
Website maintenance and charity registration	David S. Creed	67	-
International bank funds transfer charges	Barclays Bank	568	493
Professional fees	Stewardship	2,218	-
<b>Total</b>		<b>4,108</b>	<b>1,378</b>
<b>Total Expenses and Support Costs incurred in the UK</b>		<b>7,965</b>	<b>3,304</b>

Rachael Holyome is a missionary in Kampala who works for Living Word Uganda for one day a week.

All payments of expenses were approved by the trustees and made against documented receipts of expenditure.

A professional fee of £1,218 (2017: £nil) was incurred in the period as a cost of complying with the Charities SORP and having the 2017 Report and Accounts examined by an independent examiner. A provision of £1,000 (2017: £nil) has been made in respect of the same service to be paid for the examination of this Report and Accounts.



## LIVING WORD INTERNATIONAL

## REPORT OF THE TRUSTEES- NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018**3. Allocation of governance and other support costs**

The expenses shown in note 2 were allocated to the two active objectives' funds according to the origin and purpose of the expense, with Living Word Uganda bearing all costs not directly associated with Amazing Grace School funding or activities.

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>15 months</b>	<b>15 months</b>	<b>12 months</b>	<b>12 months</b>
<b>Allocation of Governance and Other Support Costs to Donees</b>	<b>LWU</b>	<b>AG</b>	<b>LWU</b>	<b>AG</b>
	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>
Incurring in the UK at Donee's request	3,857	-	1,886	-
Promotional expenses	-	-	-	40
Incurring in managing the Charity	3,542	566	1,153	225
<b>Total Expense incurred in the UK</b>	<b>7,399</b>	<b>566</b>	<b>3,039</b>	<b>265</b>

**4. Analysis of charitable expenditure**

The charity undertakes its charitable activities through grant making to Living Word Uganda and the Amazing Grace School. Grants made in the period and the purposes of the grants were:

<b>Analysis of Charitable Expenditure</b>	<b>2018</b>	<b>2017</b>
	<b>15 months</b>	<b>12 months</b>
	<b>£s</b>	<b>£s</b>
<b>Living Word Uganda</b>		
Uganda conference expenses	11,758	12,457
Printing machine	-	3,575
Apprenticeship Ministry Training programme	2,000	-
Day-to-day running costs	17,900	11,960
Flight subsidy for Manano	500	-
Provision for August 2018 stage payment	2,500	-
<b>Total</b>	<b>34,658</b>	<b>27,992</b>
<b>Amazing Grace School</b>		
Kitchen building and equipment	-	4,525
Bursar's office and meeting room	2,000	-
School boundary wall	1,200	-
Solar panels and lighting	2,410	-
Front gate and estate wall	-	4,500
New dormitory	2,000	-
Concrete yard and paint entrance	1,000	-
Land purchase	-	4,104
Sundry items	1,000	695
<b>Total</b>	<b>9,610</b>	<b>13,824</b>

**LIVING WORD INTERNATIONAL**

**REPORT OF THE TRUSTEES – NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018**

**Analysis of Charitable Expenditure (continued)**

The day to day running costs of Living Word Uganda include a provision of £2,500 (2017: £nil) for the stage payment expected by LWU for the month of August 2018.

**5. Analysis of charitable funds: movements, reserves and restricted/unrestricted status**

No income or expenditure was incurred in the period to 31<sup>st</sup> July 2018 or in the prior reporting period on objective 2: the making of grants and loans to small business enterprises. No funds brought forward or received were restricted.

All funds have been designated as explained in note 1(c); there are no restricted or undesignated funds.

**Analysis of Designated Funds Movements**

	<b>Balance b/forward</b>	<b>Donated Income</b>	<b>Investment Income</b>	<b>Allocated Costs</b>	<b>Grants Made</b>	<b>Funds c/forward</b>
	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>
<b>2017 - 12 months</b>						
Living Word Uganda	5,918	25,205	-	3,039	27,992	92
Amazing Grace School	1,766	14,439	-	265	13,824	2,117
<b>Total</b>	<b>7,684</b>	<b>39,644</b>	<b>-</b>	<b>3,304</b>	<b>41,816</b>	<b>2,208</b>
<b>2018 - 15 months</b>						
Living Word Uganda	92	58,658	9	7,399	34,658	16,702
Amazing Grace School	2,117	10,512	-	566	9,610	2,453
<b>Total</b>	<b>2,208</b>	<b>69,170</b>	<b>9</b>	<b>7,965</b>	<b>44,268</b>	<b>19,155</b>

**6. Income from donors**

Donations received in the reporting periods to 31<sup>st</sup> July 2018 and 30<sup>th</sup> April 2017 are listed below. All donations were designated, after taking account of donors' wishes, to one or the other of the two active funds.

Donors are encouraged to give through tax-efficient Gift Aid schemes. Gift Aid tax receipts are reviewed and allocated to Living Word Uganda or Amazing Grace School. Unclaimed potential Gift Aid tax rebates at the period end were accrued at £4,214 (2017: unclaimed £320; this was not accrued in the 2017 accounts). The accrued rebate was received on 30<sup>th</sup> August 2018.

Donor debtors at the period-end were £nil (2017: £nil).

## LIVING WORD INTERNATIONAL

## REPORT OF THE TRUSTEES – NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31<sup>st</sup> JULY 2018

## Income from donors (continued)

Donor Source	Analysis of Donor Sources		Designated Fund
	2018	2017	
	15 months £s	12 months £s	
Trustees of LWI	500	5,000	Living Word Uganda
Charitable Trusts	19,192	6,000	Living Word Uganda
Individual donors	35,614	11,747	Living Word Uganda
Gift Aid received	-	2,398	Living Word Uganda
Easifundraising	143	60	Living Word Uganda
Increase/(decrease) in unclaimed gift aid	3,209	-	Living Word Uganda
<b>Total Living Word Uganda</b>	<b>58,658</b>	<b>25,205</b>	
Trustees of LWI	500	4,000	Amazing Grace School
Charitable Trusts	2,000	504	Amazing Grace School
Individual donors	7,007	8,970	Amazing Grace School
Gift Aid received	-	965	Amazing Grace School
Increase/(decrease) in unclaimed gift aid	1,005	-	Amazing Grace School
<b>Total Amazing Grace School</b>	<b>10,512</b>	<b>14,439</b>	
<b>Total all Sources</b>	<b>69,170</b>	<b>39,644</b>	

## 7. Educational Activities

All the charity's activity in objects 1 and 3 are directed towards education. Funding for this purpose is provided either directly as grants sent to bank accounts in Uganda for draw down by Living Word Uganda or Amazing Grace School. In addition certain expenses are incurred by trustees in the UK at the request of LWU or AG in providing services and materials sourced in the UK and made available to LWU and AG personnel.

Expenditure on Educational Activities	2018	2018	2017	2017
	15 months	15 months	12 months	12 months
	LWU £s	AG £s	LWU £s	AG £s
Direct grants	34,658	9,610	27,992	13,824
Incurred in the UK at Donee's request	3,857	-	1,886	-
<b>Total Education Expenditure</b>	<b>38,515</b>	<b>9,610</b>	<b>29,878</b>	<b>13,824</b>

**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF**  
**Living Word International**  
**('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the period ended 31 July 2018 on pages 11 to 18 previously following, which have been prepared on the basis of the accounting policies set out on pages 12 to 14 previously.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Ruth Smith CA

For and on behalf of:  
Stewardship  
1 Lamb's Passage  
London, EC1Y 8AB

27<sup>th</sup> February 2019