

Verité Sport
(A company limited by guarantee)

**Report and Financial Statements
For the Year Ended 31 December 2007**

**Charity number 1117093
Company number 5947088**

Verité Sport

(A company limited by guarantee)

Financial Statements

For the Year Ended 31 December 2007

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The Management Committee presents its report and financial statements for the year ended 31 December 2007.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 26th September 2006 and registered as a charity on 30 November 2006. Verité Sport started its activities on 18th December 2006. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the trustees are elected to serve until he/she retires or is removed in accordance with the relevant provisions of the articles.

Rev B Gillingham and Mr C Powell were appointed under the articles.

Ms R Avery, Mr G Peacock and Mr D Smith were appointed at the first meeting of the Board on 2nd October 2007.

Each trustee is selected on the basis of his/her skills ensuring the trustees bring diverse and relevant skills. In the event of particular skills being lost due to retirements and/or annually, the trustees identify areas where new skills are needed.

Trustee induction and training

All new trustees are given a copy of the obligations of trustees, and the main documents which set out the operational framework for the charity including the Memorandum and Articles, the budget and a summary of the work of the charity.

Most trustees are already familiar with the practical work of the charity through induction with the Chief Executive.

Risk Management

The trustees have reviewed the major risks to which the charity is exposed. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. During the year, the trustees will be undertaking a comprehensive review of the main risks and will develop an action plan to mitigate any outstanding risks.

Organisational Structure

Verité Sport has a Board of trustees who meet at least once a year and are responsible for the strategic direction and policy of the charity. At present there are five members from a variety of professional backgrounds relevant to the work of the charity. The Secretary also sits on the Management Committee but has no voting rights. A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive.

Related Parties

Mr Chris Powell is a board member of Verité Sport and he and his wife are directors of Verité CM Limited, Verité Media Limited and Challenge Newline Limited, which are all publishing companies. During the year there were transactions between Verité Sport and Verité CM Limited, Verité Media Limited and Challenge Newline Limited. These are explained in detail in note 7 to the accounts.

Objectives and Activities

The company's objects and principal activities are

- To promote a Christian presence in sport;
- To encourage sports people to believe in God;
- To apply the teachings of the Bible to sport; and
- To produce resources to enable Christians to share the gospel in the world of sport.

This is done principally in three ways:

- Producing resources, which apply Bible teaching to the world of sport;
- Promoting and developing Christian sports ministry around the world; and
- Supporting Christians in professional sport pastorally and spiritually.

Achievements and Performance

The company's aims were fulfilled in many ways during 2007. These are some of the highlights:

- Producing a Christian booklet for the cricket World Cup – over 100,000 copies were distributed in England, India, the Caribbean, Pakistan (Urdu), Nepal (Nepalese) and Bangladesh (Bengali).
- Producing a Christian booklet for the Rugby World Cup – at least 30,000 copies were distributed in the UK, South Africa and Wales (Welsh language). Some of the content was used in a French outreach newspaper (20,000 copies).
- The book "Born to Play" was published in Russian, Spanish (for distribution in Latin America) and Nepalese with financial help from Verité Sport.
- Verité Sport worked with Athletes in Action USA to produce a Christian DVD on an Olympic theme. Interviews were conducted in Indonesia, Sri Lanka, Kenya, Rwanda, Morocco and the USA.
- The Verité Sport Chief Executive served as General Secretary of the European Christian Sports Union (network of European Sports Ministries); as leader of the Serving the People of Sport group of the International Sports Coalition (World sports ministry network) and was part of the leadership team in the ACE

conference (World Sports Ministry conference every 4 years) in Thailand where 550 people attended from over 100 countries.

- Verité Sport was able to give a laptop each to two African sports ministry leaders in Congo to help them to be more effective in their ministry.
- The website www.veritesport.org has been developed with many downloadable resources in several languages.
- Amazingly Verité Sport has had an impact in 70 countries.

Financial Review

In its first year the Charity, thanks to its supporters, achieved a very positive financial outcome for the period with a net increase in funds of £22,840. The principal funding sources for the charity were donations from supporters for which we are very grateful.

Investment Policy

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term so there are few funds for long term investment. Having considered the options available, the Management Committee has decided to invest the small amount that it has available in an interest-bearing bank deposit account.

Reserves Policy

The Management Committee has examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 12 months of salary costs and 6 months of the remaining expenditure. The reserves are needed to meet the working capital requirements of the charity and the Management Committee is confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. Based on budgeted expenditure for 2008 the target for general funds is £29,380. The level of reserves at 31st December 2007 is £18,276 and therefore is less than this target level. The strategy is to continue to build reserves through planned operating surpluses, as the organisation grows, and aims to reach its target reserves in three years. In the short term the Management Committee has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Plans for Future Periods

The charity plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. Plans are also being developed to:

- Continue to make books available in other languages.
In 2008 we hope to see "Born to Play" published in Ukrainian and Arabic, and "What the book says about sport" published in French for distribution to the 24 francophone countries in Africa, in Spanish for Latin America and in Russian. The book "The Ultimate Prize" is to be published in Chinese in Beijing.
- Produce Christian booklets on the European Football Championships and the Olympics for translation and distribution around the world. Verité Sport will be supplying footballs and other equipment to a Christian football school in the Republic of Congo
- Make consultancy visits to other sports ministries plus some teaching in Ukraine, Kazakhstan and Nepal.

Responsibilities of the Management Committee

Company law requires the Management Committee 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 incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Management Committee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Management Committee is 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.

Members of the Management Committee

Members of the Management Committee, 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 set out on page 2.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's independent examiner is unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's independent examiner is aware of that information.

Auditors

There is no requirement to appoint auditors under section 43(2) of the Charities Act 1993 but as a matter of good practice, the trustees have agreed to request an independent examination of the accounts. This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Management Committee on 1 July 2008 and signed on its behalf by:

Rev J B Gillingham (Chairman)

Verité Sport
Statement of Financial Activities (including Income & Expenditure Account) for
the year ended 31 December 2007

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2007 Total Funds £ |
|----------------------------------------|-------|----------------------------|--------------------------|-----------------------------|
| Incoming resources: | | | | |
| Incoming resources from | | | | |
| Generated funds: | | | | |
| Voluntary income | 1,2 | 41,075 | 8,455 | 49,530 |
| Investment income | | 213 | – | 213 |
| Incoming resources from | | | | |
| Charitable activities | | | | |
| | 1,3 | 3,769 | – | 3,769 |
| Total incoming resources | | <u>45,057</u> | <u>8,455</u> | <u>53,512</u> |
| Resources expended | | | | |
| Costs of generating funds | | | | |
| Costs of generating voluntary | | | | |
| Income | | 737 | – | 737 |
| Charitable activities | | 26,142 | 3,488 | 29,630 |
| Governance costs | | 305 | – | 305 |
| Total resources expended | | <u>27,184</u> | <u>3,488</u> | <u>30,672</u> |
| Net incoming resources before | | 17,873 | 4,967 | 22,840 |
| transfers | | | | |
| Transfers | | 403 | (403) | – |
| Net movement in funds | 12 | <u>18,276</u> | <u>4,564</u> | <u>22,840</u> |
| Reconciliation of funds | | | | |
| Total funds at 31 December 2007 | 11 | <u>18,276</u> | <u>4,564</u> | <u>22,840</u> |

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

Verité Sport
Balance Sheet as at 31 December 2007

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2007 Total Funds £ |
|------------------------------------------------|-------|----------------------------|--------------------------|-----------------------------|
| Current Assets | | | | |
| Debtors | 9 | 200 | 46 | 246 |
| Cash at bank and in hand | | 18,076 | 4,967 | 23,043 |
| Creditors: amounts falling due within one year | 10 | — | (449) | (449) |
| Net Current Assets | | <u>18,276</u> | <u>4,564</u> | <u>22,840</u> |
| Net Assets | 11 | <u>18,276</u> | <u>4,564</u> | <u>22,840</u> |
| | | | | |
| Unrestricted funds | | | | |
| General funds | | 18,276 | — | 18,276 |
| Restricted funds | | — | 4,564 | 4,564 |
| Total Funds | 12 | <u>18,276</u> | <u>4,564</u> | <u>22,840</u> |

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Management Committee on 1 July 2008 and signed on its behalf by:

R D Avery FCA (Treasurer)

Notes forming part of the Financial Statements for the year ended 31 December 2007

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) (SORP).

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are 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:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the costs linked to the strategic management of the charity.

• All costs are allocated between the expenditure categories of the Statement of Financial Activities (SoFA) either directly, or are apportioned on an appropriate basis and these are set out in Note 4.

2. Donations

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2007 Total Funds £ |
|------------------------|-------|----------------------------|--------------------------|-----------------------------|
| Trusts | | 4,250 | – | 4,250 |
| Donations | | 36,825 | 8,455 | 45,280 |
| Total donations | | <u>41,075</u> | <u>8,455</u> | <u>49,530</u> |

3. Incoming Resources from Activities to further the Charity's Objects

Incoming resources from charitable activities comprises fees received for writing literature or articles which fulfil the objectives of the charity.

4. Total Resources Expended

Basis of allocation

Non-direct costs have been allocated on the basis of staff time spent on each of the activities.

| | Producing resources £ | Promoting international sports ministry £ | Supporting professional sports people £ | 2007 Total Funds £ |
|-----------------------------------------------|-----------------------------|-------------------------------------------------------|-----------------------------------------------------|-----------------------------|
| Costs directly allocated to activities | 371 | 13,309 | 144 | 13,824 |
| Staff costs Direct | 1,621 | 1,621 | 1,621 | 4,863 |
| Travel Direct | 326 | 5,395 | 634 | 6,355 |
| Support costs allocated to activities | 1,723 | 2,636 | 1,271 | 5,630 |
| Total resources expended | <u>4,041</u> | <u>22,961</u> | <u>3,670</u> | <u>30,672</u> |

5. Net Incoming Resources for the Year

There were no audit or depreciation charges.

6. Staff Costs and Numbers

Staff costs were as follows:

| | 2007 £ |
|------------------------------|--------------|
| Salaries and wages | 3,750 |
| Social security costs | 313 |
| Pension costs | 800 |
| Total staff costs | <u>4,863</u> |

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

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

| | 2007 £ |
|------------------------|-----------|
| Chief Executive | <u>1</u> |

The charity does not operate any pension scheme for its employees but does make contributions to a Norwich Union personal pension scheme for its sole staff member. The charity made contributions to this scheme amounting to £800.

7. Trustee Remuneration & Related Party Transactions

No members of the Management Committee received any remuneration during the year. Travel costs and expenses amounting to £57 were reimbursed to 1 member of the Management Committee.

Mr Chris Powell is a board member of Verité Sport. During the year Verité Sport received grants of £1,500 from Verité Media Limited, a company in which Chris Powell has a 50% interest. Verité Sport also received £600 from Challenge Newslite Limited, a company owned by Chris Powell and his wife. In addition, Verité Sport paid Verité CM Limited £1,811 for providing printing services. Verité CM Limited is also owned by Chris Powell and his wife. The trustees are satisfied that this arrangement was of benefit to Verité Sport.

Mr Stuart Weir is the Chief Executive of Verité Sport. Members of his family contributed donations for the work of the charity during the year. The trustees are satisfied that no benefits accrued to these donors as a result of these donations.

No other 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.

8. Taxation

As a charity, Verité Sport is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

9. Debtors

| | |
|---------------|------------|
| | 2007 |
| | £ |
| Other debtors | <u>246</u> |

10. Creditors: Amounts Falling Due within One Year

| | |
|------------------------------|------------|
| | 2007 |
| | £ |
| Other creditors and accruals | <u>449</u> |

11. Analysis of Net Assets Between Funds

| | General Funds £ | Restricted Funds £ | 2007 Total Funds £ |
|---------------------|-----------------------|--------------------------|-----------------------------|
| Current assets | 18,276 | 5,013 | 23,289 |
| Current liabilities | — | (449) | (449) |
| Net assets | <u>18,276</u> | <u>4,564</u> | <u>22,840</u> |

12. Movements in Funds

| | Incoming Resources £ | Outgoing Resources £ | Transfers £ | At 31 Dec 2007 £ |
|---------------------|----------------------------|----------------------------|----------------|------------------------|
| Restricted funds: | 8,455 | (3,488) | (403) | 4,564 |
| Unrestricted funds: | | | | |
| General funds | 45,058 | (27,185) | 403 | 18,276 |
| Total funds | <u>53,513</u> | <u>(30,673)</u> | - | <u>22,840</u> |

Purposes of Restricted Funds

The restricted fund represents funds received not yet spent, from Athletes in Action (USA), a not for profit Christian organisation who commissioned Verité Sport to help produce a DVD programme.