

**Church in Chains**  
**Financial Statements**  
**for the year ended 31 December 2016**

## **Church in Chains**

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## Church in Chains

### TRUSTEES AND OTHER INFORMATION

<b>Trustees</b>	David Franklin (Chair) Pamela Coulter Davood Mahmoodnezhad Jim McGing Keith Talbot
<b>Charitable Status Number</b>	CHY 15443
<b>CRA Registered Number</b>	20053291
<b>Director</b>	David Turner
<b>Business Address</b>	PO Box 10447 Glenageary Co Dublin
<b>Auditors</b>	David Ebbs & Co DAC Chartered Accountants and Statutory Audit Firm 31 Westland Square Dublin 2
<b>Solicitors</b>	Cormac O'Ceallaigh & Co Solicitors 388 North Circular Road Phibsborough Dublin 7

## Church in Chains

# TRUSTEES' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2016

The trustees are responsible for preparing the financial statements in accordance with applicable Irish law and regulations.

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the income and expenses of the trust for that period. The trustees have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

In preparing these financial statements, the trustees are required to:

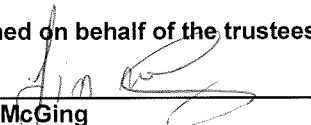
- select suitable accounting policies for the trust financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The trustees are responsible for ensuring that the trust keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the trust, enable at any time the assets, liabilities, financial position and surplus or deficit of the trust to be determined with reasonable accuracy and enable them to ensure that the financial statements comply with the Irish statute and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

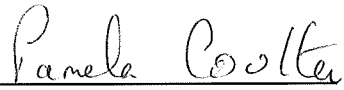
In so far as the trustees are aware:

- there is no relevant audit information (information needed by the trust's auditor in connection with preparing the auditor's report) of which the trust's auditor is unaware, and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the trust's auditor is aware of that information.

Signed on behalf of the trustees

  
Jim McGing  
Trustee

19 October 2017

  
Pamela Coulter  
Trustee

19 October 2017

# INDEPENDENT AUDITOR'S REPORT

## to the Trustees of Church in Chains

We have audited the financial statements of Church in Chains for the year ended 31 December 2016 which comprise the Income and Expenditure Account, the Balance Sheet, the Reconciliation of Members' Funds, the Cash Flow Statement, the Accounting Policies and the related notes. The relevant financial reporting framework that has been applied in their preparation is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

This report is made solely to the trustees. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

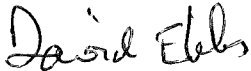
### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the trust as at 31 December 2016 and of its deficit for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.



**David Ebbs**  
for and on behalf of  
**David Ebbs & Co DAC**  
Chartered Accountants and Statutory Audit Firm  
31 Westland Square  
Dublin 2

25 October 2017

## Church in Chains

### INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2016

	Notes	2016 €	2015 €
Income	5	134,444	197,325
Expenditure		<u>(137,722)</u>	<u>(130,205)</u>
(Deficit)/surplus on ordinary activities before interest		(3,278)	67,120
Deposit Interest		<u>173</u>	<u>315</u>
(Deficit)/surplus for the year	13	<u><u>(3,105)</u></u>	<u><u>67,435</u></u>

The trust has no recognised gains or losses other than the (deficit)/surplus for the year. The results for the year have been calculated on the historical cost basis. The trust's income and expenses all relate to continuing operations.

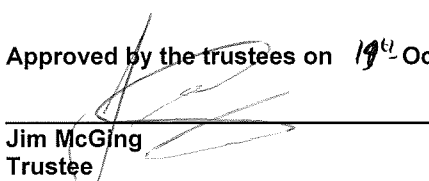
# Church in Chains

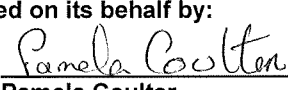
## BALANCE SHEET

as at 31 December 2016

	Notes	2016 €	2015 €
<b>Fixed Assets</b>			
Tangible assets	7	-	-
<b>Current Assets</b>			
Debtors	8	8,233	5,860
Cash and cash equivalents		112,879	119,398
		<u>121,111</u>	<u>125,258</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(4,169)</u>	<u>(5,211)</u>
<b>Net Current Liabilities</b>		<u>(4,169)</u>	<u>(5,211)</u>
<b>Total Assets less Current Liabilities</b>		<u>116,942</u>	<u>120,047</u>
<b>Creditors</b>			
Amounts falling due after more than one year		-	-
<b>Net Assets</b>		<u>116,942</u>	<u>120,047</u>
<b>Reserves</b>			
Income and expenditure account	12	<u>116,942</u>	<u>120,047</u>
<b>Total funds</b>		<u>116,942</u>	<u>120,047</u>

Approved by the trustees on 19<sup>th</sup> October 2017 and signed on its behalf by:

  
\_\_\_\_\_  
Jim McGing  
Trustee

  
\_\_\_\_\_  
Pamela Coulter  
Trustee

## Church in Chains

### RECONCILIATION OF FUNDS

as at 31 December 2016

	Retained surplus	Total
	€	€
<b>At 1 January 2015</b>	52,612	52,612
Surplus for the year	<u>67,435</u>	<u>67,435</u>
<b>At 31 December 2015</b>	<u>120,047</u>	<u>120,047</u>
(Deficit) for the year	<u>(3,105)</u>	<u>(3,105)</u>
<b>At 31 December 2016</b>	<u><u>116,942</u></u>	<u><u>116,942</u></u>



## Church in Chains

### CASH FLOW STATEMENT

for the year ended 31 December 2016

	Notes	2016 €	2015 €
<b>Cash flows from operating activities</b>			
(Deficit)/surplus on operating activities		(3,278)	67,120
Adjustments for:			
Interest payable and similar charges		-	-
Depreciation		-	-
		<u>(3,278)</u>	<u>67,120</u>
Movements in working capital:			
Movement in debtors		(2,301)	2,940
Movement in creditors		(1,042)	3,821
		<u>(3,343)</u>	<u>6,045</u>
<b>Cash flows from investing activities</b>			
Interest received		102	186
Payments to acquire tangible fixed assets		-	-
		<u>102</u>	<u>186</u>
Net cash generated from investment activities		<u>102</u>	<u>186</u>
<b>Cash flows from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,519)</b>	<b>74,067</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>119,398</b>	<b>45,331</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>13</b>	<b><u>112,879</u></b>	<b><u>119,398</u></b>

## Church in Chains

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

### 1. GENERAL INFORMATION

Church in Chains is a charitable trust set up in the Republic of Ireland. The trust advances the Christian faith through the support of Christians around the world in countries where the rights to religious freedom and expression are not respected. The financial statements have been presented in Euro (€) which is also the functional currency of the trust.

### 2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the trust's financial statements.

#### **Basis of preparation**

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

#### **Income**

The trust's income, other than deposit interest, represents grants and donations received, and tax relief accrued thereon. The trust has been approved by Revenue for the scheme of tax relief for donations to eligible charities under Section 848A Taxes Consolidation Act 1997. Donations are recorded as they are entered into the books and records. Where a gift is designated by the donor, the trustees take measures to ensure that their request is complied with on a timely basis.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Office equipment	-	20% Straight Line
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The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Balance Sheet bank overdrafts are shown within Creditors.

#### **Trade and other creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

for the year ended 31 December 2016

**Employee benefits**

The trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the trust in an independently administered fund.

**Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Income and Expenditure Account.

**Taxation**

No provision has been made for taxation on the basis that the trust has been granted charitable status by Revenue.

**3. ADOPTION OF FRS 102**

This is the first set of financial statements prepared by Church in Chains in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The trust transitioned from previously extant Irish and UK GAAP to FRS 102 as at 1 January 2015. There were no transitional adjustments.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors including expectations of future events that are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates, believed to be reasonable under the circumstances.

There are no critical judgements, estimates and assumptions, except as listed below, which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Key source of estimation uncertainty: Tax reclaim.

To the extent it has not been received by the date of approval of the financial statements, the trustees have estimated the tax reclaim associated with donations received. The trustees believe the estimate is appropriate based on a review of historic claims made and received.

**5. INCOME**

The whole of the trust's income is derived from the principal activity of supporting Christians around the world in countries where the rights to religious freedom and expression are not respected. A legacy of €57,105 was received in December 2015. The trustees examined various ways in which the legacy could be used to advance the work of the charity and following this examination, a decision was made to appoint an additional part-time staff member, who was appointed in 2017.

**6. OPERATING SURPLUS**

	2016	2015
	€	€
<b>Operating surplus is stated after charging:</b>		
Depreciation of tangible fixed assets	-	-
	<u>          </u>	<u>          </u>

## Church in Chains

### NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2016

#### 7. TANGIBLE FIXED ASSETS

	Office equipment €	Total €
<b>Cost</b>		
At 1 January 2016	3,706	3,706
Additions	-	-
At 31 December 2016	<u>3,706</u>	<u>3,706</u>
<b>Depreciation</b>		
At 1 January 2016	3,706	3,706
Charge for the year	-	-
At 31 December 2016	<u>3,706</u>	<u>3,706</u>
<b>Net book value</b>		
At 31 December 2016	<u>-</u>	<u>-</u>
At 31 December 2015	<u>-</u>	<u>-</u>
<b>8. DEBTORS</b>	<b>2016</b>	<b>2015</b>
	€	€
Tax rebates on donations	7,700	5,000
Prepayments	533	860
	<u>8,233</u>	<u>5,860</u>
<b>9. CREDITORS</b>	<b>2016</b>	<b>2015</b>
<b>Amounts falling due within one year</b>	€	€
Taxation & Social Welfare – PAYE/PRSI/USC	2,779	2,837
Accruals	1,390	2,374
	<u>4,169</u>	<u>5,211</u>

#### 10. AUDITED FINANCIAL STATEMENTS AND STATUS

The financial statements have been audited in order to meet the conditions attaching to the tax exemption status granted to the trust by the Revenue Commissioners (CHY15443). The trust is established as a Registered charity (No 20053291).

#### 11. GENERAL FUNDS

The trustees have determined that the appropriate level of general funds in reserve should be equivalent to six months' expenditure. The receipt of unexpected lump sums e.g. legacies, can cause a temporary increase (see note 5). The trustees make allocations of excess funds on a regular basis. During the financial year the trustees decided to allocate €23,036 from general funds to overseas projects in Eritrea, Iran, Iraq, Nigeria and Pakistan, and one Irish-based project related to Iranian Christians.

## Church in Chains

### NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2016

#### 12. INCOME AND EXPENDITURE ACCOUNT

	2016 €	2015 €
At 1 January 2016	120,047	52,612
(Deficit)/surplus for the year	<u>(3,105)</u>	<u>67,435</u>
At 31 December 2016	<u>116,942</u>	<u>120,047</u>

#### 13. CASH AND CASH EQUIVALENTS

	2016 €	2015 €
Cash and bank balances	<u>112,879</u>	<u>119,398</u>

#### 14. KEY MANAGEMENT PERSONNEL

The key management personnel comprise the director and administrative staff. The total of key management compensation including employer's PRSI contributions was €55,678 (2015: €54,154).

#### 15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the trustees on 17<sup>th</sup> October 2017.

**CHURCH IN CHAINS**

**SUPPLEMENTARY INFORMATION**

**RELATING TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**NOT COVERED BY THE REPORT OF THE AUDITORS**

**THE FOLLOWING PAGES DO NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

## Church in Chains

### SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS DETAILED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2016

	2016 €	2015 €
<b>Income</b>		
General funds	91,467	91,187
Designated funds	29,184	40,110
Legacies	-	57,105
Tax rebate on donations	13,793	8,923
	<u>134,444</u>	<u>197,325</u>
<b>Expenditure</b>		
Designated gifts	29,184	40,290
Gift allocations from general funds	23,036	13,572
Other gifts	200	200
Salaries and employer's PRSI	53,242	51,718
Pension	2,436	2,436
Insurance	480	350
Educating the Church	10,605	11,244
Printing, postage and stationery	3,340	3,044
Telephone	318	313
Subscriptions	837	615
Conference and travel expenses	6,687	3,303
Audit and accountancy	984	984
Bank charges	171	16
Website and computer expenses	4,431	771
General expenses	1,021	889
Office expenses	750	750
Depreciation	-	-
	<u>137,722</u>	<u>130,205</u>
<b>Miscellaneous income</b>		
Bank interest	173	315
	<u>173</u>	<u>315</u>
<b>Net (deficit)/surplus</b>	<u><u>(3,105)</u></u>	<u><u>67,435</u></u>