

Verité Sport
(A company limited by guarantee)

**Report and Financial Statements
For the Year Ended 31 December 2008**

**Charity number 1117093
Company number 5947088**

Verité Sport

(A company limited by guarantee)

Financial Statements**For the Year Ended 31 December 2008**

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The Management Committee presents its report and financial statements for the year ended 31 December 2008.

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 of Trustees 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. The trustees undertook a comprehensive review of the main risks and have assured themselves that there are procedures and insurances in place to mitigate these 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 and Challenge Newline Limited, which are both publishing companies. During the year there were transactions between Verité Sport and Verité CM 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 2008. The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. Some of the 2008 highlights and plans for 2009 are given below:

Togo

Togo is a small French speaking country in West Africa. It came to prominence as a footballing nation when it qualified for the 2006 FIFA World Cup in Germany. At a training conference in Côte d'Ivoire, Stuart met Aimé, who runs football coaching and teams for 45 girls. In January 2009 Stuart will visit Aimé to see if there are ways in which Verité Sport can make a contribution to his ministry.

Kazakhstan

Kazakhstan has been an independent country since 1991. It borders China, Russia, Uzbekistan, Kyrgyzstan and Turkmenistan but is part of Europe for football and is even in England's World Cup qualifying group. Dima and Margo are pioneers of sports ministry in Ost-Kamenogorsk, close to the Chinese border. Stuart visited Dima and

Margo in 2008 and acts as a mentor/encourager. Verité Sport is sponsoring the publication in Kazakhstan of the Russian edition of the book *Born to Play* (by Graham Daniels and Stuart Weir). In 2009 Verité Sport will sponsor the city schools' basketball tournament which Dima and Margo run as part of their ministry to teenagers in the city.

Ukraine

Another former Soviet Republic, Ukraine has been independent since 1991. Like Kazakhstan, Ukraine is in England's World Cup qualifying group! Ukraine is a co-host of the 2012 European Football championship. When Stuart visited Ukraine in 2008, he was impressed with the amount of football ministry taking place but also noted that none of the coaches were qualified. Verité Sport will partner with Ambassadors in Sport to offer a Level 1 coaching course to 20 Ukrainians in May 2009 to equip them for the ministry they are involved in.

Thailand

Pranee is a staff worker for Athletes in Action in Chang Mai, Thailand. As president of the Chang Mai Softball Association, a member of the Thai National Softball Committee and a student on an MSc in Sports Science, Pranee is at the heart of Thai sports culture. Verité Sport will provide funding for softball equipment and books for her course.

Pakistan

From February to April 2009, Victor will organize a cricket tournament in Lahore. The aims of the tournament are:

1. To share the love of Christ with cricket players
2. To bring unity, harmony and peace in Pakistan
3. To direct the energies of cricket players that they become useful and responsible citizens
4. To provide opportunity to players to polish their talents.

Verité Sport will help sponsor the tournament. This is part of an ongoing partnership with OM Pakistan which has already resulted in the publication in Urdu of *Born to Play*, *What the book says about sport* (by Stuart) and our 2007 Cricket World Cup booklet.

Republic of Congo

The Republic of Congo – also known as Congo Brazzaville – is north of the river Congo. (DR Congo, formerly Zaire, is south of the river). Independent from France since 1960, the country has a population of 3 million. In 2007 Stuart spoke at a conference in Brazzaville. In 2008 Verité Sport provided resources for a football coaching project in Brazzaville. In late 2009 Stuart will visit Congo again.

Books

3,000 copies of *What the book says about sport* were printed in French in DR Congo in 2008. Distribution is a challenge but we have so far managed to get supplies to DR Congo, Republic of Congo, Cameroon, Gabon, Chad, Central African Republic, Ivory Coast, Mali, Niger and Senegal.

In 2008 *Born to Play* was published in Ukrainian. A Russian edition for Kazakhstan and a Kinyarwandan version for Rwanda are in progress.

In 2009 we will seek to assist partners with publishing projects.

Equipment

In 2008 we were able to give computers to two more sports ministry leaders in Africa (a total of five since 2006). In 2009 we will look for additional needy partners. Through the generosity of the Football Association we have been able to supply football kit to partners in Niger and Mozambique. In 2009 Stuart will be aiming to take kit with him on every trip.

Financial Review

In its second year the charity, thanks to its supporters, achieved a very positive financial outcome for the year with income of £43,846 (2007: £53,512) leaving reserves of £21,084 (2007: £22,840). The principal funding sources for the charity were donations from trusts and 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 reviewed the reserves policy in light of the main risks to the organisation and agreed to revise it. It has updated the policy such that unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 6 months (2007:12 months) of salary costs and 3 months (2007:6 months) of the remaining expenditure (excluding grants). The committee agreed to review the policy again next year.

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. The general reserves at 31 December 2008 were £18,970 compared with a revised target of £15,840. Based on budgeted expenditure for 2009 the target for general funds is £14,415. The level of reserves budgeted for 31st December 2009 will continue to meet this target level. The strategy is to continue to build reserves through planned operating surpluses, as the organisation grows, and aims to maintain its target reserves. The Management Committee has considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

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 3.

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
signed on its behalf by:

2009 and

Rev J B Gillingham (Chairman)

Verité Sport
Statement of Financial Activities (including Income & Expenditure Account) for
the year ended 31 December 2008

	Notes	Unrestricted Funds £	Restricted Funds £	2008 Total Funds £	2007 Total Funds £
Incoming resources:					
Incoming resources from					
Generated funds:					
Voluntary income	1,2	33,485	5,451	38,936	49,530
Investment income		517	–	517	213
Incoming resources from					
Charitable activities					
	1,3	4,393	–	4,393	3,769
Total incoming resources		38,395	5,451	43,846	53,512
Resources expended					
Costs of generating funds					
Costs of generating voluntary					
Income					
		–	–	–	737
Charitable activities	4	42,478	2,935	45,413	29,630
Governance costs	4	219	–	219	305
Total resources expended		42,697	2,935	45,632	30,672
Net incoming resources before transfers		(4,302)	2,516	(1,786)	22,840
Transfers		4,996	(4,996)	–	–
Net movement in funds	12	694	(2,480)	(1,786)	22,840
Reconciliation of funds					
Total funds at 31 December 2008	11	18,970	2,084	21,054	22,840
Total funds at 31 December 2007	11	18,276	4,564	22,840	–

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 2008

	Notes	Unrestricted Funds £	Restricted Funds £	2008 Total Funds £	2007 Total Funds £
Current Assets					
Debtors	9	524	38	562	246
Cash at bank and in hand		19,583	2,478	22,061	23,043
Creditors: amounts falling due within one year	10	(1,137)	(432)	(1,569)	(449)
Net Current Assets		18,970	2,084	21,054	22,840
Net Assets	11	18,970	2,084	21,054	22,840
Unrestricted funds					
General funds		18,970	–	18,970	18,276
Restricted funds		–	2,084	2,084	4,564
Total Funds	12	18,970	2,084	21,054	22,840

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

For the year ended 31 December 2008, the company was entitled to exemption under 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The directors acknowledge their responsibility for:

- (i) Ensuring the company keeps accounting records which comply with section 221; and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the company.

Approved by the Management Committee on
signed on its behalf by:

2009 and

R D Avery FCA (Treasurer)

Notes forming part of the Financial Statements for the year ended 31 December 2008

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 £	2008 Total Funds £	2007 Total Funds £
Trusts		16,449	5,451	21,900	4,250
Individual Donations		17,036	—	17,036	45,280
Total donations		<u>33,485</u>	<u>5,451</u>	<u>38,936</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

Direct costs have been attributed to the relevant activity. Direct staff costs and non-direct costs have been split on the basis of staff time spent on each of the activities.

	Supporting professional sports people £	Promoting international sports ministry £	Producing resources £	2008 Total Funds £	2007 Total Funds £
Costs directly allocated to activities	150	9,817	2,299	12,266	13,824
Staff costs Direct	6,888	6,888	6,888	20,664	4,863
Travel Direct	3,881	534	4,373	8,788	6,355
Support costs allocated to activities	751	1,735	1,209	3,695	5,630
Governance	73	73	73	219	—
Total resources expended	<u>11,743</u>	<u>19,047</u>	<u>14,842</u>	<u>45,632</u>	<u>30,672</u>

5. Net Incoming Resources for the Year

There were no audit or depreciation charges (2007: nil).

6. Staff Costs and Numbers

Staff costs were as follows:

	2008 £	2007 £
Salaries and wages	14,803	3,750
Social security costs	1,061	313
Pension costs	4,800	800
Total staff costs	<u>20,664</u>	<u>4,863</u>

No employee received emoluments of more than £60,000 (2007: nil)

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

	2008 £	2007 £
Chief Executive	<u>1</u>	<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 £4,800 (2007: £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 £178 (2007: £57) were reimbursed to 2 members (2007: 1) of the Management Committee.

Mr Chris Powell is a board member of Verité Sport. Verité Sport received £650 (2007: £600) from Challenge Newslite Limited, a company owned by Chris Powell and his wife. In addition, Verité Sport received £95 of printing services in kind from Verité CM Limited (2007: Verité Sport paid £1,811 to Verité CM Limited 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.

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

	2008 £	2007 £
Other debtors	562	246

10. Creditors: Amounts Falling Due within One Year

	2008 £	2007 £
Other creditors and accruals	1,569	449

11. Analysis of Net Assets between Funds

	General Funds £	Restricted Funds £	2008 Total Funds £	2007 Total Funds £
Current assets	20,107	2,516	22,623	23,289
Current liabilities	(1,137)	(432)	(1,569)	(449)
Net assets	18,970	2,084	21,054	22,840

12. Movements in Funds

	At 1 Jan 2008 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 Dec 2008 £
AIA	5,013	–	–	(5,013)	–
Ukraine and Kazakhstan	–	4,201	(1,685)	–	2,516
Publication of books	–	1,250	(1,250)	–	–
Other	(449)	–	–	17	(432)
Restricted funds	4,564	5,451	(2,935)	(4,996)	2,084
General funds					
Unrestricted funds	18,276	38,395	(42,697)	4,996	18,970
Total funds	22,840	43,846	(45,632)	–	21,054

Purposes of Restricted Funds

The restricted funds represent funds received not yet spent. In 2007 Athletes in Action (USA), a not for profit Christian organisation commissioned Verité Sport to help produce a DVD programme. The funds were fully spent in 2007 but shown as being expended from unrestricted funds instead of restricted funds. A transfer has been made in 2008 to correct this.

Independent Examiner's Report to the Trustees of Verité Sport

I report on the accounts of the Trust for the year ended 31st December 2008.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's 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 undertaken.

It is my responsibility to:

- examine the accounts (under Section 43(3) (a) 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 Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the 1993 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act;have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Date:

T G Croft, BSc, ACA
8 Churchill Way, Long Hanborough, OX29 8JH