

Charity Registration No: 1123283
Company Registration No: 06489116

Derek Prince Ministries (UK)

Annual Report and
Financial Statements

For the year ended 31 March 2012

MONDAY



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DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charity	1
Trustees' Annual Report	2
Independent Auditors' Report	10-11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14-22

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY
FOR THE YEAR ENDED 31 MARCH 2012

Registered Name Derek Prince Ministries (UK) - also known as DPM (UK)

Company Registration No 06489116

Charity Registration No 1123283

Registered Office Kingsfield, Hadrian Way, Baldock, Herts, SG7 6AN

Trustees (who are also directors for the purpose of the Companies Act)
R D Paterson
D G Selby
R N Thorby
S H West

Adviser R Kolaneci

Chief Executive Officer N P Cornick

Auditors Ensors
The Platinum Building, St John's Innovation Park, Cowley Road, Cambridge CB4 0DS

Solicitors Thomas Eggar
Belmont House, Station Way, Crawley, West Sussex, RH10 1JA

Bankers Lloyds TSB plc,
1 Bancroft, Hitchin, Herts, SG5 1JG

Cater Allen Private Bank
Sovereign House, 16-22 Western Way, Romford, RM1 3SP

HSBC plc
612 Enfield Highway, Enfield, Middlesex, EN3 5TE

CAF Bank
25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4TA

Co-operative Bank
PO Box 250, Delf House, Skelmersdale, WN8 6WT

Introduction

Mission Statement

Derek Prince Ministries exists to develop disciples of Jesus Christ, through the Bible teaching of Derek Prince

Our vision is to reach the peoples of the world in a language they can understand, with the Bible teaching of Derek Prince, using every type of media and all forms of distribution, regardless of the economic means of the recipients

Derek Prince

Derek Prince (1915-2003) was born in India of British parents. He was educated as a scholar of Greek and Latin at Eton College and Cambridge University, where he held a Fellowship in Ancient and Modern Philosophy at King's College. He also studied Hebrew and Aramaic, both at Cambridge University and the Hebrew University in Jerusalem. In addition, he spoke a number of other modern languages.

While serving with the British army in World War II, he began to study the Bible and experienced a life-changing encounter with Jesus Christ. Out of this encounter he formed two conclusions: first, that Jesus Christ is alive, second, that the Bible is a true, relevant, up-to-date book. These conclusions altered the whole course of his life. After that time he devoted the rest of his life to studying and teaching the Bible.

He is the author of over 60 books, over 450 audio and 150 video teaching messages, many of which have been translated and published in more than 100 languages.

Derek's main gift was explaining the Bible and its teaching, in a clear and simple way. His non-denominational, non-sectarian approach has made his teaching equally relevant and helpful to people from all racial and religious backgrounds.

Derek Prince poured himself out to reach the unreached, and teach the untaught – to see God's people grow to maturity in the Word. Through our work in the UK and around the world, we endeavour to seek new ways of fulfilling Derek's original calling to be a teacher of the Scriptures, in truth and faith and love, which are in Christ Jesus - for many.

Derek Prince Ministries Today

Derek Prince passed away in 2003, but the ministry continues to expand on a worldwide basis, currently comprising of 11 national offices that provide teaching materials and raise funds for DPM outreaches.

Outreach offices are also located in many other countries including Armenia, Austria, Belgium, Bosnia, Bulgaria, Croatia, Cuba, Czech Republic, Egypt, Estonia, Fiji, Hungary, India, Indonesia, Israel, Italy, Kazakhstan, Kuwait, Macedonia, Malaysia, Myanmar, Nepal, Pakistan, Papua New Guinea, Poland, Romania, Russia, Samoa, Serbia and Montenegro, Singapore, Slovakia, Slovenia, Solomon Islands, Ukraine, Vanuatu.

Structure, Governance and Management

Constitution

Derek Prince Ministries (UK) was established as a charity in 1988 and as a charitable company in 2008. The four current trustees are the directors of the company.

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

Appointment of New Trustees

The existing Board of Trustees are responsible for the appointment of any new trustees, and no outside parties are involved in this process. It is sought to maintain that a broad range of skills and expertise are represented on the board. Once a prospective trustee is identified, they will normally be invited to serve in the capacity of a board advisor for 12 months, to further assess their suitability for the role, and to allow them to become acquainted with the trustee function. Upon completion of this, an invitation to join the board will usually follow.

Organisational Structure

Board meetings are usually held at least three times per year. The Trustees delegate the day to day running of the charity to UK/Middle East Director, Neil Cornick, with whom regular communication takes place in between the board meetings. Detailed monthly financial management reports are prepared and reviewed by the UK finance team. These reports are circulated to the trustees on a regular basis and are reviewed and discussed during board meetings.

Related Parties

Derek Prince Ministries (UK) is part of an international association of DPM National Offices and Globally Funded Outreach Offices called the Fellowship of National Offices (FNO).

The purposes of the FNO are to

- Strengthen relationship/support
- Increase effectiveness through corporate prayer and interaction
- Facilitate the support and oversight of globally funded outreaches
- Provide a vehicle to hold one another accountable for the integrity of the ministry worldwide

The members of the FNO, who are the leaders of the worldwide National and Outreach Offices, meet annually together to review past performance, decide upon globally funded outreaches and to formulate strategy and policy for the ministry worldwide.

The FNO membership is currently comprised of Neil Cornick (UK), Rene de Groot (France), Alex Genovese (Australia), Ruedi Hafliger (Switzerland), Sverre Kristoffersen (Norway), Dick Leggatt (USA), Ross Paterson (China Outreach & UK Trustee), David Selby (International Director & UK Trustee), Warren Smith (New Zealand), Isabel Surgeon (South Africa), Daniel Tracy (Germany), Ivar van der Sterre (Netherlands) and Robert Yeo (Canada).

Representative national office board members are also invited to this meeting.

International Council

The leadership of the FNO is the International Council (IC) and this was appointed by Derek Prince in 1992 to provide leadership to the worldwide ministry of Derek Prince Ministries. Members of the IC are selected from the leadership of National and Outreach Offices worldwide.

The current members of the IC are David Selby, Ross Paterson, Warren Smith, Alex Genovese and Neil Cornick.

Risk Review

The Trustees have, during the year, identified potential risks to the organisation. The major risks to which the charity is exposed, such as operational, reputational and financial have been reviewed and systems have been put in place to manage those risks.

Financial Review

Financial Results

The Trustees can report a slight decrease in overall income. Total incoming resources for the year ending 31 March 2012 were £663,320 (2011 £681,910) and after deducting resources expended of £668,086 (2011 £597,592) this left a small deficit of £4,766 (2011 £84,318)

Balance Sheet

The net assets of the charity at 31 March 2012 were £1,953,261 (2011 £1,958,027)

Reserves Policy

The charity is largely funded by donations from individuals, and therefore its income is vulnerable to economic factors outside its control. The Trustees therefore feel it is important to establish a prudent reserves policy of between six months and twelve months expenditure to be covered by free reserves. At 31 March 2012 the charity's unrestricted reserves (not represented by fixed assets) stood at £320,417 (2011 £398,529) which covers six months (2011 eight months) of expenditure.

Objectives and Activities

Objects of the Charity

The objects of Derek Prince Ministries (UK) as set out in the founding Deed of Trust are the advancement of the Christian religion throughout the world by whatever legally charitable means the Trustees shall in their discretion think fit. Specifically

- To sponsor Bible teaching by means of audio tapes, video tapes, records, films, literature and by public speaking including radio and television broadcasting
- To support existing charities which are carrying out the objects of the charity

Our goal in essence, is to place Derek Prince's Bible teaching in the hands of those who want them. We make this available in as many different media formats that are needed, and in the particular language that is required within our allocated territory.

Outreach projects are focused on the translation, production and distribution of books, and audio/video Bible teaching. There are also many radio and television broadcasts of Derek Prince messages, a Bible study courses and resources made available through electronic media, including the internet.

Public Benefit

The Trustees have given due consideration to Charity Commission published guidance on the operation of the Public Benefit requirement.

DPM (UK) uses printed word, radio, internet and other forms of electronic media to change lives for the good in spiritual, moral and practical ways which demonstrate the Christian faith. The publications promote the Gospel and reinforce Christian values. The benefits are clear, identifiable and related to the aim of advancing the Christian religion.

There is no express geographical restriction to the opportunity to benefit and our governing document does not contain any religious restrictions on who may benefit from the services of DPM (UK).

Occasionally we encounter situations of very real practical need, and we seek to alleviate suffering and hardship. For example, since 2001 DPM (UK) has funded around 30-40 orphans and widows in Ethiopia, paying for their education, basic needs and food.

DPM (UK) also has a programme that provides free Bible teaching to prison inmates on a monthly basis.

The charity sets the price of publications and audios, so that they are affordable by most people. For those unable to pay,

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

there are a range of resources that can be obtained free of charge such as Teaching Legacy, Invest in People and teaching downloadable through the website

Fund Raising

Four times each year the UK office sends out a direct mail appeal to raise funds for the globally funded DPM outreaches. The globally funded outreaches are agreed at the annual FNO meetings, and each national office commits to raising funds for these specified outreaches during the following calendar year.

Details of the appeal are sent to those individuals and groups on our mailing list. As well as being given the opportunity to contribute to these projects should they so wish, they are also kept informed of progress, new opportunities and prayer points. Their financial giving enables us to distribute funds to the appropriate DPM office responsible for the particular project.

Outreach

UK Outreach

The UK office runs an internet and mail order facility to make the wide range of Derek Prince resources available to our constituency. This primarily takes the form of providing books, audios and videos of Derek's teaching.

We seek to cultivate relationships with individuals, churches and other Christian organisations aiming to bring the teaching of Derek Prince to a new audience. Opportunities are taken when they arise to air the material on radio, television and the internet. From time to time, magazine advertising is also used.

A wider awareness of the ministry is created through our attendance at selected conferences and exhibitions.

We issue a publication, The Teaching Legacy of Derek Prince, free of charge to our mailing list. This Bible based teaching is a source of encouragement and a follow-up book or audio message for further study, is made available on a voluntary contribution basis.

Our UK Invest in People newsletter is usually produced twice a year. This is our main tool for sharing the news of how lives are being impacted through the work of DPM, and for giving progress reports on previous appeals.

Prison Ministry - The Inside Outreach programme in the UK makes a healthy diet of free Bible teaching available to prisoners on a monthly basis. We also assist chaplains in their ministry by giving them the DPM materials they would like to use with inmates, or to place in their prison libraries.

Young Leaders FIT Programme - We believe it is essential to invest in the next generation of church leaders. This free two year programme has been developed to lead 18-30 year olds, who desire to grow in their faith, through a series of foundational Bible teaching. The programme has been rebranded as FIT – Foundations and Identity through Teaching. We have also partnered with a large church denomination to make this resource available to their key young leaders. There is no charge for the participants of this programme.

Africa Outreach

DPM South Africa is responsible for all the countries south of Zambia, namely Angola, Botswana, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Tanzania, Uganda, Zimbabwe, Zambia, Swaziland and Kenya, the most recent addition. There is some overlap as French DVDs are given to Missionary Exposure Training pastors from Congo and DRC who come to Pretoria for training.

Derek's programmes are currently broadcast on God TV. Four new satellite TV stations have approached DPM-SA for broadcast material, namely Love World, Channel G, Adonai and Manna. Coverage is for Africa, Europe, Middle and Far East, Australia, USA and Canada and South America.

DPM-SA currently broadcast on 14 radio stations in five countries in Southern Africa, with 24-hour radio broadcasts via the satellite and internet since 1995. Impact Radio www.impact-radio.co.za and TWR (Trans World Radio) broadcast on satellite. Derek's programmes are also now broadcast on FEBA Radio in Harare, Zimbabwe.

The CD and DVD library has now been launched and the first eight of the 42 new DVD and CD album titles with new

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

covers have now been released

The voice dubbing of Derek's Foundational teaching is proceeding and 10 hours of teaching have just been voice dubbed into Swahili for East and Central Africa. It is hoped that the 14 languages which have been voice dubbed will be used on radio, TV and in Bible Colleges.

Bible Colleges in South Africa are training students from countries in Africa making it easier for the office to get Derek's Graduate Gift Packs to them to take back to their countries. Bible College libraries are receiving packs of books or Foundational DVDs in the relevant languages. The Graduate Gift Packs are being prepared and sent to Zambia, Zimbabwe, Kenya, Malawi and SA. The first Swahili DVDs for graduates from Tanzania, Bemba DVDs for Zambia and Shona DVDs for Zimbabwe have been given to graduates who will be taking them back to their countries.

Several years ago, our office in France began to be involved, and they have now established contact with leaders in more than 20 nations in Africa where French is a primary language.

China Outreach

The outreach of DPM into China began in 1984. Ross Paterson, a fluent Mandarin speaker who had worked in Taiwan for 10 years, believed God told him to "take Derek Prince's teaching to China". Ross approached Derek, who readily gave his permission and his blessing. Today the office is based in Singapore.

Ross negotiated with the Far East Broadcasting Company (FEBC) in Hong Kong to broadcast a daily 15-minute Mandarin radio programme into China. The English radio programme "Today with Derek Prince" was translated into Chinese and given the title "Living Sacrifice". To make the teaching more acceptable to the Chinese (then still highly suspicious of foreigners) Derek was given the name Ye Guang-Ming, meaning Clear Light. Living Sacrifice was also translated into Cantonese and other Chinese minority languages. The programme ran for two years, and became so popular in China that the radio listeners requested more. A four-year programme (edited from Derek's audiocassette teachings) called "The Workman God Approves" followed. Mongolian radio broadcasts commenced in 1987 based on the translated Foundation Series text. Other materials have also been used since then such as "Today with Derek Prince". DPM-China has now been broadcasting Derek's teaching into China for over twenty years and the programmes are also available on their website.

A major project was launched in 1995 to print and distribute one million copies of the "Foundation Series" in Chinese by the year 2000. With God's help, that goal was reached in late 1999. By the end of 2005, about 4.5 million copies of other Derek Prince titles were printed. During 2007 the main focus was on the "Focus on Foundations" pack, which included Foundation Series, Self-Study Bible Course and Faith to Live By. By the end of October 2007 around 470,000 copies of the pack were printed and distributed to various Chinese church networks.

In addition to requesting books, Chinese believers and pastors are also asking for audio teachings and are downloading Bible study materials from our Chinese website. The site, www.ygmweb.org also gets about 1,000 hits every day from Chinese believers and seekers who visit the website to download Derek's Bible teaching messages in MP3 audio.

Responding to requests for Derek's teaching on CD and VCD, tens of thousands of audio and video CDs are produced each month as well as Derek's teaching on DVD.

Russia Outreach (including former Soviet Union)

The name of Derek Prince is very well known by Christians all across the nations of the former USSR. We have teams of people based in seven strategic centres and the ministry of DPM is focussed in a number of areas.

Literature – Many new titles have been printed and distributed during the current year and further reprinting of material is underway, to respond to the ongoing demand.

Ministry Conferences - We conduct conferences in churches throughout Russia and the former Soviet Union.

Correspondence Bible School - This course provides essential training for over 2,000 students and church leaders throughout this region. The Foundation Series book is the basic study text for this three year course.

Eastern Europe Outreach

The DPM outreach to Eastern Europe is based from our office in the Netherlands. An outreach that stretches back nearly

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

twenty years, it is amazing to see how the Lord has kept His hand on the work of DPM in this region. Although in some of these nations times have been tough due to strong opposition, the publishing of Derek's teaching continues in Albania, Bulgaria, Romania, Czech Republic, Poland, Croatia, Serbia, Macedonia, Bosnia, Slovenia and Slovakia.

Ethiopia Outreach

Outreach in the Horn of Africa has taken place for many years with several Derek Prince books being published and reprinted in the Amharic language. During the current year, material in Tigrigna has also been printed in response to demand from Eritrean believers.

Indian Subcontinent Outreach

The books of Derek Prince are a source of inspiration and edification to thousands in several countries on the Indian subcontinent. The main focus for our work in this region is in India, Nepal and Pakistan. Derek Prince's books are being printed in English, Tamil, Telugu, Kannada, Malayalam, Hindi, Marathi, Bengali, Punjabi, Oriya, Gujarati, Pusthi, Dhari and Nepali languages. These books are sold through a network of 130 bookstores across India.

Israel Outreach

In 2003, Derek Prince Israel began under the leadership of George and Betty Jackson from the US, who have an office in Jerusalem. This area of ministry involves the translation and printing of Derek's books into Hebrew for wide distribution in Israel. Material is also made available through a Hebrew language website – www.dpi.co.il – as well as in English at www.dpisrael.com.

Middle East Outreach

DPM's Middle East outreach covers the area of North Africa and the Middle East. We have produced and are seeking to develop material in all the major languages of the region. Our strategy includes both the production of material within the target nations, as well as printing literature in Europe and USA to make available to immigrant communities.

In recent years we have seen a great increase in the demand for our materials in this region, particularly in the Arabic language. With the popularity of satellite television across the region, alongside the challenge of distributing Christian material in nations where believers suffer persecution for their faith, our strategic goal has been to develop lip synchronised video messages for broadcast on satellite TV with the potential to impact many millions of lives.

The Arab Spring has had an impact on our work, and limited our activity to some extent. However, towards the end of the year a new initiative was to establish an office in the Gulf region to serve both local and expatriate churches.

Derek Prince materials are currently available in Arabic, Kurdish and Turkish and our Arabic website is www.dpm.name.

West Africa

Recognising the huge church growth in West Africa, particularly Nigeria and Ghana, we are exploring ways to provide affordable Derek Prince Bible teaching in English to these nations.

Widows and Orphans

Bible teaching material is the primary focus of our work around the world. However, from time to time areas of practical need are brought to our attention through co-workers in the field. In some instances we are able to relieve poverty and suffering and this is usually targeted towards widows and orphans. An example during the current year was the funding of nearly 100 'water donkeys' in Ethiopia.

Other Funds

Smaller restricted funds held by the UK office are comprised of -

Latin America Outreach

Co-ordinated by our US office, our Hispanic outreach aims to translate and publish more of Derek's books in Spanish for the Latin American church. To date, only about half of his 50 titles have been published in Spanish.

We have an outreach office located in Cuba, where despite the political pressures that persist, our dedicated staff continue to publish Derek's materials inside the country. The demand for Derek Prince Portuguese books in Brazil has been significant in the last few years with nearly half a million books distributed through publishers.

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2012

South East Asia

Out of our New Zealand office, we work into several nations, with significant activity in Myanmar, Indonesia and Malaysia

Broadcasting

Radio - Derek Prince's Bible-teaching radio programme, Today with Derek Prince, is broadcast worldwide, in several languages including English, three Chinese languages, Croatian, Mongolian, Russian, Samoan, Spanish and Tongan. In the UK it is available every weekday on UCB (see www.ucb.co.uk for details)

Satellite Television - Derek Prince messages can be seen on several satellite TV stations such as GOD TV, Loveworld and Revelation TV

Garden Project

Funds have been donated to assist us with the improvement of the grounds at our UK base in Baldock

Global Outreach

The Global Outreach fund is used to provide teaching materials to people from outside of our main outreach areas, that lack the financial resources to be able to purchase them from us

Caucasus

Our work in the Caucasus region includes Iran, Armenia, Georgia and Azerbaijan

Designated Funds

Where Most Needed

This is a fund established to accumulate donations where the donor has not specified which worldwide outreach they would like their gift to be used by the charity. The fund is available for the charity to direct to the DPM outreach most in need of finance

Teaching Letter

This fund covers the production and distribution of our Derek Prince Teaching Legacy communication, which is made available without charge

Outreach opportunity

This was a fund established following a charity channel swim to provide funds that could be used at the charities discretion

Plans for future periods

It is the desire of the Trustees to continue to increase the impact and awareness of the ministry. Although Derek Prince passed away in 2003, many people today are still being helped and spiritually strengthened through his legacy of Bible teaching resources

In his lifetime Derek Prince produced more material than has currently been published. We are working with our US office to edit and produce new Derek Prince books from this material. As well as providing new sales revenue, this will also help generate fresh interest in the ministry

Our challenge is to make the teaching available and accessible to the next generation and we want to utilise opportunities presented by new technology. We intend to redesign our websites to better facilitate mobile devices and increase our presence through social media. We will produce more ebooks, audio books and make use of new media formats

We aim to recruit volunteer advocates for the ministry who will raise the profile of DPM (UK) in their own church and networks. We will prepare a resource pack of materials including slideshow and an overview video that will help advocates present and promote our work

In a challenging economic climate we need to raise funds creatively and in ways most convenient for donors. In the coming year we will provide the opportunity to give from mobile devices and improve the giving area of our website, both in terms of content and functionality

Statement of Trustees' Responsibilities

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the year. In doing so the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- 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 which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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 of which the company's auditors are unaware, and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the trustees and signed on their behalf on 12/12/12 by



S H West
Director and Trustee

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DEREK PRINCE MINISTRIES (UK)

We have audited the financial statements of Derek Prince Ministries (UK) for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices 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 charitable company'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 Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 state of the charitable company's affairs as at 31 March 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities), and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DEREK PRINCE MINISTRIES (UK)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of the trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report

James Francis (Senior Statutory Auditor)
for and on behalf of Ensors
Chartered Accountants
Statutory Auditor

The Platinum Building,
St John's Innovation Park,
Cowley Road,
Cambridge
CB4 0DS

Date: 14th December 2012

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	General Fund £	Designated Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Incoming Resources						
Incoming resources from generated funds						
Voluntary income	2	214,049	86,752	238,497	539,298	561,936
Activities for generating funds						
Rental income		19,028	-	-	19,028	15,453
Investment income		1,562	-	-	1,562	1,029
Total Incoming resources from generated funds		234,639	86,752	238,497	559,888	578,418
Incoming resources from charitable activities						
Teaching resources income		103,432	-	-	103,432	103,492
Total Incoming Resources		338,071	86,752	238,497	663,320	681,910
Resources Expended						
Cost of Generating Funds						
Costs of generating voluntary income						
Fundraising	3	24,146	-	8,511	32,657	42,209
Rental costs	3	1,303	-	-	1,303	2,309
Charitable activities						
Teaching resources costs	3	280,643	-	-	280,643	210,467
Outreach	3	108,215	46,862	189,737	344,814	333,636
		414,307	46,862	198,248	659,417	588,621
Governance Costs	5	8,669	-	-	8,669	8,971
Total Resources Expended		422,976	46,862	198,248	668,086	597,592
Net incoming (outgoing) resources before transfers		(84,905)	39,890	40,249	(4,766)	84,318
Transfers between funds	6	8,107	(22,272)	14,165	-	-
Net incoming (outgoing) resources for the year		(76,798)	17,618	54,414	(4,766)	84,318
Other Recognised Gains						
Gain on revaluation of investment asset		-	-	-	-	-
Net Movement in Funds		(76,798)	17,618	54,414	(4,766)	84,318
Total funds brought forward		1,619,173	28,238	310,616	1,958,027	1,873,709
Property transferred from charity		-	-	-	-	-
Total funds carried forward	12,13,14	1,542,375	45,856	365,030	1,953,261	1,958,027

All results relate to continuing operations

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012	2011
Fixed Assets			
Tangible fixed assets	9	1,221,958	1,220,644
Current Assets			
Stock		40,747	52,920
Debtors	10	66,432	47,466
Cash at bank and in hand		656,668	667,243
		<u>763,847</u>	<u>767,629</u>
Current Liabilities			
Creditors Amounts falling due within one year	11	(32,544)	(30,246)
Net Current Assets		731,303	737,383
Net Assets		<u>1,953,261</u>	<u>1,958,027</u>
Funds			
Unrestricted general fund		1,542,375	1,619,173
Unrestricted designated funds	12	45,856	28,238
Restricted funds	13	365,030	310,616
	14	<u>1,953,261</u>	<u>1,958,027</u>

The notes that follow form part of these accounts

These financial statements have been prepared in accordance with provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Registered in England and Wales Company Number 06489116

Approved by the trustees on *12th December 2012*

and signed on their behalf by



S H West
 Director and Trustee

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1 BASIS OF ACCOUNTING

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, Financial Reporting Standard for Smaller Entities (effective April 2008), applicable United Kingdom Accounting Standards (Generally Accepted Accounting Practice) and Accounting and Reporting by Charities Statement of Recommended Accounting Practice (revised 2005), which has been applied consistently

The charity's activities, together with the factors likely to affect its future development, performance and position are set out in the trustees' report. The trustees believe that the charity is well placed to manage its risks successfully. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.2 Resources Expended

Resources expended are accounted for on an accruals basis and is split between cost of generating funds, charitable activities and governance as follows:

- Costs of generating funds are costs directly attributable to fund raising
- Activities for generating funds are renting Kingsfield to third party and charity staff
- Charitable activities includes expenditure associated with the services the charity provides and includes both direct costs and support costs relating to those activities
- Governance costs includes external audit, legal advice for trustees and costs associated with constitutional and statutory requirements

Wherever applicable costs have been allocated directly to projects, including the staff time costs directly generated by the projects. Additionally projects are charged at a rate of 30% of donations by way of a contribution to the support provided.

Support costs are allocated to charitable activities, split using head count, man hours, staff cost, floor space or a specific percentage, as appropriate.

1.3 Voluntary Income - Donations, legacies, gifts and grants

Incoming resources are recognised on a receivable basis when there is entitlement, certainty of the receipt and the amounts can be measured with sufficient reliability.

Legacy income is accrued for on a receivable basis when the following conditions have been met: the final estate accounts have been approved, the legacy is capable of the measurement and there is no reversionary interest.

1.4 Fixed Assets & Depreciation

Depreciation is calculated at a rate to write off the cost of tangible fixed assets on a straight line basis over their estimated useful lives. Items of equipment with a purchase price of £500 or less are not capitalised. The rates applied per annum are as follows:

Freehold property	not depreciated (see below)
Fixtures and fittings	10%
Equipment	33%

The exclusion from providing depreciation on freehold properties is a departure from the statutory rules for fixed assets with a finite useful life. The trustees are of the opinion that this is required by Sections 394-399 of the Companies Act 2006 to enable the financial statements to show a true and fair view. For this and future periods freehold buildings are not depreciated. It is the charity's policy to maintain freehold buildings in a continuous state of sound repair and, accordingly, the trustees are of the opinion that the useful economic lives of these assets are so long and residual values are so high that the depreciation charge to the statement of financial activities would be insignificant.

1.5 Teaching Resource Income

Sales of books, audios and videos are shown in the accounts net of value added tax. Sales are recognised upon dispatch of resources to the customer.

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1 6 Stock

Stock is valued at the lower of cost and net realisable value. Provision is made for obsolete and slow moving items.

1 7 Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the terms of the lease.

1 8 Funds

Restricted funds are funds whose use is legally restricted to specific uses whether by trust deed or letter received with the original gift.

Designated funds are funds whose use is not legally restricted but whose purpose has been designated by the trustees. The trustees are entitled to use the funds in whichever way they see fit.

The General fund covers all items that do not fall into the above categories.

1 9 Pension costs

The charity contributes to individual employees' defined contribution schemes. All contributions are included in the statement of financial activities.

1.10 Foreign Currencies

Costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur. Monetary assets and liabilities are translated at the rate ruling at the balance sheet date.

Differences arising on the translation of such items are dealt with in the statement of financial activities.

1 11 Corporation Tax

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from corporation tax.

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

2 INCOMING RESOURCES FROM GENERATED FUNDS

	2012	2011
	£	£
Voluntary Income		
General Donations	212,123	183,128
Restricted Income Donations	238,497	250,683
Designated Income Donations	86,752	99,156
Legacies	1,926	28,969
	<u>539,298</u>	<u>561,936</u>

3 RESOURCES EXPENDED

	Staff Costs	Direct Costs	Depreciation	Support Costs	2012 Total	2011 Total
	£	£	£	£	£	£
Cost of generating funds						
Costs of generating voluntary income						
a) Fundraising	10,267	8,511	-	13,879	32,657	42,209
b) Rental costs	-	1,303	-	-	1,303	2,309
Charitable Activities						
c) Teaching resources	98,566	56,366	1,522	124,189	280,643	210,467
d) Outreach	92,406	173,647	1,522	77,239	344,814	333,636
e) Governance Costs	4,107	3,764	-	798	8,669	8,971
Total Resources Expended	<u>205,346</u>	<u>243,591</u>	<u>3,044</u>	<u>216,105</u>	<u>668,086</u>	<u>597,592</u>

4 SUPPORT COSTS

	Equipment	Facilities	Finance	Home Office	IT	International Office	Print & Design	Professional	Staff	Travel & Exhibitions	Total
Fundraising	-	1,428	219	46	-	-	8,306	19	682	3,179	13,879
Teaching Resources	6,760	33,334	7,611	8,820	2,141	2,615	21,082	19,990	15,365	6,471	124,189
Outreach	4,229	12,380	4,576	9,250	2,141	10,459	5,749	19,889	6,446	2,120	77,239
Governance	-	477	73	15	-	-	-	6	227	-	798
Total	<u>10,989</u>	<u>47,619</u>	<u>12,479</u>	<u>18,131</u>	<u>4,282</u>	<u>13,074</u>	<u>35,137</u>	<u>39,904</u>	<u>22,720</u>	<u>11,770</u>	<u>216,105</u>

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

5	GOVERNANCE COSTS	2012 Total Funds	2011 Total Funds
		£	£
	Trustee expenses	-	1,106
	Auditor's fees - for external scrutiny	3,764	3,750
	Support Costs	4,905	4,115
		<u>8,669</u>	<u>8,971</u>

Fees of £5,828 for non audit services were incurred during the year. These are included in professional fees.

6 TRANSFERS BETWEEN FUNDS

The transfer of £14,165 from designated to restricted funds is to allocate funds to specific outreaches. The transfer of £8,107 between designated and general was to transfer general donations back out of the WMN fund.

7 PAID EMPLOYEES

	2012	2011
	£	£
Salaries	184,225	171,588
Social Security Costs	16,604	15,400
Pension Costs	4,517	4,672
	<u>205,346</u>	<u>191,660</u>

The average number of full time equivalent persons employed by the charity analysed by function was

	2012	2011
	£	£
Fundraising and Management	1	1
Teaching Resources	4	5
Outreach	3	2
	<u>8</u>	<u>8</u>

The charity paid £4,517 (2011 £4,672) into defined contribution pension schemes on behalf of its employees.

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

8 OPERATING LEASE RENTAL

The amounts payable in the next year in respect of operating leases for equipment are shown below, analysed according to the expiry date of the leases

	2012 £	2011 £
Between one and two years	2,792	-
Between two and five years	-	2,792
	<u>2,792</u>	<u>2,792</u>

9 TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Office Equipment £	Total £
Cost				
At 1 April 2011	1,216,444	15,235	19,925	1,251,604
Additions during year	-	-	4,358	4,358
At 31 March 2012	<u>1,216,444</u>	<u>15,235</u>	<u>24,283</u>	<u>1,255,962</u>
Depreciation				
At 1 April 2011	-	14,500	16,460	30,960
Charge for the year	-	735	2,309	3,044
At 31 March 2012	<u>-</u>	<u>15,235</u>	<u>18,769</u>	<u>34,004</u>
Net Book Value				
At 31 March 2012	<u>1,216,444</u>	<u>-</u>	<u>5,514</u>	<u>1,221,958</u>
At 31 March 2011	<u>1,216,444</u>	<u>735</u>	<u>3,465</u>	<u>1,220,644</u>

The freehold property was last valued at £1,200,000 by Brown & Lee Chartered Surveyors in October 2003. The trustees believe that the value has increased significantly since then, in line with general trends in the residential and commercial property markets. The trustees have continued to show the freehold property at cost.

10 DEBTORS

	2012 £	2011 £
Trade debtors	9,745	11,730
Taxation debtors	49,030	34,150
Other debtors	7,657	1,586
	<u>66,432</u>	<u>47,466</u>

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade Creditors	15,459	19,643
Taxation and social security	4,933	4,548
Other Creditors	1,074	2,305
Accruals	11,078	3,750
	<u>32,544</u>	<u>30,246</u>

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

12 MOVEMENT IN DESIGNATED FUNDS

	Outreach Opportunity £	Teaching Letter £	Where Most Needed £	Total £
Income				
Voluntary income	13,139	2,699	70,914	86,752
Expenses				
Direct Charitable				
Outreach distribution	5,459	16,020	-	21,479
Outreach support costs	3,942	167	21,274	25,383
	9,401	16,187	21,274	46,862
Net incoming resources before transfers	3,738	(13,488)	49,640	39,890
Transfers	-	-	(22,272)	(22,272)
Net movement on funds	3,738	(13,488)	27,368	17,618
Balance on funds b/f	10,947	269	17,022	28,238
Balance on funds c/f	14,685	(13,219)	44,390	45,856

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

13 MOVEMENT IN RESTRICTED FUNDS

	Africa	China	Russia*	Eastern Europe	Ethiopia	India**	Israel	Middle East	UK Outreach	West Africa	Widows & Orphans	Other	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Income													
Voluntary income	4,964	31,984	21,487	8,715	1,153	11,681	6,613	21,176	9,181	-	4,226	4,055	125,235
Funds raised outside the UK	-	-	-	-	-	-	24,390	82,530	-	-	-	6,342	113,262
	4,964	31,984	21,487	8,715	1,153	11,681	31,003	103,706	9,181	-	4,226	10,397	238,497
Expenses													
Direct Chantable													
Outreach distribution	4,800	23,156	17,000	9,750	3,989	7,450	15,826	57,406	6,420	-	6,128	242	152,167
Outreach support costs	1,489	9,595	6,446	2,615	346	3,504	1,984	6,353	2,754	-	1,268	1,216	37,570
	6,289	32,751	23,446	12,365	4,335	10,954	17,810	63,759	9,174	-	7,396	1,458	189,737
Other Expenditure													
Fundraising/management	-	2,515	1,414	-	-	2,531	-	2,051	-	-	-	-	8,511
	6,289	35,266	24,860	12,365	4,335	13,485	17,810	65,810	9,174	-	7,396	1,458	198,248
Net inc resources before tfrs(1,325)													
	357	2,875	3,043	2,364	-	2,068	-	2,383	1,075	-	-	-	14,165
Net movement on funds	(968)	(407)	(330)	(1,286)	(3,182)	264	13,193	40,279	1,082	-	(3,170)	8,939	54,414
Balance on funds b/f	2,210	9,638	2,996	2,799	10,128	607	34,583	195,855	1,302	25,000	12,407	13,091	310,616
Balance on funds c/f	1,242	9,231	2,666	1,513	6,946	871	47,776	236,134	2,384	25,000	9,237	22,030	365,030

* Russia and the former Soviet Union

** Indian Subcontinent

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

14	NET ASSETS ANALYSED BY FUND	Fixed Assets £	Cash at Bank £	Other Net Current Assets	Total £
	General Fund	1,221,958	245,782	74,635	1,542,375
	Designated Funds				
	Where Most Needed		31,171		31,171
	Outreach Opportunity		14,685		14,685
		<u>1,221,958</u>	<u>291,638</u>	<u>74,635</u>	<u>1,588,231</u>
	Restricted Funds				
	Africa		1,242		1,242
	China		9,231		9,231
	Russia & former Soviet Union		2,666		2,666
	Eastern Europe		1,513		1,513
	Ethiopia		6,946		6,946
	Indian Subcontinent		871		871
	Iran		11,053		11,053
	Israel		47,776		47,776
	Middle East		225,081		225,081
	UK Outreach		2,384		2,384
	West Africa Fund		25,000		25,000
	Widows & Orphans		9,237		9,237
	Other		22,030		22,030
			<u>365,030</u>		<u>365,030</u>
		<u>1,221,958</u>	<u>656,668</u>	<u>74,635</u>	<u>1,953,261</u>

Other Restricted Funds are comprised of Latin America (£743), South East Asia (£36), Broadcasting (£2,443), Garden Project (£7,692), Global Outreach (£5,016) and Caucasus (£6,100)

When fundraising has focused on a certain part of the world, donations have been given towards our work in that region Those funds have been held as restricted funds

15 RELATED PARTY TRANSACTIONS

During the year no trustees (2011 2) were reimbursed for travelling expenses totalling £nil (2011 £1,106) The trustees did not receive any remuneration (2011 £nil)

David Selby is remunerated by DPM International office for his services Along with all National Offices, DPM (UK) made an annual contribution of £13,074 (2011 £13,624) towards the International budget, of which this remuneration forms a part

Simon West is a director of Masterpolicy Insurance Brokers Ltd Insurance paid to Masterpolicy Insurance Brokers Ltd in the year was £7,293 (2011 £6,763) At 31 March 2012 the charity owed £nil (2011 £nil) to Masterpolicy Insurance Brokers Ltd

Richard Thorby is a director of Matrix Consulting Coaching paid to Matrix Consulting in the year was £2,000 (2011 £nil)

The charity paid £2,914 (2011 £2,585) to the wife of Neil Cornick, UK Director for administration support and cleaning

The charity paid £4,953 (2011 £4,803) to the wife of Ross Paterson for administration and secretarial support in China

During the year the charity received income from other associated Derek Prince organisations throughout the world totalling £113,262 (2011 £107,179)

DEREK PRINCE MINISTRIES (UK)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

16 POST BALANCE SHEET EVENTS

During the year to 31 March 2012 Derek Prince Ministries (UK) were notified of their entitlement to a legacy donated by a member of the public. The legacy is yet to be received but is expected to be in the order of £30,000.

17 LIMITED BY GUARANTEE

The charitable company is limited by guarantee and as such has no share capital. Under the terms of the Memorandum of Association every member is liable to contribute a sum not exceeding £1 in the event of the company being wound up whilst they are a member and for one year thereafter.