

CHARITY REGISTRATION NUMBER: 284789
OSCR REGISTRATION NUMBER: SC037835

The Apostolic Church
Financial Statements
31 March 2021

BURGESS HODGSON LLP

Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

The Apostolic Church
Financial Statements
Year ended 31 March 2021

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The Apostolic Church
Trustees' Annual Report
Year ended 31 March 2021

The trustees present their report and the financial statements of the charity for the year ended 31 March 2021.

Introduction

I am delighted to present on behalf of the trustees of the charity their report for the period 1 April 2020 to 31 March 2021.

The Apostolic Church has endured an unprecedented year in its history having radically adapted much of its working practice in the global pandemic. I can report that the charity continued to nurture, strengthen and even plant churches despite the great challenges. Adapting to fulfil the mandate of the head of the Church to "go and make disciples of all nations".

The charity has continued to serve communities throughout the United Kingdom in the COVID-19 crisis. For a number of assemblies, community expression increased to help alleviate the impact of the pandemic in their locality through initiatives like food banks, feeding stations, counselling and a myriad of creative and essential ways.

The challenges have been and continue to be great, but the trustees recognise that the opportunities are greater and believe the post COVID season to come present a remarkable window to intensify reach and influence in communities, sharing hope and direction to many struggling with the various effects of the pandemic.

Over the last twelve months the trustees have endeavoured to respond to the BLM movement, injustice and inequality through consultation and conversation and have commissioned a forum to survey the charity's leaders and members in order to respond and reform. We recognise that this process has taken time, however the outcome of the process should truly enhance our deep desire to be a house of "Unity in Diversity".

In the following pages, the trustees seek to outline a picture of the national church at work and does so with grateful hearts to God for His faithfulness and to His people for their labours in His Name and for His Glory.



Rev I Parker
National Leader

The Apostolic Church
Trustees' Annual Report *(continued)*
Year ended 31 March 2021

Reference and administrative details

Registered charity name	The Apostolic Church
Charity registration number	284789
Principal office	105 Crystal House New Bedford Road Luton LU1 1HS

The trustees

Rev P Howells
Rev A Matheson
Rev D Bird
Rev C Hopkins
Rev I Parker
Rev S Taylor

Auditor	Burgess Hodgson LLP Chartered accountants & statutory auditor Camburgh House 27 New Dover Road Canterbury Kent CT1 3DN
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Bankers	The Royal Bank of Scotland PLC 13-14 Walter Road Swansea SA1 5NG
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Barclays Bank (UK) PLC
Luton George Street 2
Leicester
LE87 2BB

Solicitors	Waldrons Wychbury Court Brierley Hill DY5 1TA
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Quinn Legal
The Beacon
176 St Vincent Street
Glasgow
G2 5SG

The Apostolic Church
Trustees' Annual Report *(continued)*
Year ended 31 March 2021

Structure, governance and management

The charity is an unincorporated organisation governed by a constitution, the last amendment of which was approved in 2018.

The activities of the charity are overseen by trustees, appointed for a period consistent with that of the National Leader. Trustees carry responsibility for spiritual life of the church as well as the business and financial activities that undergird its ministry. The range of activities is extensive, the geographical reach is vast, and the level of complexity increases year by year. The trustees are supported by the ministry of apostolic leaders who share the spiritual burden of leadership, and a team responsible for the administrative and financial business of the charity.

The trustees are reviewing if the present unincorporated structure is the most appropriate legal structure to service the very diverse requirements of the church

The church functions as a single entity with diverse expressions throughout the country. The diversity of expression is determined by the skillsets of the leaders and people, the nature of the community which a local church may serve and the extent to which they are able to use their available resources.

Local churches relate to each other through an apostolic leader of their choice and relate to the national entity by means of a range of reporting features that take account of key business and administrative indicators.

Each local church, though it is empowered to be creative and innovative, even unique in its expression, remains committed to a single task, that of communicating the Gospel to its community and seeking to disciple believers towards Christian maturity.

The church at national level, through its leadership functions remains responsible for accrediting ministers, reviewing performance, making appointments, developing policy, managing our property portfolio, overseeing staff, legal issues, maintaining corporate standards and determining, shaping and monitoring our financial and business practices, etc.

Public Benefit

The Church conducts its activities in the belief that it serves a public benefit by virtue of its mission to advance the Christian faith and relieve suffering and that its activities meet the Charity Commission's guidance in respect of Public Benefit.

The Apostolic Church
Trustees' Annual Report *(continued)*
Year ended 31 March 2021

Objectives and activities

The charity (the church) exists as a legal entity in which the church conducts its legal affairs as it seeks to fulfil its missional mandate in the UK and beyond.

In human terms, leadership is paramount and the church seeks to prepare, encourage and support leaders as they seek to bring the ministry of Christ to various villages, towns and cities across the UK.

The church is made up of many congregations, each with its own mission field, and each with its resources and strengths. Our key strategy is to provide a support mechanism for leaders as they seek to support those they lead. Mission drift is always possible and the church endeavours to state and restate its primary purpose so that any drift is arrested early.

The primary objective of the church is to reveal Christ to the nation through a network of local churches. Our primary activities are those associated with the local church; praying, preaching, worshipping, learning, serving, and witnessing in many ways. The church will, in addition, advocate for the wellbeing of the poor and disadvantaged, care for the sick and lonely, address issues that may have social and/or political relevance. The church will seek to use the platform provided by the Gospel to to communicate Christ to the nation.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Achievements and performance

The trustees acknowledge that the church continues to serve its mission in the United Kingdom in changing and challenging times. This year all our buildings were closed for public meetings and new innovative ways of serving our members and community needs needed to be found. To measure its progress, the trustees have access to some data that provides an insight into each location where the church has a presence. Data that is statistical and financial is helpful but are imperfect tools to measure activity. They do provide a point of beginning in our desire to understand how each church is doing. To this needs to be added an insight into the nature and context of each local setting, its challenges and the resources available to the local church.

Where strong local teams are built, this provides a great platform for the church to conduct its mission. The trustees are aware that there is strength in local churches throughout the UK.

In the Summer of 2019, Next Leadership Conference took place in Wolverhampton. This event proved to be of outstanding value in equipping, empowering and enabling leaders of all ability from right across the UK in their passion to advance the Kingdom.

The implementation of the new policy of the recognition of women as ascension ministries began in the autumn of 2019. The church, to date has duly fully recognised six women in their leadership capacity, with a number of others in training.

In September 2019, Ps Ivan Parker was appointed National Leader designate. Ps Tim Jack's four-year tenure was due to finish in May 2020. The planned period of transition was however cut short when the UK went into lockdown in March 2020. Ps Tim was forced to return to Australia before flights were suspended. As a national church we look back at Ps Tim's tenure with huge gratitude to God and to Ps Tim for the significance of Tim Jack's leadership through much transition and development, that brought significant momentum and growth to our movement.

Action Overseas

Action Overseas (AO) is the international "missions" agency that serves the church in the UK. The AO team deliver on behalf of the charity support and training to a number of nations we have partnered with for many years whilst venturing into new nations, breaking ground and forging relationships, and planting and establishing churches. This is in accordance with the Great Commission, understood by the church to be Jesus' command to share the Gospel around the world.

AO measures its progress by using the 2020 Vision, a goal to further reach into twenty nations (where we currently have no presence), planting 20,000 churches and making 200,000 disciples. The AO team seeks to engage and inspire local UK church members to pray, give and visit mission fields in various locations. From April 20 due to travel restrictions being imposed the majority of those working in this team have been furloughed and flexi-furloughed. This has obviously had an effect on mission activities and has meant reviewing and evaluating the way Action Overseas will engage with its missionary role in mission fields and inspiring and engaging local churches

International collaboration

Mission Pecs Hungary is the vision of one of the AO team, Nigel Bainbridge. He, his wife Rachel and their two adult children Emily and Joseph are relocating to Hungary in late 2021 to plant a new church in the City of Pecs. However, this isn't just a UK venture, it's in partnership with the Hungarian Apostolic Church also. This is the first of what we believe to be of many such collaborations across Europe and the wider world with Apostolic partners.

Liverpool

It is a delight to see the church plant at Liverpool continue in its journey of development, starting with a planting couple and progressing to reach to the local community in a range of activities and programmes. Rope Chapel (the church plant) has recently partnered with a Nigerian Apostolic Church

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

expression also based in Liverpool. This is an exciting development for both churches as they seek to reach the city of Liverpool together with the Good News of The Gospel.

Birmingham

We are pleased that our long-term efforts to release church planters to Birmingham are now in place and a couple are now established in the city. Once again collaboration has been key to the bedding down of our church planters. Kingdom partnerships are a priority for the Apostolic Church in the post-pandemic new season. We are confident that there are some great opportunities in large cities like Birmingham.

Training

We are aware of the great need for the wider church's ministry and influence in the UK in coming years. We are committed to the Apostolic Church fulfilling its missional mandate to extend the Kingdom of God through its influence as 'salt and light'. We understand that leadership is critical to the ongoing ministry of the church, both in its present and future. Accordingly, to complement the training of leaders that occurs in each local church, our national program of leadership training continues.

Our training platforms are the Baton Training Program, a high-level training program which operates under the leadership of Pastor Alistair Matheson. Baton trains emerging leaders and prepares them for the rigours of life as a leader both in the church and beyond.

The Leadership Academy provides training for emerging leaders and is built around AXX Global, a theological training program to which is added training in respect of leadership and the distinctive's associated with the Apostolic Church.

Both programs have continued to train despite the challenges of the restrictions due to the pandemic. It must be noted that many of our graduates are now involved in church planting or preparing for church planting.

Church Planting is an area we have invested in heavily and one dimension of that investment has been the creation of a Residency program based in Liverpool. This gives trainees the opportunity to live and work in a church plant scenario, whilst being trained, mentored and prepared to plant for themselves. I delighted that 2021's graduates are planting in London, and we are currently interviewing others for the residency intake for 2022.

Individuals will have successfully trained for leadership and ministry development either with Baton or Leadership Academy programs from 2017 to the end of the 2020 calendar year. Training opportunities in the local church remain a priority to the Apostolic Church, and are crucial to leadership and theological development for both local and national missional initiatives. We do so in order to address the entrepreneurial ministerial deficit, increase momentum, extend reach and influence, both in the UK and the Nations.

National Youth

We remain committed to youth ministry being essential to the future of our movement of churches. Every local leader is expected to foster ministry to young people and endeavour to disciple young believers. The "National Youth Leader" has served as a resource to local pastors, youth leaders and the wider youth. However, it was felt that a redefining of the role to specifically come alongside youth leaders would deliver a greater impact.

The appointment of Ps Rachel Wellard as "National Youth Workers Director" has enabled the charity to specifically target the support, mentoring, developing and resourcing of youth leaders on the coal face. The creation of huddles for youth workers to network is one such initiative and we are already seeing the fruit of the strengthening of youth leaders.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Children's ministry

The church is committed to the next generation, and so not only have we invested in Youth leaders development we have also invested in Children's leaders and workers. The appointment of Ms. Marcia Ogunji has been a significant step to strengthening our church from the roots up. Children are not just the church of tomorrow, they are here today and deserve the best ministry we can deliver in order that we prepare them for the challenges ahead. Marcia's role exists to encourage and resource children's ministry in the various congregations around the country. We are thankful for those with who work tirelessly with children and young people at local level. We remain convinced that reaching young people for Christ is a great investment of our resources as it applies the focus and means to a demographic where, historically, more people come to Christ than any other age group.

National Conference Events

Due to Covid 19 we could not have a gathered conference. However, we were able to move the event online and have started regular online national events. This has been challenging and yet has afforded the opportunity to deliver world class conference speakers to encourage, equip and empower the church. Next Online delivers this bi-monthly and we recognise that not only has this served to support the UK church, but because it's online many have connected from around the world to take advantage of this innovation.

Staff, Leaders and People

The church is a 'people business' and we extend our appreciation to the many leaders and people who serve selflessly and tirelessly throughout the country. We are respectful and thankful for the variety of gifts and talents that are required to present the Gospel through many wide-ranging ministries.

Our trustees are thankful to our pastors, elders and local leaders. We convey appreciation to our various committees who oversee various areas of specific interest, and our untiring national office staff. We also acknowledge our missionaries to Malawi, Alan and Sandra Skene whose long and faithful service continues to bear amazing fruit.

Europe

We continue to play a role among the nations in Europe where the Apostolic Church has a presence. We note our particularly close association with the churches in France, Belgium, Italy, Ireland and Hungary and commit to our ongoing work of serving together to further establish the church in Spain, Portugal, Germany, Holland, Ukraine, Russia and other places where there are meaningful connections or prayerful aspirations.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Financial review

The trustees report that the accounts for the year ended 31 March 2021 show a surplus of £908,978 (2020: £702,236). This is stated after the actuarial losses of £115,000 (2020: £87,000) incurred on the defined benefit pension schemes. The church had healthy year end reserves of £19,224,760 (2020: £18,315,782).

The trustees are content that whilst there may be some local difficulties in some local churches the church overall is able to meet its obligations, make provision for reserves, achieve a small surplus and ensure that as much income as possible remains available for local churches to conduct their ministry in and from their local communities.

Due to church buildings being closed in places where income or the ability to work was considerably reduced and positions were no longer considered viable employees were placed on furlough using the Government's Job Retention Scheme.

Reserves policy

The trustees oversee a policy of building national reserves and are content that this process is under way. The trustees acknowledge that this is a process of contact building and are working towards a goal where both local churches and the national church have adequate financial reserves which can be called upon when necessary.

Investment policy

The Church's policy is to hold excess funds and reserves in cash, short and medium-term investments. As has been the case for some time, properties which are surplus to requirements, are sold. The proceeds of the sale of manses are used to meet our historical obligations. Others are used to strengthen and enhance the ministry locally and nationally.

Risk management

The Trustees regularly review the risks faced by the Church as it conducts its various events and activities. Risk is managed by developing and implementing policies in respect of major risks associated with people and property management. People-related risks are managed through policies like DBS registration, safeguarding and data protection. In addition, our approach to supervision and management of leaders and workers who relate to people is critical in cultivating a low-risk environment.

Our property management policies include appropriate caretaking and security of buildings, and a range of appropriate insurance arrangements to cover foreseeable risks.

Plans for future periods

The Church is constant in its expectation that the church has a bright and positive future. It is evident that the church must change in changing times and its methods, structures, doctrines and culture must be rooted in Biblical understanding and expressed in ways appropriate to the various contexts in which it ministers. Fundamental to this understanding is that true apostolic leadership will support, enhance, strengthen and benefit each and every leader and all local churches.

We are conscious that our changing world abounds with opportunities to connect with other leaders and to plant and strengthen the church. We envisage this happening through the ministry of experienced leaders as well as young and developing leaders. Through our leaders, we seek to embrace the significant opportunities that are emerging at home and board.

The Apostolic Church
Trustees' Annual Report *(continued)*
Year ended 31 March 2021

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust Deed. 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.

The trustees' annual report was approved on Dec 7, 2021..... and signed on behalf of the board of trustees by:



Rev I Parker
National Leader

The Apostolic Church

Independent Auditor's Report to the Members of The Apostolic Church

Year ended 31 March 2021

Opinion

We have audited the financial statements of The Apostolic Church (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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;
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The Apostolic Church

Independent Auditor's Report to the Members of The Apostolic Church *(continued)*

Year ended 31 March 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and the returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Apostolic Church

Independent Auditor's Report to the Members of The Apostolic Church *(continued)*

Year ended 31 March 2021

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and business performance with particular reference to the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets.

Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end, posting of unusual journals and manipulating the Company's performance measures to meet targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit. Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

The Apostolic Church

Independent Auditor's Report to the Members of The Apostolic Church *(continued)*

Year ended 31 March 2021

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members 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 the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

By: Robert Field CFA

Robert Field FCA CTA (Senior Statutory Auditor)

7th December 2021.

For and on behalf of
Burgess Hodgson LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

The Apostolic Church
Statement of Financial Activities
Year ended 31 March 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Charitable activities	4	4,060,839	259,055	4,319,894	5,712,681
Investment income	5	184,868	—	184,868	310,840
Other income	6	906,446	—	906,446	171,503
Total income		<u>5,152,153</u>	<u>259,055</u>	<u>5,411,208</u>	<u>6,195,024</u>
Expenditure					
Expenditure on charitable activities	7,8	<u>3,906,516</u>	<u>489,153</u>	<u>4,395,669</u>	<u>5,495,040</u>
Total expenditure		<u>3,906,516</u>	<u>489,153</u>	<u>4,395,669</u>	<u>5,495,040</u>
Net gains on investments	10	8,439	—	8,439	2,252
Net income		<u>1,254,076</u>	<u>(230,098)</u>	<u>1,023,978</u>	<u>702,236</u>
Transfers between funds		(196,061)	196,061	—	—
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes		(115,000)	—	(115,000)	(87,000)
Net movement in funds		<u>943,015</u>	<u>(34,037)</u>	<u>908,978</u>	<u>615,236</u>
Reconciliation of funds					
Total funds brought forward		<u>14,634,484</u>	<u>3,681,298</u>	<u>18,315,782</u>	<u>17,700,546</u>
Total funds carried forward		<u>15,577,499</u>	<u>3,647,261</u>	<u>19,224,760</u>	<u>18,315,782</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 33 form part of these financial statements.

The Apostolic Church
Statement of Financial Position
31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	10,994,116	11,606,230
Investments	16	141,429	572,991
		<u>11,135,545</u>	<u>12,179,221</u>
Current assets			
Debtors	17	12,727	373,042
Cash at bank and in hand		11,915,802	9,703,821
		<u>11,928,529</u>	<u>10,076,863</u>
Creditors: amounts falling due within one year	18	<u>190,863</u>	<u>182,721</u>
Net current assets		<u>11,737,666</u>	<u>9,894,142</u>
Total assets less current liabilities		<u>22,873,211</u>	<u>22,073,363</u>
Creditors: amounts falling due after more than one year	19	<u>1,345,451</u>	<u>1,405,581</u>
Net assets excluding defined benefit pension plan liability		<u>21,527,760</u>	<u>20,667,782</u>
Defined benefit pension plan liability	20	2,303,000	2,352,000
Net assets including defined benefit pension plan liability		<u>19,224,760</u>	<u>18,315,782</u>
Funds of the charity			
Restricted funds		3,647,261	3,681,298
Unrestricted funds:			
Defined benefit pension reserve		(2,303,000)	(2,352,000)
Other unrestricted income funds		17,880,499	16,986,484
Total unrestricted funds		<u>15,577,499</u>	<u>14,634,484</u>
Total charity funds	21	<u>19,224,760</u>	<u>18,315,782</u>

These financial statements were approved by the board of trustees and authorised for issue on Dec 7, 2021....., and are signed on behalf of the board by:



Rev I Parker
National Leader

The notes on pages 17 to 33 form part of these financial statements.

The Apostolic Church
Statement of Cash Flows
Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income	1,023,978	702,236
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	95,107	106,680
Net gains on investments	(8,439)	(2,252)
Dividends, interest and rents from investments	(184,868)	(310,840)
Interest payable and similar charges	96,820	101,593
Gains on disposal of tangible fixed assets	(444,482)	(171,503)
Defined benefit pension plan employer contributions	(249,000)	(245,000)
Accrued income	(715)	(14,228)
<i>Changes in:</i>		
Trade and other debtors	360,315	297,564
Trade and other creditors	(937)	(53,918)
Cash generated from operations	687,779	410,332
Interest paid	(11,820)	(20,593)
Net cash from operating activities	<u>675,959</u>	<u>389,739</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	184,868	310,840
Purchase of tangible assets	(114,284)	(745,192)
Proceeds from sale of tangible assets	1,075,774	262,000
Proceeds from sale of other investments	440,000	—
Net cash from/(used in) investing activities	<u>1,586,358</u>	<u>(172,352)</u>
Cash flows from financing activities		
Proceeds from borrowings	(50,336)	(81,515)
Net cash used in financing activities	<u>(50,336)</u>	<u>(81,515)</u>
Net increase in cash and cash equivalents	2,211,981	135,872
Cash and cash equivalents at beginning of year	9,703,821	9,567,949
Cash and cash equivalents at end of year	<u>11,915,802</u>	<u>9,703,821</u>

The notes on pages 17 to 33 form part of these financial statements.

The Apostolic Church
Notes to the Financial Statements
Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a registered charity in England, Wales and Scotland and is unincorporated. The address of the principal office is Suite 105, Crystal House, New Bedford Road, Luton, LU1 1HS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Finance Committee in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Finance Committee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Going concern

Based on the charity's current financial position and ongoing nature of its activities there are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Control of assembly assets and funds

The Trustees delegate powers for local authority to local Pastors and Leading Elders in relation to various matters including day to day financial control, however the assets and funds held by the local assemblies are all controlled by the Church as a whole and incorporated into the Financial Statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- **Legacy income**

The Charity recognises legacy income when the receipt is probable and the entitlement has been established. Estimates of legacy income due are based on correspondence received from solicitors acting on behalf of estates where a legacy payment to the Charity is notified during the year.

- **Impairment of fixed assets**

The Charity considers whether assets held are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value. The Trustees evaluate this based on available evidence and reports from relevant experts as appropriate.

- **Investment valuation**

The Charity carries investments held at Market Value. The valuation of fixed asset investment properties has to be estimated and the Trustees base their estimates on expert valuations and market conditions. Listed investments are valued based on their listed market values.

- **Defined benefit pension scheme**

The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, asset valuations and the discount rate on investments. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost. Certain properties are carried at amounts relating to historical insured values. Capital expenditure of less than £5,000 is treated as revenue expenditure.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	167/50 years straight line
Long leasehold property	-	50 years straight line
Fixtures and fittings	-	20% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Investment properties are initially measured at cost including any transaction costs, and are revalued to fair value at each year end.

No depreciation is charged against any investment properties held.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Defined benefit plans

The company recognises a defined net benefit pension asset or liability in the statement of financial position as the net total of the present value of its obligations and the fair value of plan assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method. Plan surpluses are recognised as a defined benefit asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit asset or liability arising from employee service are recognised in income or expenditure as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in income or expenditure in the period in which they occur.

Net interest is determined by multiplying the net defined benefit liability by the discount rate, both as determined at the start of the reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in income or expenditure.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations, giving and similar income	3,822,944	54,560	3,877,504
Legacy income	56,936	—	56,936
Fundraising for buildings	—	103,097	103,097
Other charitable activity	180,959	100,118	281,077
Conference income	—	1,280	1,280
	<u>4,060,839</u>	<u>259,055</u>	<u>4,319,894</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations, giving and similar income	4,252,349	75,374	4,327,723
Legacy income	342,738	—	342,738
Fundraising for buildings	—	417,352	417,352
Other charitable activity	308,877	314,551	623,428
Conference income	—	1,440	1,440
	<u>4,903,964</u>	<u>808,717</u>	<u>5,712,681</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Property income	177,805	177,805	294,432	294,432
Investment income and interest received	7,063	7,063	16,408	16,408
	<u>184,868</u>	<u>184,868</u>	<u>310,840</u>	<u>310,840</u>

The income from properties above includes both that from specific investment properties held by the charity, and income from properties held for the charity's own use where additional income is received from the hire of halls and other buildings to third parties.

6. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gain on disposal of tangible fixed assets held for charity's own use	444,482	444,482	171,503	171,503
Job retention scheme grant	461,964	461,964	—	—
	<u>906,446</u>	<u>906,446</u>	<u>171,503</u>	<u>171,503</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Annual convention and conferences	—	—	—
Missionary	19,170	250,621	269,791
Ministerial	2,652,170	151,721	2,803,891
Other	172,521	86,811	259,332
Church admin	158,642	—	158,642
Support costs	904,013	—	904,013
	<u>3,906,516</u>	<u>489,153</u>	<u>4,395,669</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Annual convention and conferences	11,137	—	11,137
Missionary	1,903	345,333	347,236
Ministerial	3,135,918	279,686	3,415,604
Other	357,647	255,818	613,465
Church admin	171,373	—	171,373
Support costs	936,225	—	936,225
	<u>4,614,203</u>	<u>880,837</u>	<u>5,495,040</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021 £	Total fund 2020 £
Annual convention and conferences	—	—	—	11,137
Missionary	269,791	—	269,791	347,236
Ministerial	2,803,891	693,916	3,497,807	4,173,330
Other	259,332	—	259,332	613,465
Church admin	158,642	—	158,642	171,373
Governance costs	—	210,097	210,097	178,499
	<u>3,491,656</u>	<u>904,013</u>	<u>4,395,669</u>	<u>5,495,040</u>

Apportionment of costs between activity types has been allocated on an actual basis.

The Apostolic Church

Notes to the Financial Statements (continued)

Year ended 31 March 2021

9. Analysis of support costs

	Missionary £	Ministerial £	Other £	Church admin £	Total 2021 £	Total 2020 £
Staff costs	—	435,667	—	—	435,667	390,708
Premises	—	187,193	—	—	187,193	208,658
Finance costs	—	11,820	—	—	11,820	20,593
Governance costs	14,432	131,093	56,086	8,486	210,097	178,499
Other expenses	—	59,324	—	—	59,324	130,924
Travel and accommodation	—	1,393	—	—	1,393	6,843
	<u>14,432</u>	<u>826,490</u>	<u>56,086</u>	<u>8,486</u>	<u>905,494</u>	<u>936,225</u>

Support costs above relate to specifically identifiable support activities.

10. Net gains on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on listed investments	<u>8,439</u>	<u>8,439</u>	<u>2,252</u>	<u>2,252</u>

11. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	95,107	106,680
Gains on disposal of tangible fixed assets	<u>(444,482)</u>	<u>(171,503)</u>

12. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>22,500</u>	<u>24,000</u>

13. Staff costs

The average head count of employees during the year was 133 (2020: 135). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Number of staff	<u>93</u>	<u>89</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

14. Trustee remuneration and expenses

Payments to Trustees

No remuneration was paid to any individual in connection with their services as Trustee.

The remuneration payments made relate entirely to the work carried out as full or part time pastors of churches in line with the standard fees authorised by the charity's governing document. The level of salary received is independently determined by the local church leadership team in line with the guidance issued by the Finance Committee and salary review board. There is a weighting according to geographic location and congregation size.

The Charity also makes pension contributions as part of the defined contribution pension scheme in place. The totals paid to Trustees in relation to their roles as ministers were as follows:

Gross Salary

	2021	2020
	£	£
P Doherty (resigned 1 May 2020)	-	21,969
P Howells	23,013	22,452
M Chenery	-	35,705
A Matheson	33,028	32,141
C Hopkins	38,619	37,280
I Parker	32,700	28,000
T Jack (resigned 1 May 2020)	-	35,623
A Abiodun (resigned 6 June 2019)	-	22,159
S Taylor	39,660	35,482
	167,020	270,811

Employer Pension Contributions

	2021	2020
	£	£
P Doherty (resigned 1 May 2020)	-	659
P Howells	2,231	2,177
M Chenery (resigned 1 May 2020)	-	3,461
A Matheson	3,153	2,266
C Hopkins	1,132	1,117
I Parker	950	797
T Jack (resigned 1 May 2020)	-	10,181
A Abiodun (resigned 6 June 2019)	-	2,010
S Taylor	3,810	1,065
	11,276	23,733

In addition to the above payments, certain Trustees are provided with living accommodation by reason of their employment as pastors. This is in line with customary practice for ministers of religion to enable their duties to be better performed. Those who are not provided with living accommodation receive a housing allowance as part of their salary in lieu of the church providing a manse. The housing allowances are included in the gross salaries above.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

Reimbursed expenses

The following expenses were reimbursed during the year:

	2021	2020
	£	£
P Doherty (resigned 1 May 2020)	-	1,151
P Howells	110	1,846
M Chenery (resigned 1 May 2020)	-	1,145
A Matheson	231	775
C Hopkins	-	80
I Parker	528	2,657
T Jack (resigned 1 May 2020)	-	3,413
A Abiodun (resigned 6 June 2019)	-	136
S Taylor	98	927
D Bird	1,350	-
	2,317	12,130

15. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
Cost				
At 1 April 2020	12,550,047	128,927	467,133	13,146,107
Additions	109,188	-	5,096	114,284
Disposals	(683,390)	-	-	(683,390)
At 31 March 2021	11,975,845	128,927	472,229	12,577,001
Depreciation				
At 1 April 2020	1,087,903	4,814	447,160	1,539,877
Charge for the year	87,147	2,579	5,381	95,107
Disposals	(52,099)	-	-	(52,099)
At 31 March 2021	1,122,951	7,393	452,541	1,582,885
Carrying amount				
At 31 March 2021	10,852,894	121,534	19,688	10,994,116
At 31 March 2020	11,462,144	124,113	19,973	11,606,230

The Apostolic Church
Notes to the Financial Statements *(continued)*
Year ended 31 March 2021

15. Tangible fixed assets *(continued)*

On transition to FRS102 the assets have been included in the financial statements on a historic cost basis.

Certain property additions incurred by the assemblies between 1992 and 2010 are not included within the accounts as the accounts prepared during these years did not include the income and expenditure for the assembly data.

16. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 April 2020	132,991	440,000	572,991
Additions	—	—	—
Disposals	—	(440,000)	(440,000)
Fair value movements	8,438	—	8,438
At 31 March 2021	141,429	—	141,429
Impairment			
At 1 April 2020 and 31 March 2021			—
Carrying amount			
At 31 March 2021	141,429	—	141,429
At 31 March 2020	132,991	440,000	572,991

All investments shown above are held at valuation.

Financial assets held at fair value

Listed investments

Fair value adjustments are processed in respect of the listed investments every 6 months in line with a report issued from the broker.

17. Debtors

	2021 £	2020 £
Prepayments and accrued income	12,656	6,529
Other debtors	71	366,513
	12,727	373,042

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	125,303	115,509
Accruals and deferred income	51,420	52,135
Social security and other taxes	54	54
Other creditors	14,086	15,023
	<u>190,863</u>	<u>182,721</u>

19. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>1,345,451</u>	<u>1,405,581</u>

Various bank loans are secured against properties held by the Church throughout the UK.

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £68,615 (2020: £76,247).

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

20. Pensions and other post retirement benefits *(continued)*

Defined benefit plans

The charity operates two defined benefit pension schemes:

- The Apostolic Church Unfunded 6/7th Scheme (the "Unfunded Scheme")
- The Apostolic Church Staff Pension Scheme (the "Funded Scheme")

Unfunded Scheme

This is an informal top up pension arrangement providing benefits based on a standard minimum fee and reduced for other pension income received by the individual. Under the scheme, the employees are entitled to retirement benefits on reaching retirement age. There are no scheme assets held separately from those of the charity. The scheme is closed to new members. Spouses of the former employees are also entitled to the same level of benefit upon the death of the former employee within the scheme.

Pensions are paid to the beneficiaries on a monthly basis directly from the charity's assets. The value of the liabilities at the reporting date has been determined on a member by member basis based on data used by the previous actuary in preparing last year's disclosures and with allowance for member movements over the year. A valuation of the scheme has been carried out as at 31 March 2021 by a qualified independent actuary.

Funded Scheme

This scheme provides members with pensions in retirement and death benefits. Pension benefits are linked to a member's final salary and their length of service, at 30 June 2005 or earlier date of leaving. Since 30 June 2005 the Funded Scheme has been closed to new employees.

The Funded Scheme is a registered scheme under UK legislation, is subject to the funding requirements outlined in this legislation and was contracted into the State Second Pension.

The Funded Scheme was established from 1 July 1981 under trust and is governed by the Funded Scheme's trust deed and rules. The charity is responsible for the operation and governance of the Funded Scheme, including making decisions regarding the Funded Scheme's funding and investment strategy.

The liabilities of the scheme shown below have been estimated by updating the results of this actuarial valuation to allow for the passage of time, benefits paid out of the scheme and changes in actuarial assumptions.

The statement of financial position net defined benefit liability is determined as follows:

	Unfunded Scheme		Funded Scheme		Total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Present value of defined benefit obligations	(1,316,000)	(1,190,000)	(3,823,000)	(3,626,000)	(5,139,000)	(4,816,000)
Fair value of plan assets	—	—	2,836,000	2,464,000	2,836,000	2,464,000
	<u>(1,316,000)</u>	<u>(1,190,000)</u>	<u>(987,000)</u>	<u>(1,162,000)</u>	<u>(2,303,000)</u>	<u>(2,352,000)</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

20. Pensions and other post retirement benefits *(continued)*

Changes in the present value of the defined benefit obligations are as follows:

	Unfunded Scheme £	Funded Scheme £	Total £
At 1 April 2020	1,190,000	3,626,000	4,816,000
Interest expense	24,000	81,000	105,000
Benefits paid	(121,000)	(159,000)	(280,000)
Remeasurements:			
Actuarial gains and losses	223,000	275,000	498,000
At 31 March 2021	1,316,000	3,823,000	5,139,000

Changes in the fair value of plan assets are as follows:

	Unfunded Scheme £	Funded Scheme £	Total £
At 1 April 2020	—	2,464,000	2,464,000
Interest income	—	56,000	56,000
Benefits paid	(121,000)	(159,000)	(280,000)
Contributions by employer	121,000	128,000	249,000
Administrative costs	—	(36,000)	(36,000)
Remeasurements:			
Return on plan assets, excluding amount included in interest income	—	383,000	383,000
At 31 March 2021	—	2,836,000	2,836,000

The total costs for the year in relation to defined benefit plans are as follows:

	Unfunded Scheme		Funded Scheme		Total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Recognised in income or expenditure:						
Net interest expense	24,000	27,000	25,000	22,000	49,000	49,000
Administrative costs	—	—	36,000	32,000	36,000	32,000
	<u>24,000</u>	<u>27,000</u>	<u>61,000</u>	<u>54,000</u>	<u>85,000</u>	<u>81,000</u>
Recognised in other recognised gains and losses:						
Remeasurement of the liability:						
Actuarial gains and losses	223,000	(137,000)	275,000	(36,000)	498,000	(173,000)
Return on plan assets, excluding amounts included in net interest	—	—	383,000	260,000	383,000	260,000
	<u>223,000</u>	<u>(137,000)</u>	<u>658,000</u>	<u>224,000</u>	<u>881,000</u>	<u>87,000</u>

The Apostolic Church

Notes to the Financial Statements (continued)

Year ended 31 March 2021

20. Pensions and other post retirement benefits (continued)

The fair value of the major categories of plan assets are as follows:

	Funded Scheme	
	2021	2020
	%	%
Cash and cash equivalents	5.50	5.12
Insured annuities percentage	23.73	26.05
Net current assets percentage	70.77	68.83

The return on plan assets are as follows:

	Funded Scheme	
	2021	2020
	£	£
Return on assets of benefit plan	439,000	(198,000)

The principal actuarial assumptions as at the statement of financial position date were:

	Unfunded Scheme		Funded Scheme	
	2021	2020	2021	2020
	%	%	%	%
Discount rate	1.50	2.10	1.90	2.30
Expected rate of increase in pensions	—	—	3.30	2.60
Inflation assumption	2.60	2.00	2.50	2.00
Mortality rates:				
Current pensioners at 65 - male	86.80	86.30	86.80	86.30
Current pensioners at 65 - female	89.10	88.20	89.10	88.20
Future pensioners at 65 - male	87.80	87.40	87.80	87.40
Future pensioners at 65 - female	90.20	89.50	90.20	89.50

21. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
General funds	16,986,484	4,847,153	(3,765,516)	(196,061)	8,439	17,880,499
Defined benefit pension schemes	(2,352,000)	305,000	(141,000)	—	(115,000)	(2,303,000)
	<u>14,634,484</u>	<u>5,152,153</u>	<u>(3,906,516)</u>	<u>(196,061)</u>	<u>(106,561)</u>	<u>15,577,499</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
General funds	16,646,087	5,079,307	(4,471,203)	(269,959)	2,252	16,986,484
Defined benefit pension schemes	(2,429,000)	307,000	(143,000)	—	(87,000)	(2,352,000)
	<u>14,217,087</u>	<u>5,386,307</u>	<u>(4,614,203)</u>	<u>(269,959)</u>	<u>(84,748)</u>	<u>14,634,484</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

21. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
Missionary fund	—	54,560	(250,621)	196,061	—	—
Building funds	2,727,872	103,097	(151,721)	—	—	2,679,248
Other restricted income	953,426	101,398	(86,811)	—	—	968,013
	<u>3,681,298</u>	<u>259,055</u>	<u>(489,153)</u>	<u>196,061</u>	<u>—</u>	<u>3,647,261</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
Missionary fund	—	75,374	(345,333)	269,959	—	—
Building funds	2,590,206	417,352	(279,686)	—	—	2,727,872
Other restricted income	893,253	315,991	(255,818)	—	—	953,426
	<u>3,483,459</u>	<u>808,717</u>	<u>(880,837)</u>	<u>269,959</u>	<u>—</u>	<u>3,681,298</u>

Missionary fund

The missionary fund comprises restricted income which is related to missionary work under the Action Overseas banner, within the total fund are amounts attributable to specific ongoing projects. The Church has increased spending on missionary activities to increase awareness which has caused the fund to move into a deficit position. The trustees have decided to transfer funds from unrestricted reserves to clear the deficit.

Restricted building funds

Represents various building funds managed on a local and national level in relation to various building projects ongoing at specific individual assemblies.

Other restricted funds

Represents various restricted income and expenditure items managed on a local level at specific individual assemblies.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	9,910,653	1,083,463	10,994,116
Investments	141,429	—	141,429
Current assets	9,364,731	2,563,798	11,928,529
Creditors less than 1 year	(190,863)	—	(190,863)
Creditors greater than 1 year	(1,345,451)	—	(1,345,451)
Defined benefit pension	(2,303,000)	—	(2,303,000)
Net assets	15,577,499	3,647,261	19,224,760

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	10,512,661	1,093,569	11,606,230
Investments	572,991	—	572,991
Current assets	7,489,134	2,587,729	10,076,863
Creditors less than 1 year	(182,721)	—	(182,721)
Creditors greater than 1 year	(1,405,581)	—	(1,405,581)
Defined benefit pension	(2,352,000)	—	(2,352,000)
Net assets	14,634,484	3,681,298	18,315,782

23. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure		
Listed investments	141,429	132,991

The fair values of the listed investments are determined by reference to the quoted market price.

The remaining financial assets and financial liabilities of the Charity qualify as basic financial instruments. These are initially recognised in the Statement of Financial Position at transaction value and subsequently measured at their settlement value.

24. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	9,703,821	2,211,981	11,915,802
Debt due within one year	(115,509)	(9,794)	(125,303)
Debt due after one year	(1,405,581)	60,130	(1,345,451)
	8,182,731	2,262,317	10,445,048