

CHARITY REGISTRATION NUMBER: 284789
OSCR REGISTRATION NUMBER: SC037835

The Apostolic Church
Financial Statements
31 March 2022

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 2022

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The Apostolic Church

Trustees' Annual Report

Year ended 31 March 2022

The trustees present their report and the financial statements of the charity for the year ended 31 March 2022.

Introduction

I am delighted to present on behalf of the Trustees of the charity (The Apostolic Church UK) their report for the period 1st April 2021 to 31st March 2022.

It's fair to say that the worldwide Covid-19 Pandemic significantly impacted our day-to-day operations. Many activities of local churches were conducted online until the relaxing of lockdown rules in early 2022. Looking back, we now see that most churches have emerged relatively intact, and some even grew stronger. However, there were some casualties, and some assemblies closed. Remarkably, our church planting program progressed and this has meant that we have also gained, which is incredible in the light of unprecedented difficulties, and we give thanks to God.

The pandemic was a steep learning curve on so many levels, reinforcing our awareness of the organisation's need to invest heavily in restructuring itself so as to advance fully into the new post-pandemic world.

In the following pages, the trustees seek to outline a picture of the national church at work from April 2021 to March 2022. We do so with grateful hearts to God for His faithfulness to His people for their labours in His Name and for His Glory.

A handwritten signature in blue ink, appearing to read 'Rev Parker', with a long horizontal flourish extending to the right.

Rev. Parker
National Leader

The Apostolic Church
Trustees' Annual Report *(continued)*
Year ended 31 March 2022

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 2022

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. A great deal of work has been done to progress this and we are grateful to the team of gifted and skilled individuals that do so diligently.

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 2022

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 communicate Christ to the nation.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Achievements and performance

During this year, we have progressed on our restructuring journey to a Charitable Incorporated Organisation (CIO) and endeavoured to progress in the following missional areas: church planting, safeguarding structures and training, and inclusion, in the form of setting up a Unity and Diversity forum. The extensive research undertaken by the Unity and Diversity forum, established in 2020, has reinforced our awareness of the need for The Apostolic Church UK (ACUK) to be an intergenerational and culturally diverse community. The trustees are committed to pursuing this with passion, determination and intentionality. ACUK has set a course for healing, educating, mitigating and training so we might engage with renewed vigour with the world's under-served peoples and regions, with the gospel of Jesus Christ in both word and deed.

Financially, we were faced with three options: remain unchanged (not an option), ask local churches to increase their contribution to central costs, or find alternative income streams to fund our additional missions and governance activities.

In light of the economic climate, we did not feel local churches could carry increased costs, so the latter was the only plausible option. ACUK has been working hard to carefully look over the charity's assets to see if there are opportunities to generate additional revenue.

During the pandemic, we have sought to increase support for local churches, without additional cost to them, in the following areas:

- o Help with risk assessments for churches that needed to return to in-person services
- o The appointment of an operations director
- o Leadership and Development Training courses - Academy, Baton, GROW and Next Sessions
- o Church Planting training, support and enabling
- o Youth Workers
- o Children's Workers
- o Safeguarding Training
- o Information Technology
- o Planning conferences and gatherings for re-establishing connections and networking

Overseas Trips and field development

Overseas trips were cancelled and postponed in 2021 due to the ongoing uncertainties and travel restrictions associated with the Covid-19 Pandemic, except for a few trips made according to regulations in force at the time. However, as with the rest of the world, international connections continued through virtual platforms such as Zoom and Teams. During the pandemic we began work on a new online training course, "GROW", working with churches in South-East Asia. The GROW course has enabled reach and influence in our Asia network to continue flourishing despite the pandemic's immense challenges.

We have invested in developing our online platforms to strengthen internal and external communications, including reviewing how we communicate generally. We realise what a huge task this is, and recognise the need for further resource and expertise in this area.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Partners

One of the positive effects of the lockdown and restrictions was that our networking opportunities multiplied and like-minded partners reached out to one another. This year, we have significantly strengthened our relationships with the European and Worldwide Apostolic Church and our interdenominational links. These partnerships will be vital as together we will be stronger, go further and achieve far greater.

Financial review

The trustees report that the accounts for the year ended 31 March 2022 show a surplus of £879,440 (2021: £908,978). This is stated after the actuarial gains of £228,000 (2021: £115,000 losses) incurred on the defined benefit pension schemes. The church had healthy year end reserves of £20,104,200 (2021: £19,224,760).

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.

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 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.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Plans for future periods

We see many opportunities for the gospel and are preparing to meet these by restructuring in a way that will enable us to separate the roles of spiritual leadership and governance. It will also allow us to increase our pool of expertise and the diversity of the organisational structure. This restructuring will be in the form of a move from an unincorporated organisation, in which the spiritual leaders (National Leadership Team) are, by default, the trustees, to an incorporated one, in which the roles are separated. We are working towards our ambition of achieving this by 1st April 2023. Currently we are looking at the implications for HR, Pensions, banking, property and future legacies.

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 12th/12/2022 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 2022

Opinion

We have audited the financial statements of The Apostolic Church (the 'charity') for the year ended 31 March 2022 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 2022 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 2022

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 2022

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 2022

- 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.

Burgess Hodgson LLP
12th December 2022

Robert Field FCA CTA (Senior Statutory Auditor)

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 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
Income and endowments					
Charitable activities	4	4,535,302	347,849	4,883,151	4,319,894
Investment income	5	257,811	–	257,811	184,868
Other income	6	401,778	–	401,778	906,446
Total income		<u>5,194,891</u>	<u>347,849</u>	<u>5,542,740</u>	<u>5,411,208</u>
Expenditure					
Expenditure on charitable activities	7,8	4,182,368	704,444	4,886,812	4,395,669
Total expenditure		<u>4,182,368</u>	<u>704,444</u>	<u>4,886,812</u>	<u>4,395,669</u>
Net (losses)/gains on investments	10	(4,488)	–	(4,488)	8,439
Net income		<u>1,008,035</u>	<u>(356,595)</u>	<u>651,440</u>	<u>1,023,978</u>
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes		228,000	–	228,000	(115,000)
Net movement in funds		<u>1,236,035</u>	<u>(356,595)</u>	<u>879,440</u>	<u>908,978</u>
Reconciliation of funds					
Total funds brought forward		15,577,499	3,647,261	19,224,760	18,315,782
Total funds carried forward		<u>16,813,534</u>	<u>3,290,666</u>	<u>20,104,200</u>	<u>19,224,760</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 15 to 30 form part of these financial statements.

The Apostolic Church

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	15	10,325,095	10,994,116
Investments	16	136,941	141,429
		<u>10,462,036</u>	<u>11,135,545</u>
Current assets			
Debtors	17	64,032	12,727
Cash at bank and in hand		12,690,209	11,915,802
		<u>12,754,241</u>	<u>11,928,529</u>
Creditors: amounts falling due within one year	18	148,906	190,863
Net current assets		<u>12,605,335</u>	<u>11,737,666</u>
Total assets less current liabilities		<u>23,067,371</u>	<u>22,873,211</u>
Creditors: amounts falling due after more than one year	19	1,117,171	1,345,451
Net assets excluding defined benefit pension plan liability		<u>21,950,200</u>	<u>21,527,760</u>
Defined benefit pension plan liability	20	1,846,000	2,303,000
Net assets including defined benefit pension plan liability		<u>20,104,200</u>	<u>19,224,760</u>
Funds of the charity			
Restricted funds		3,591,347	3,647,261
Unrestricted funds:			
Defined benefit pension reserve		(1,846,000)	(2,303,000)
Other unrestricted income funds		18,358,853	17,880,499
Total unrestricted funds		<u>16,512,853</u>	<u>15,577,499</u>
Total charity funds	21	<u>20,104,200</u>	<u>19,224,760</u>

These financial statements were approved by the board of trustees and authorised for issue on 12/12/2022 and are signed on behalf of the board by:



Rev I Parker
National Leader

The notes on pages 15 to 30 form part of these financial statements.

The Apostolic Church
Statement of Cash Flows
Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	651,440	1,023,978
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	97,983	95,107
Net (losses)/gains on investments	4,488	(8,439)
Dividends, interest and rents from investments	(257,811)	(184,868)
Interest payable and similar charges	76,777	96,820
Gains on disposal of tangible fixed assets	(280,421)	(444,482)
Defined benefit pension plan employer contributions	(296,000)	(249,000)
Accrued expenses/(income)	3,603	(715)
<i>Changes in:</i>		
Trade and other debtors	(51,305)	360,315
Trade and other creditors	(13,565)	(937)
Cash generated from operations	(64,811)	687,779
Interest paid	(9,777)	(11,820)
Net cash (used in)/from operating activities	<u>(74,588)</u>	<u>675,959</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	257,811	184,868
Purchase of tangible assets	(106,433)	(114,284)
Proceeds from sale of tangible assets	957,892	1,075,774
Proceeds from sale of other investments	—	440,000
Net cash from investing activities	<u>1,109,270</u>	<u>1,586,358</u>
Cash flows from financing activities		
Proceeds from borrowings	(260,275)	(50,336)
Net cash used in financing activities	<u>(260,275)</u>	<u>(50,336)</u>
Net increase in cash and cash equivalents	774,407	2,211,981
Cash and cash equivalents at beginning of year	11,915,802	9,703,821
Cash and cash equivalents at end of year	<u>12,690,209</u>	<u>11,915,802</u>

The notes on pages 15 to 30 form part of these financial statements.

The Apostolic Church
Notes to the Financial Statements
Year ended 31 March 2022

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 2022

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 2022

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 2022

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 2022

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 2022

4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations, giving and similar income	4,132,921	42,097	4,175,018
Legacy income	105,062	—	105,062
Fundraising for buildings	—	87,807	87,807
Other charitable activity	297,319	216,685	514,004
Conference income	—	1,260	1,260
	<u>4,535,302</u>	<u>347,849</u>	<u>4,883,151</u>

	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>

5. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Property income	254,595	254,595	177,805	177,805
Investment income and interest received	3,216	3,216	7,063	7,063
	<u>257,811</u>	<u>257,811</u>	<u>184,868</u>	<u>184,868</u>

6. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Gain on disposal of tangible fixed assets held for charity's own use	280,421	280,421	444,482	444,482
Job retention scheme grant	121,357	121,357	461,964	461,964
	<u>401,778</u>	<u>401,778</u>	<u>906,446</u>	<u>906,446</u>

The Apostolic Church

Notes to the Financial Statements (continued)

Year ended 31 March 2022

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Missionary	28,828	342,778	371,606
Ministerial	2,791,453	170,819	2,962,272
Other	199,479	190,847	390,326
Church admin	164,533	—	164,533
Support costs	998,075	—	998,075
	<u>4,182,368</u>	<u>704,444</u>	<u>4,886,812</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
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>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022 £	Total fund 2021 £
Missionary	371,606	—	371,606	269,791
Ministerial	2,962,272	790,073	3,752,345	3,497,807
Other	390,326	—	390,326	259,332
Church admin	164,533	—	164,533	158,642
Governance costs	—	208,002	208,002	210,097
	<u>3,888,737</u>	<u>998,075</u>	<u>4,886,812</u>	<u>4,395,669</u>

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

9. Analysis of support costs

	Missionary £	Ministerial £	Other £	Church admin £	Total 2022 £	Total 2021 £
Staff costs	—	469,760	—	—	469,760	435,667
Premises	—	239,090	—	—	239,090	187,193
Finance costs	—	9,777	—	—	9,777	11,820
Governance costs	18,009	143,555	38,464	7,974	208,002	210,097
Other expenses	—	69,926	—	—	69,926	57,843
Travel and accommodation	—	1,520	—	—	1,520	1,393
	<u>18,009</u>	<u>933,628</u>	<u>38,464</u>	<u>7,974</u>	<u>998,075</u>	<u>904,013</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

9. Analysis of support costs *(continued)*

Support costs above relate to specifically identifiable support activities.

10. Net (losses)/gains on investments

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Gains/(losses) on listed investments	<u>(4,488)</u>	<u>(4,488)</u>	<u>8,439</u>	<u>8,439</u>

11. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	97,983	95,107
Gains on disposal of tangible fixed assets	<u>(280,421)</u>	<u>(444,482)</u>

12. Auditors remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>23,000</u>	<u>22,500</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	2,251,067	2,315,342
Employer contributions to pension plans	76,649	68,615
	<u>2,327,716</u>	<u>2,383,957</u>

The average head count of employees during the year was 127 (2021: 133). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Number of staff	<u>86</u>	<u>93</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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

	2022	2021
	£	£
P Howells	23,243	23,013
A Matheson	39,471	33,028
C Hopkins	38,141	38,619
I Parker	34,000	32,700
S Taylor	39,866	39,660

174,721 **167,020**

Employer Pension Contributions

	2022	2021
	£	£
P Howells	2,253	2,231
A Matheson	3,758	3,153
C Hopkins	3,683	1,132
I Parker	959	950
S Taylor	3,858	3,810

14,511 **11,276**

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.

Reimbursed expenses

The following expenses were reimbursed during the year:

	2022	2021
	£	£
P Howells	982	110
A Matheson	111	231
C Hopkins	329	-
I Parker	2,695	528
S Taylor	626	98
D Bird	-	1,350
	4,743	2,317

The Apostolic Church

Notes to the Financial Statements (continued)

Year ended 31 March 2022

15. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
Cost				
At 1 April 2021	11,975,845	128,927	472,229	12,577,001
Additions	89,165	–	17,268	106,433
Disposals	(976,300)	–	(7,289)	(983,589)
At 31 March 2022	11,088,710	128,927	482,208	11,699,845
Depreciation				
At 1 April 2021	1,122,951	7,393	452,541	1,582,885
Charge for the year	82,356	2,579	13,048	97,983
Disposals	(298,829)	–	(7,289)	(306,118)
At 31 March 2022	906,478	9,972	458,300	1,374,750
Carrying amount				
At 31 March 2022	10,182,232	118,955	23,908	10,325,095
At 31 March 2021	10,852,894	121,534	19,688	10,994,116

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 £
Cost or valuation	
At 1 April 2021	141,429
Additions	–
Fair value movements	(4,488)
At 31 March 2022	136,941
Impairment	
At 1 April 2021 and 31 March 2022	
Carrying amount	
At 31 March 2022	136,941
At 31 March 2021	141,429

All investments shown above are held at valuation.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

16. Investments *(continued)*

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

	2022	2021
	£	£
Prepayments and accrued income	1,957	12,656
Other debtors	62,075	71
	<u>64,032</u>	<u>12,727</u>

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	93,308	125,303
Accruals and deferred income	55,023	51,420
Social security and other taxes	—	54
Other creditors	575	14,086
	<u>148,906</u>	<u>190,863</u>

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

	2022	2021
	£	£
Bank loans and overdrafts	<u>1,117,171</u>	<u>1,345,451</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 £76,649 (2021: £68,615).

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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 2022 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	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Present value of defined benefit obligations	(1,184,000)	(1,316,000)	(3,425,000)	(3,823,000)	(4,609,000)	(5,139,000)
Fair value of plan assets	—	—	2,763,000	2,836,000	2,763,000	2,836,000
	<u>(1,184,000)</u>	<u>(1,316,000)</u>	<u>(662,000)</u>	<u>(987,000)</u>	<u>(1,846,000)</u>	<u>(2,303,000)</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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 2021	1,316,000	3,823,000	5,139,000
Interest expense	19,000	71,000	90,000
Benefits paid	(112,000)	(176,000)	(288,000)
Remeasurements:			
Actuarial gains and losses	(39,000)	(293,000)	(332,000)
At 31 March 2022	1,184,000	3,425,000	4,609,000

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

	Unfunded Scheme £	Funded Scheme £	Total £
At 1 April 2021	–	2,836,000	2,836,000
Interest income	–	54,000	54,000
Benefits paid	(112,000)	(176,000)	(288,000)
Contributions by employer	112,000	184,000	296,000
Administrative costs	–	(31,000)	(31,000)
Remeasurements:			
Return on plan assets, excluding amount included in interest income	–	(104,000)	(104,000)
At 31 March 2022	–	2,763,000	2,763,000

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

	Unfunded Scheme		Funded Scheme		Total	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Recognised in income or expenditure:						
Net interest expense	19,000	24,000	17,000	25,000	36,000	49,000
Administrative costs	–	–	31,000	36,000	31,000	36,000
	<u>19,000</u>	<u>24,000</u>	<u>48,000</u>	<u>61,000</u>	<u>67,000</u>	<u>85,000</u>

Recognised in other recognised gains and losses:

Remeasurement of the liability:

Actuarial gains and losses	(39,000)	223,000	(293,000)	275,000	(332,000)	498,000
Return on plan assets, excluding amounts included in net interest	–	–	104,000	383,000	104,000	383,000
	<u>(39,000)</u>	<u>223,000</u>	<u>(189,000)</u>	<u>658,000</u>	<u>(228,000)</u>	<u>881,000</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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

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

	Funded Scheme	
	2022	2021
	%	%
Cash and cash equivalents	7.75	5.50
Insured annuities percentage	21.17	23.73
Net current assets percentage	71.08	70.77

The return on plan assets are as follows:

	Funded Scheme	
	2022	2021
	£	£
Return on assets of benefit plan	(50,000)	439,000

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

	Unfunded Scheme		Funded Scheme	
	2022	2021	2022	2021
	%	%	%	%
Discount rate	2.50	1.50	2.60	1.90
Expected rate of increase in pensions	—	—	3.60	3.30
Inflation assumption	3.50	2.60	2.95	2.50
Mortality rates:				
Current pensioners at 65 - male	86.80	86.80	86.80	86.80
Current pensioners at 65 - female	89.10	89.10	89.10	89.10
Future pensioners at 65 - male	87.80	87.80	87.80	87.80
Future pensioners at 65 - female	90.30	90.20	90.30	90.20

21. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
General funds	17,880,499	4,844,891	(4,061,368)	(300,681)	(4,488)	18,358,853
Defined benefit pension schemes	(2,303,000)	350,000	(121,000)	—	228,000	(1,846,000)
	<u>15,577,499</u>	<u>5,194,891</u>	<u>(4,182,368)</u>	<u>(300,681)</u>	<u>223,512</u>	<u>16,512,853</u>

	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>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

21. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Missionary fund	–	42,097	(342,778)	300,681	–	–
Building funds	2,679,248	87,807	(170,819)	–	–	2,596,236
Other restricted income	968,013	217,945	(190,847)	–	–	995,111
	<u>3,647,261</u>	<u>347,849</u>	<u>(704,444)</u>	<u>300,681</u>	<u>–</u>	<u>3,591,347</u>

	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>

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 2022

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	9,409,817	915,278	10,325,095
Investments	136,941	–	136,941
Current assets	10,078,172	2,676,069	12,754,241
Creditors less than 1 year	(148,906)	–	(148,906)
Creditors greater than 1 year	(1,117,171)	–	(1,117,171)
Defined benefit pension	(1,846,000)	–	(1,846,000)
Net assets	16,512,853	3,591,347	20,104,200

	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

23. Financial instruments

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

	2022 £	2021 £
Financial assets measured at fair value through income and expenditure		
Listed investments	136,941	141,429

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 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	11,915,802	774,407	12,690,209
Debt due within one year	(125,303)	31,995	(93,308)
Debt due after one year	(1,345,451)	228,280	(1,117,171)
	10,445,048	1,034,682	11,479,730