

CHARITY REGISTRATION NUMBER 1129633
COMPANY REGISTRATION NUMBER 06780477

AUDACIOUS CHURCH
CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

CHARITY COMMISSION
FIRST CONTACT

28 DEC 2017

RECORDED
RECEIVED

AUDACIOUS CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	G Barrett S A Keir N T Smith R P Ray D J McPhail J Bracegirdle	(Appointed 13 August 2017)
Secretary	G Barrett	
Charity number	1129633	
Company number	6780477	
Registered office	Unit 6 Deva Centre Trinity Way Manchester M3 7BB	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	
Bankers	Barclays Bank plc Business Direct Centre Leicester LE87 2BR Lloyds Bank Market Street Manchester M1 1PW	
Solicitors	Geldards Number One Pride Place Pride Park Derby DE24 8QR	

AUDACIOUS CHURCH

CONTENTS

	Page
Trustees' report	1 – 4
Statement of trustees' responsibilities	5
Independent auditors' report	6 – 7
Consolidated statement of financial activities	8
Statement of financial activities	9
Consolidated balance sheet	10
Balance sheet	11
Statement of cash flows	12
Notes to the accounts	13 – 29

AUDACIOUS CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The church's objectives are set out by the trust deed as:

- the advancement of the Christian faith;
- the relief of sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support;
- the advancement of education.

These objectives are achieved through the following activities:

- events and meetings to promote the Christian faith which are designed to be enthusiastic, lively, fun and educational. These are held on a regular basis, are open to all ages and are not dependent on social class or standing;
- offering support and counsel through the church leaders and in meetings to the church and community, promoting holistic healthy living for body, soul & spirit;
- inspiration & impartation to church leaders and other church members from the values of the Bible and where possible bringing practical application to the message; including hosting Luminous conference, the Culture summit, the School of Ministry and involvement in the church's programmes.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Details of the activities undertaken by the charity during the period are given under Achievements and performance.

Achievements and performance

Objective 1 – to advance the Christian faith in accordance with the statement in such ways and in such parts of the UK or the world as the church leadership from time to time may think fit.

Audacious Church has again seen growth in this period, currently running five weekend services, across two campuses to accommodate the growth we have seen. There are around 4,500 people who call Audacious their home church, and we are averaging around 1,800 people in any given week over our weekend services. We have an expectation that this figure will continue to increase, as it has done consistently since the church started. This continued growth can be attributed to God ordained leadership, vision, communication, excellence in all areas, contemporary music and a warm welcome. Our church vision is: "To be a church that stops the traffic, numerically so large that we transform business, education, entertainment & sports, family & healthcare, media, politics and spirituality; one person at a time."

Objective 2 – To relieve sickness & financial hardship and to promote and preserve good health by the provisions of funds, goods or services of any kind including through the provision of counselling and support in such parts of the UK and the world as the church leadership from time to time think fit.

The church continues to provide pastoral care physically, spiritually and emotionally for its entire congregation, and many from outside the church.

AUDACIOUS CHURCH

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Our A-Teams programme continues to serve the community working alongside various partner agencies to provide practical support and assistance to those in need. This work includes decorating houses, cleaning streets, meals for the homeless and practical support to those on the streets. We are out six nights of the week working with vulnerable people on the streets of Manchester. We have strong partnerships with many organisations; our strong partnerships with Macmillan Cancer Support and Safe Families for Children continue to grow and provide increase levels of support to many in Greater Manchester.

There are currently two campuses of Audacious Church, based in Manchester and Chester. In our Manchester Campus we are in a capital campaign to raise funds that will see a new building project on our current site; whilst in the meantime we are putting in a Mezzanine floor in the foyer area to facilitate continued growth. In our Chester campus we have recently moved from renting in a hotel on a Sunday, to leasing our own premises that can become our church building to base our programmes and operations each day of the week.

In our Sunday services, we continue to see needs met as we pray corporately for health, wholeness, financial and family issues. Each week we receive reports from individuals within the congregation who let us know of prayer requests that have been resolved either miraculously or practically.

Objective 3 – To advance education in such ways and in such parts of the UK or the world, as the church leadership from time to time may think fit.

Audacious continues to train individuals at all levels of life. Our weekend services continue to educate and carry practical application, our practical midweek life groups and courses teach individuals the values, vision and culture of our church and also enables people to choose practical training that will help equip their life.

Subsidiary and other controlled companies

Audacious Church owns 100% of the share capital of Endeavour Worldwide Limited, a trading company which generates funds for the church. Endeavour Worldwide Limited operates from the church premises and its principal activity is the provision of car parking. At 31 March 2017 the net assets of Endeavour Worldwide Limited were £18 (2016: net liabilities were £(8,722)). Its turnover for the year ended 31 March 2017 was £162,733 (2016: £144,484) and its total resources expended were £88,256 (2016: £153,207) leaving a loss for the year of £74,517 (2016: loss of £8,723) before gift aid donations to the parent charity.

Audacious Church also controls Audacious Foundation which is a dormant UK charitable company limited by guarantee.

Financial review

Incoming resources during the period totalled £2,551,895 (2016: £1,807,916) which has been at a level sufficient to satisfactorily achieve our commitments and undertakings.

The Statement of Financial Activities shows a net increase in funds of £473,008 (2016: £40,966). Restricted funds totalled £510,250 (2016: £31,223) and unrestricted funds £1,528,686 (2016: £1,534,705). The freely available unrestricted funds at 31 March 2017 was £383,799 (2016: £230,877). The trustees would wish to increase this in the future to allow the church to continue its current activities.

AUDACIOUS CHURCH

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Financial review (continued)

The Consolidated Statement of Financial Activities shows a net increase in funds of £481,748 (2016: £32,243). Incoming resources for the period totalled £2,638,891 (2016: £1,942,400). Restricted funds totalled £510,250 (2016: £31,223) and unrestricted funds £1,528,703 (2016: £1,525,982). The freely available unrestricted funds at 31 March 2017 was £381,970 (2016: £219,083).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The charity currently has an adequate level of reserves.

In this period we have continued to repay capital off our church building loan, having in December 2013 reduced our loan rate as well as our loan term from 20 to 15 years. We have used the venue to host conferences for other Christian organisations, that has both a financial and partnership benefit to church, as we seek to work alongside others.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the trust's aims and objectives and in planning future activities.

Future direction

We have exciting plans to develop our existing site to both generate funds and continue the growth and expansion of the church. The goal is to see a landmark and iconic building that can be used by all areas of the gateways of our city, over multiple storeys with numerous breakout rooms and that would facilitate all our needs as a church in one site. We gained planning permission on 7 December 2017, and we are currently 12 months into a 30-month fundraising campaign to save for the deposit to start the building work, so our projected time for starting work on the new building would be 2019.

Structure, governance and management

The charity is a company limited by guarantee and a registered charity. The charity was incorporated on 28 December 2008 and became a registered charity on 15 May 2009. It commenced activities on 1 October 2009 when it took over the assets, liabilities and running of Audacious City Church (charity number 1120164) and The Faithworks (charity number 1052562). In 2012 the charitable company changed its name from Audacious City Church to Audacious Church and moved its registered office to Trinity Way, Manchester.

The trustees, who are also the directors for the purpose of company law, and who served during the period were:

G Barrett
S A Keir
N T Smith
R P Ray
D J McPhail
J Bracegirdle

(Appointed 13 August 2017)

AUDACIOUS CHURCH

TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Structure, governance and management (continued)

Following AOG guidelines the church is required to have at least three trustees at any one time, one of whom is the senior minister, G. Barrett. When a vacancy occurs the senior minister shall nominate a potential new trustee deemed to have the relevant experience and commitment and the Church Council shall appoint this person.

The charity is managed by a board of experienced trustees, who are responsible for ensuring financial stability and providing professional and strategic advice on policy and resource management.

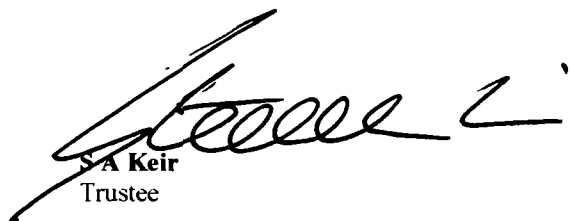
None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of winding up.

We have a salary banding structure, which we use as a benchmark to set all the staff salaries. As well as the salaried trustees, there is also key management salaries of £109,000 (2016: £90,680) which we benchmark against employees in similar managerial positions in other churches.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

The trustees' report was approved by the Board of Trustees.



S A Keir
Trustee

Dated: 22 December 2017

AUDACIOUS CHURCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2017

The trustees, who are also the directors of Audacious Church for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF AUDACIOUS CHURCH

We have audited the financial statements of Audacious Church for the year ended 31 March 2017 set out on pages 8 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of Audacious Church for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF
AUDACIOUS CHURCH (CONTINUED)**

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's 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; and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Roland Givans (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

**Chartered Accountants
Statutory Auditor**

Dated: 22 December 2017

AUDACIOUS CHURCH

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and gifts	3	1,642,459	497,178	2,139,637	1,498,012
Charitable activities	4	160,005	34,722	194,727	193,354
Other trading activities	5	303,606	-	303,606	249,225
Investments	6	921	-	921	1,809
Total income		<u>2,106,991</u>	<u>531,900</u>	<u>2,638,891</u>	<u>1,942,400</u>
<u>Expenditure on:</u>					
Raising funds	7	138,586	15,914	154,500	201,122
Charitable activities	8	<u>1,965,684</u>	<u>36,959</u>	<u>2,002,643</u>	<u>1,709,035</u>
Total expenditure		<u>2,104,270</u>	<u>52,873</u>	<u>2,157,143</u>	<u>1,910,157</u>
Net incoming resources before associated undertakings and transfers		2,721	479,027	481,748	32,243
Gross transfers between funds		-	-	-	-
Net income for the year/ Net movement in funds		2,721	479,027	481,748	32,243
Fund balances at 1 April 2016		<u>1,525,982</u>	<u>31,223</u>	<u>1,557,205</u>	<u>1,524,962</u>
Fund balances at 31 March 2017		<u>1,528,703</u>	<u>510,250</u>	<u>2,038,953</u>	<u>1,557,205</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006 and has been prepaid on the basis that all operations are continuing.

AUDACIOUS CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

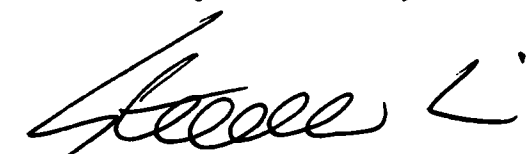
	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and gifts	3	1,642,459	497,178	2,139,637	1,498,012
Charitable activities	4	160,005	34,722	194,727	193,354
Other trading activities	5	140,833	-	140,833	104,741
Investments	6	<u>76,698</u>	<u>-</u>	<u>76,698</u>	<u>11,809</u>
Total income		<u>2,019,995</u>	<u>531,900</u>	<u>2,551,895</u>	<u>1,807,916</u>
<u>Expenditure on:</u>					
Raising funds	7	60,330	15,914	76,244	57,915
Charitable activities	8	<u>1,965,684</u>	<u>36,959</u>	<u>2,002,643</u>	<u>1,709,035</u>
Total expenditure		<u>2,026,014</u>	<u>52,873</u>	<u>2,078,887</u>	<u>1,766,950</u>
Net (expenditure)/income for the year/ Net movement in funds		(6,019)	479,027	473,008	40,966
 Fund balances at 1 April 2016		<u>1,534,705</u>	<u>31,223</u>	<u>1,565,928</u>	<u>1,524,962</u>
Fund balances at 31 March 2017		<u>1,528,686</u>	<u>510,250</u>	<u>2,038,936</u>	<u>1,565,928</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006 and has been prepared on the basis that all operations are continuing.

AUDACIOUS CHURCH**CONSOLIDATED BALANCE SHEET****AS AT 31 MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	13		2,925,967		3,224,264
Current assets					
Stocks	16	12,376		7,326	
Debtors	17	248,096		60,660	
Cash at bank and in hand		<u>931,574</u>		<u>487,147</u>	
		1,192,046		555,133	
Creditors: amounts falling due within one year	18	<u>(299,826)</u>		<u>(304,827)</u>	
Net current assets			<u>892,220</u>		<u>250,306</u>
Total assets less current liabilities			3,818,187		3,474,570
Creditors: amounts falling due after one year	19		<u>(1,779,234)</u>		<u>(1,917,365)</u>
Net assets			<u>2,038,953</u>		<u>1,557,205</u>
Income funds					
Restricted funds	21		510,250		31,223
Unrestricted funds			<u>1,528,703</u>		<u>1,525,982</u>
			<u>2,038,953</u>		<u>1,557,205</u>

The financial statements were approved by the board of directors and authorised for issue on 22 December 2017 and are signed on its behalf by:



S A Keir
Trustee

Company Registration No. 06780479

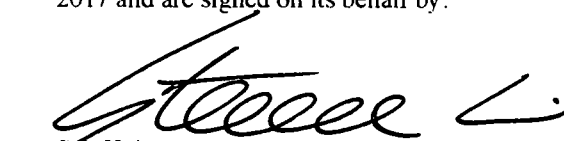
AUDACIOUS CHURCH

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	13	2,924,120	3,221,192
Investments	14	<u>1</u>	<u>1</u>
		2,924,121	3,221,193
Current assets			
Stocks	16	12,376	7,326
Debtors	17	243,491	55,048
Cash at bank and in hand		<u>916,439</u>	<u>472,146</u>
		1,172,306	534,520
Creditors: amounts falling due within one year	18	<u>(278,257)</u>	<u>(272,420)</u>
Net current assets		<u>894,049</u>	<u>262,100</u>
Total assets less current liabilities		3,818,170	3,483,293
Creditors: amounts falling due in more than one year	19	<u>(1,779,234)</u>	<u>(1,917,365)</u>
Net assets		<u>2,038,936</u>	<u>1,565,928</u>
Income funds			
Restricted funds	21	510,250	31,223
Unrestricted funds		<u>1,528,686</u>	<u>1,534,705</u>
		<u>2,038,936</u>	<u>1,565,928</u>

The financial statements were approved by the board of directors and authorised for issue on 22 December 2017 and are signed on its behalf by:


S A Keir
Trustee

Company Registration No. 06780477

AUDACIOUS CHURCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Group		2016	
		2017		2016	
		£	£	£	£
Cash flow from operating activities					
Cash generated from operations	26		475,442		248,980
Investing activities					
Purchase of tangible fixed assets		(82,738)		(113,472)	
Proceeds on disposal of tangible fixed assets		200,000		-	
Interest received		<u>10,921</u>		<u>1,809</u>	
Net cash generated from/(used in) investing activities			128,138		(111,663)
Financing activities					
Repayment of bank loans		(159,198)		(157,648)	
Net cash used in financing activities			(159,198)		(157,648)
Net increase/(decrease) in cash and cash equivalents			444,427		(20,331)
Cash and cash equivalents at beginning of year			<u>487,147</u>		<u>507,478</u>
Cash and cash equivalents at end of year			<u>931,574</u>		<u>487,147</u>

	Notes	Charity		2016	
		2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26		409,531		228,437
Investing activities					
Purchase of tangible fixed assets		(82,738)		(113,472)	
Proceeds on disposal of tangible fixed assets		200,000		-	
Interest received		<u>76,698</u>		<u>11,809</u>	
Net cash generated from/(used in) investing activities			193,960		(101,663)
Financing activities					
Repayment of bank loans		(159,198)		(157,648)	
Net cash used in financing activities			(159,198)		(157,648)
Net increase/decrease in cash and cash equivalents			444,293		(30,874)
Cash and cash equivalents at beginning of year			<u>472,146</u>		<u>503,020</u>
Cash and cash equivalents at end of year			<u>916,439</u>		<u>472,146</u>

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Audacious Church is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 6, Deva Centre, Trinity Way, Manchester, M3 7BB.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the main functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement. Income resources are allocated to the different types of incoming resources and allocated between restricted and unrestricted funds according to their nature. Donated assets are recognised at market value.

Investment income is recognised as incoming resources when it becomes receivable.

Services provided by volunteers are not easily quantifiable and are not included in the financial statements.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1.5 Resources expended

Resources expended, inclusive of irrecoverable VAT, are recognised in the year in which they are incurred and are analysed in the statement of financial activities according to the nature of the expense.

Trading costs comprises the costs associated with trading for fundraising purposes.

Charitable activities represent the direct costs incurred in the provision of the company's services.

Support costs represent the indirect costs incurred by the charitable company.

Governance costs are those costs incurred in connection with compliance with statutory and constitutional requirements.

No costs have been apportioned.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold land and buildings	-	2% straight line
Leasehold land and buildings	-	Not depreciated/2% straight line/33% straight line
Fixtures, fittings and equipment	-	20% straight line/33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Assets costing less than £500 are not capitalised but are treated as revenue expenditure in the year that the expenditure is incurred. However, the trustees can capitalise items below this limit at their discretion.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1.8 Impairment of fixed assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.11 Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Basis of consolidation

The financial statements consolidate the accounts of Audacious Church and all of its subsidiary undertakings ('subsidiaries').

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities.

1.14 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1.14 Financial instruments (continued)

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/ (expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/ (expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/ (expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortisation cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.15 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There are no judgements or estimates which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities.

3 Donations and gifts

	Unrestricted funds	Group & Charity Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	<u>1,642,459</u>	<u>497,178</u>	<u>2,139,637</u>	<u>1,498,012</u>
	<u>1,642,459</u>	<u>497,178</u>	<u>2,139,637</u>	<u>1,498,012</u>
For the year ended 31 March 2016	<u>1,498,012</u>	<u>-</u>		<u>1,498,012</u>

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

4 Charitable activities

	Group & Charity	
	2017	2016
	£	£
Church departments and events	<u>194,727</u>	<u>193,354</u>
Analysis by fund		
Unrestricted funds	160,005	
Restricted funds	<u>34,722</u>	
	<u>194,727</u>	
For the year ended 31 March 2016		
Unrestricted funds		169,322
Restricted funds		<u>24,032</u>
		193,354

5 Other trading activities

	Group	
	2017	2016
	£	£
Endeavour Worldwide Limited	162,773	144,484
Sales of resources	<u>140,833</u>	<u>104,741</u>
	<u>303,606</u>	<u>249,225</u>
	Charity	
	2017	2016
	£	£
Sales of resources	<u>140,833</u>	<u>104,741</u>

6 Investments

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Rental income	-	-	10,000	10,000
Income from unlisted investments	-	-	65,777	-
Interest receivable	<u>921</u>	<u>1,809</u>	<u>921</u>	<u>1,809</u>
	<u>921</u>	<u>1,809</u>	<u>76,698</u>	<u>11,809</u>

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

7 Raising funds

	Group			
	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Fundraising and publicity</u>				
Advertising	-	15,914	15,914	-
<u>Trading costs</u>				
Endeavour Worldwide Ltd	78,256	-	78,256	143,207
Sales of resources	<u>60,330</u>	<u>-</u>	<u>60,330</u>	<u>57,915</u>
	<u>138,586</u>	<u>15,914</u>	<u>154,500</u>	<u>201,122</u>
For the year ended 31 March 2016				
Trading costs	<u>201,122</u>	<u>-</u>		<u>201,122</u>

Raising funds include payments to the auditors of £1,550 (2016: £625) for services not connected to the charity and consolidated group accounts.

	Charity			
	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Fundraising and publicity</u>				
Advertising	-	15,914	15,914	-
<u>Trading costs</u>				
Sales of resources	<u>60,330</u>	<u>-</u>	<u>60,330</u>	<u>57,915</u>
	<u>60,330</u>	<u>15,914</u>	<u>76,244</u>	<u>57,915</u>
For the year ended 31 March 2016				
Trading costs	<u>57,915</u>	<u>-</u>		<u>57,915</u>

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

8 Charitable activities

	Group & Charity	
	2017	2016
	£	£
Staff costs	807,704	607,385
Depreciation and impairment	159,404	175,009
Church departments and events	272,538	238,170
Hospitality	138,651	156,487
Other costs	<u>38,725</u>	<u>41,586</u>
	1,417,022	1,218,637
Grant funding of activities (see note 9)	39,566	89,715
Share of support costs (see note 10)	542,955	398,483
Share of governance costs (see note 10)	<u>3,100</u>	<u>2,200</u>
	<u>2,002,643</u>	<u>1,709,035</u>

Analysis by fund

Unrestricted funds	1,965,684
Restricted funds	<u>36,959</u>
	<u>2,002,643</u>

For the year ended 31 March 2016

Unrestricted funds	1,687,445
Restricted funds	<u>21,590</u>
	<u>1,709,035</u>

9 Grants payable

	Group and Charity	
	2017	2016
	£	£
Grants to institutions (5 grants):		
King of Kings Church	1,217	1,200
Planetshakers	3,388	5,327
Hope for Justice	3,600	3,600
Live Audacious	20,732	44,633
Mozambique Life Child	-	12,500
Other	<u>3,837</u>	<u>15,663</u>
	32,774	82,923
Grants to individuals (2 grants)	<u>6,792</u>	<u>6,792</u>
	<u>39,566</u>	<u>89,715</u>

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

10 Support costs

	Support costs £	Governance costs £	Group and Charity 2017 £	2016 £	Basis of allocation
Loss on disposal of tangible fixed asset	20,406	-	20,406	-	
Rent, rates and utilities	192,499	-	192,499	107,125	
Insurance	11,546	-	11,546	11,337	
Repairs and cleaning	55,143	-	55,143	78,219	
Equipment hire	10,208	-	10,208	9,379	
Postage, stationery and advertising	8,516	-	8,516	10,237	
Telephone and fax	22,929	-	22,929	25,339	
Travelling	80,634	-	80,634	47,649	
Legal and professional	31,057	-	31,057	19,273	
Bank charges and mortgage interest	66,750	-	66,750	75,549	
General expenses	43,267	-	43,267	14,376	
Audit fees	-	3,100	3,100	2,200	Governance
	<u>542,955</u>	<u>3,100</u>	<u>546,055</u>	<u>400,683</u>	
Analysed between charitable activities	<u>542,955</u>	<u>3,100</u>	<u>546,055</u>	<u>400,683</u>	

Governance costs includes payments to the auditors of £3,100 (2016: £2,200) for audit fees. Support costs includes payments to the auditors of £3,900 (2016: £3,520) for other services.

11 Trustees

G Barrett, received emoluments of £68,500 (2016: £65,081) during the year for his services to the church and has pension contributions paid of £1,593 (2016: £1,500). His wife S Barrett, is also an employee of the church and received emoluments of £41,434 (2016: £29,970) and had pension contributions paid of £812 (2016: £720). G and S Barrett also received benefits in kind of £5,296 (2016: £5,200) for holding church meetings and events on behalf of the church at their home.

S A Keir, received emoluments of £44,604 (2016: £41,013) during the year for his services to the church and had pension contributions paid of £693 (2016: £600).

No other trustees received payment for any other expenses.

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

12 Employees

Number of employees

The average number of employees during the year was:

	Group		Charity	
	2017 Number	2016 Number	2017 Number	2016 Number
Trustees of Audacious Church	5	5	5	5
Trustees/directors of subsidiaries	1	1	-	-
Employees	<u>38</u>	<u>26</u>	<u>37</u>	<u>25</u>
	<u>44</u>	<u>32</u>	<u>42</u>	<u>30</u>

Employment costs

	Raising funds £	Charitable activities £	Group	
			2017 £	2016 £
Wages and salaries	24,275	732,144	756,419	588,169
Social security costs	2,158	69,695	71,853	40,280
Other pension costs	<u>315</u>	<u>5,865</u>	<u>6,180</u>	<u>3,420</u>
	<u>26,748</u>	<u>807,704</u>	<u>834,452</u>	<u>631,869</u>

	Charity	
	2017 £	2016 £
Wages and salaries	732,144	565,652
Social security costs	69,695	38,313
Other pension costs	<u>5,865</u>	<u>3,420</u>
	<u>807,704</u>	<u>607,385</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2017 Number	2016 Number
£60,000 to £69,000	<u>1</u>	<u>1</u>

The number of trustees for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2016: 2).

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

13 Tangible fixed assets

	Freehold land and buildings £	Group Leasehold property £	Fixtures fittings & equipment £	Total £
Cost				
At 1 April 2016	2,977,344	240,000	630,325	3,847,669
Additions at cost	-	-	82,738	82,738
Disposals	-	(240,000)	-	(240,000)
At 31 March 2017	<u>2,977,344</u>	<u>-</u>	<u>713,063</u>	<u>3,690,407</u>
Depreciation and impairment				
At 1 April 2016	242,299	19,594	361,512	623,405
Charge for the year	59,522	-	101,107	160,629
Eliminated in respect of disposals	-	(19,594)	-	(19,594)
At 31 March 2017	<u>301,821</u>	<u>-</u>	<u>462,619</u>	<u>764,440</u>
Carrying amount				
At 31 March 2017	<u>2,675,523</u>	<u>-</u>	<u>250,444</u>	<u>2,925,967</u>
At 31 March 2016	<u>2,735,045</u>	<u>220,406</u>	<u>268,813</u>	<u>3,224,264</u>

	Freehold land and buildings £	Charity Leasehold property £	Fixtures fittings & equipment £	Total £
Cost				
At 1 April 2016	2,977,344	240,000	625,421	3,842,765
Additions	-	-	82,738	82,738
Disposals	-	(240,000)	-	(240,000)
At 31 March 2017	<u>2,977,344</u>	<u>-</u>	<u>708,159</u>	<u>3,685,503</u>
Depreciation and impairment				
At 1 April 2016	242,299	19,594	359,680	621,573
Depreciation charged in the year	59,522	-	99,882	159,404
Eliminated in respect of disposals	-	(19,594)	-	(19,594)
At 31 March 2017	<u>301,821</u>	<u>-</u>	<u>459,562</u>	<u>761,383</u>
Carrying amount				
At 31 March 2017	<u>2,675,523</u>	<u>-</u>	<u>248,597</u>	<u>2,924,120</u>
At 31 March 2016	<u>2,735,045</u>	<u>220,406</u>	<u>265,741</u>	<u>3,221,192</u>

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

13 Tangible fixed assets (continued)

In November 2013, the freehold land and buildings shown at book value of £2,779,532 at March 2013 were professionally valued at £3,000,000. No revaluation has taken place in the accounts. The valuations were done by Pinders.

All the church's freehold land and buildings are subject to a mortgage with the balance owed at 31 March 2017 amounting to 71% (2016: 69%) of their net book value.

14 Fixed asset investments

	Charity	
	2017	2016
	£	£
Investments in subsidiaries	<u>1</u>	<u>1</u>

Fixed asset investments represent the cost of shares held in Endeavour Worldwide Limited, which is a UK company 100% owned by the church.

Audacious Church also controls Audacious Foundation which is a dormant UK charitable company limited by guarantee.

15 Financial instruments

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	965,796	510,529	946,056	489,916
Equity instruments measured at cost less impairment	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
	<u>965,796</u>	<u>510,529</u>	<u>946,057</u>	<u>489,917</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>2,045,775</u>	<u>2,203,313</u>	<u>2,032,354</u>	<u>2,173,872</u>

16 Stocks

	Group & Charity	
	2017	2016
	£	£
Books and resources	<u>12,376</u>	<u>7,326</u>

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

17 Debtors

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	33,655	23,382	29,050	17,770
Other debtors	567	-	567	-
Prepayments and accrued income	<u>213,874</u>	<u>37,278</u>	<u>213,874</u>	<u>37,278</u>
	<u>248,096</u>	<u>60,660</u>	<u>243,491</u>	<u>55,048</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	137,403	158,470	137,403	158,470
Trade creditors	13,164	30,779	12,568	30,779
Amounts owed to group undertakings	-	-	29,253	35,875
Taxation and social security	33,285	18,879	25,137	15,913
Other creditors	50,505	75,660	9,527	10,994
Accruals	18,298	6,650	17,198	6,000
Deferred income	<u>47,171</u>	<u>14,389</u>	<u>47,171</u>	<u>14,389</u>
	<u>299,826</u>	<u>304,827</u>	<u>278,257</u>	<u>272,420</u>

19 Creditors: amounts falling due after more than one year

	Group & Charity	
	2017	2016
	£	£
Mortgage and loan	<u>1,779,234</u>	<u>1,917,365</u>
Analysis of mortgage and loan		
Not wholly repayable within five years by instalments	1,916,637	2,075,835
Included in current liabilities	<u>(137,403)</u>	<u>(158,470)</u>
	<u>1,779,234</u>	<u>1,917,365</u>
Loan maturity analysis		
Debt due in one year or less	137,403	158,470
In more than one year but not more than two years	141,715	137,552
In more than two years but not more than five years	441,454	427,409
In more than five years	<u>1,196,065</u>	<u>1,352,404</u>
	<u>1,916,637</u>	<u>2,075,835</u>

The mortgages are secured by a legal charge held over the freehold property owned by the charity.

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

20 Pension and other post-retirement benefit commitments Defined contribution

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Contributions payable by the group and charity for the year	<u>6,180</u>	<u>3,420</u>	<u>5,865</u>	<u>3,420</u>

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the fund.

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Group and Charity Movement in funds			
	Balance at 1 April 2016	Incoming resources	Resources expended	Balance at 31 March 2017
	£	£	£	£
Macmillan Project	31,223	34,722	(33,122)	32,823
Vision Offering	-	493,295	(15,915)	477,380
Haiti Offering	-	1,470	(1,423)	47
Aleppo Offering	-	<u>2,413</u>	<u>(2,413)</u>	-
	<u>31,223</u>	<u>531,900</u>	<u>(52,873)</u>	<u>510,250</u>

The Macmillan fund is a project where funds are received for the charity to provide care in the community for people suffering from cancer.

The Vision Offering was taken to raise funds to help the church to build new offices and a car park with the aim of generating more income for the church in the future.

The Haiti Offering was taken to help people suffering after the recent earthquake in Haiti. The money was given to another charity, Compassion, who were active in the location affected.

The Aleppo Offering was taken to help the people of Aleppo who were affected by the war in Syria. The money was given to Tearfund, a charity active in that location.

All restricted funds are considered to have sufficient resources held in an appropriate form to enable them to be applied in accordance with the restrictions.

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

22 Analysis of net assets between funds

	Unrestricted funds £	Group Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible fixed assets	2,925,967	-	2,925,967
Current assets/(liabilities)	381,970	510,250	892,220
Creditors: amounts falling due after more than one year	(1,779,234)	-	(1,779,234)
	<u>1,528,703</u>	<u>510,250</u>	<u>2,038,953</u>
	Unrestricted funds £	Charity Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible fixed assets	2,924,120	-	2,924,120
Investments	1	-	1
Current assets/(liabilities)	383,799	510,250	894,049
Creditors: amounts falling due after more than one year	(1,779,234)	-	(1,779,234)
	<u>1,528,686</u>	<u>510,250</u>	<u>2,038,936</u>

23 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Within one year	58,454	87,142	46,441	76,053
Between two and five years	<u>15,624</u>	<u>56,905</u>	<u>15,624</u>	<u>34,728</u>
	<u>74,078</u>	<u>144,047</u>	<u>62,065</u>	<u>110,781</u>

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, none of whom were trustees, is as follows.

	Group & Charity	
	2017	2016
	£	£
Aggregate compensation	<u>109,000</u>	<u>90,680</u>

The trustees review payments made to employees in similar managerial positions in other churches and similar organisations when considering the levels of pay for key managers. The trustees also take into consideration the ability of the charitable company to be able to pay such salaries.

S A Keir and G Barrett, trustees of the church, were also trustees of Live Audacious, registered charity number 1108799. During the year Audacious Church operated a loan account with Live Audacious. Audacious Church collected registration fees on behalf of Live Audacious regarding the annual conference and then remitted them to Live Audacious. Audacious Church also paid expenses on behalf of Live Audacious. The net result of these transactions was that Audacious Church owed Live Audacious £nil (2016: £1,702) for these items at 31 March 2017. Audacious Church also made donations totalling £20,732 (2016: £44,633) to Live Audacious during the year.

25 Subsidiaries

These financial statements are separate company financial statements for Audacious Church.

Audacious Church owns 100% of the share capital of Endeavour Worldwide Limited, a trading company which generates funds for the church. Endeavour Worldwide Limited operates from the church premises and its principal activity is the provision of car parking. At 31 March 2017 the net assets of Endeavour Worldwide Limited were £18 (2016: net liabilities were £(8,722)). Its turnover for the year ended 31 March 2017 was £162,733 (2016: £144,484) and its total resources expended were £88,256 (2016: £153,207) leaving a loss for the year of £74,517 (2016: loss of £8,723) before gift aid donations to the parent charity.

AUDACIOUS CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

26 Cash generated from operations

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Surplus for the year	547,525	32,243	473,008	40,966
Adjustments for:				
Investment income recognised in statement of financial activities	(76,698)	(1,809)	(76,698)	(11,809)
Loss on disposal of tangible fixed assets	20,406	-	20,406	-
Depreciation and impairment of tangible fixed assets	160,629	176,234	159,404	175,009
Movements in working capital:				
Decrease/(increase) in stocks	(5,050)	629	(5,050)	629
Decrease/(increase) in debtors	(180,814)	(11,013)	(188,443)	(5,456)
Increase in creditors	<u>9,444</u>	<u>52,696</u>	<u>26,904</u>	<u>29,098</u>
Cash generated from operations	<u>475,442</u>	<u>248,980</u>	<u>409,531</u>	<u>228,437</u>