

Company registration number: 06751712

Charity registration number: 1127204

The Ascension Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Shah Kazemi & Co
Chartered Certified Accountants & Statutory Auditor
163 Herne Hill
London
SE24 9LR

The Ascension Trust

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The Ascension Trust

Reference and Administrative Details

Chief Executive Officer	Reverend LW Isaac
Trustees	Mr O Ladega, Chair Mr E Kodua, Deputy Chair Reverend LW Isaac Mr J Adeleye Mr CC Ekhator Ms J Hedman Ms R Lawrie Mr MOO Mbakwe Mr CJ Voke
Secretary	Mr AWH Crow
Principal Office	Alpha House Alpha Place 158 Garth Road Morden Surrey SM4 4TQ The charity is incorporated in England and Wales.
Company Registration Number	06751712
Charity Registration Number	1127204
Auditor	Shah Kazemi & Co Chartered Certified Accountants & Statutory Auditor 163 Herne Hill London SE24 9LR

The Ascension Trust

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2017.

Objectives and activities

Objects and aims

The principal objective of the company concerns the advancement of the community through outreach and training. Each year the trustees review the objectives and activities to ensure that they continue to reflect our aims. During this review, the trustees consider the Charity Commission's guidance on public benefit.

The aims of the charity as set out in the charity's Memorandum of Association are summarised as follows:

- For the benefit of the public, transform the direction of not only somebody's night but somebody's life
- Offering human contact which reduces social isolation, provide connection within communities
- Strengthen and preserve good physical, mental and emotional health of communities
- By the use of volunteers, Influence and give power to individuals over own lives and communities
- Build strong resilient communities
- Build positive relationships with the police, Local Authority and those who wish to partner with the Trust to reduce the challenges which is faced by all communities.

Ascension Trust has demonstrated its power and ability to mobilise communities and build positive relationships with its partners, in particular the Urban Trinity.

Public benefit

Ascension Trust has a number of schemes in operation which actively serve the public. Some of these include: Street Pastors, Response Pastors, School & College Pastors, Urban Youth Mission, Rail Pastors, Word4Weapons and Oyibi Project.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Ascension Trust

Trustees' Report (continued)

Use of volunteers

Volunteers perform a key task on behalf of the charity. They are therefore central to meeting the aims and objectives of Ascension Trust. It would be impossible to deliver our mission without them. At present, there are about 14,000 trained volunteers in England and Wales. Ascension Trust aims to sustain and increase its volunteer base. Ascension Trust through its social action initiatives aims to train individuals for relevant and informed interaction at local, national and international levels.

- In total, 69 new street pastors were added to the pool of street pastors serving London during 2017
- New school pastors were trained alongside street pastors in Mental Health, Youth Culture and Listening Skills.
- We ran two refresher courses (Safety on the Streets) and with the help of coordinators, 143 street pastors received refresher training.
- Training events took place across the networks in the areas of Roles & Responsibilities, Refresher courses, Response Pastor Training Days, School Pastors, Commissioning Services and Leadership. Along with Ascension Trust Prayer Representatives (ATPRs) we held a National Prayer Gathering.

-Street Pastors

Street Pastors are trained volunteers who patrol the streets between the hours of 10pm and 4am (although this varies in some areas according to local needs). At present there are approximately 270 local initiatives up and down the country and more internationally.

-Response Pastors

Response Pastors deliver help to those who are traumatized by major disasters at events such as terrorist attacks, crashes and other incidents. Volunteers helped and made a significant difference at the Shoreham Air Crash and the Croydon Tram crash.

-School Pastors

School Pastors meet students at the school gate, at the bus stops and go into schools with a caring and listening ear, ready to help staff in encouraging young people who are hurting and vulnerable. They get alongside them to provide pastoral care and support in the situations that they face, so that the best decisions can be made.

-Urban Youth Mission

Once a year, Ascension Trusts hosts an Urban Youth Mission event. This typically involves taking a number of young people away for a week where they can be inspired, share fellowship with each other, develop gifts and talents, grow and stay connected to God.

-Rail Pastors

Rail Pastors help to patrol on platforms and like Street Pastors they listen, care and help, thereby reducing risk maintaining the safety and wellbeing of the travellers.

-Word4Weapons

Word4Weapons is a Knife-crime initiative where weapons are exchanged safely and securely at specified knife bin locations in London and West Midlands. Since its beginning, 25,000 weapons have been collected.

-Oyibi Project

Situated in Greater Accra region, Ghana; Ascension Trust runs an annual overseas social action mission project to enable people to share their skills for the benefit of others and to encourage a love for God's global Kingdom.

The Ascension Trust

Trustees' Report (continued)

Financial review

Policy on reserves

The Management and Trustees examined the charity's requirements for reserves in the light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity is not less than 12 months of expenditure. This will allow the Charity to function properly, even if there is a significant downturn in income in the present economic circumstances. Our Projected overhead expenditure for 2017 was £495,000. As at 31 December 2017, Ascension Trust had free reserves, being unrestricted funds not designated for a specific purpose, totalling £271,974 (2016: £306,995). This represents about seven months of expected overhead expenditure. The Management and Trustees acknowledge the significant shortfall of its target level and plan to continue to build reserves through operating surpluses and targeted funding applications. In the short term, the Management and Trustees have also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Funds Designated

Towards the end of 2009 Ascension Trust purchased a building and the Trustees designated thirty thousand pounds (£30,000) of the current unrestricted funds towards the costs of setting up the premises for use (e.g. office equipment, repairs and improvements, etc.). A balance of £2,860 was brought forward from 2016. An amount of £2,689.73 was expended on improving the state of the building in this period and this leaves a balance of £170.27 to be carried forward to 2018 for further repairs and maintenance work planned.

The Ascension Trust

Trustees' Report (continued)

Principal funding sources

Although we generate income by way of donations from the public and churches, the principal funding source for the charity are contributions from its various initiatives (including Street Pastors Initiatives) in the form of Licence Fees. The licence fee income, when compared to the previous years has reduced. However, we would like to thank our initiatives who, notwithstanding their stressed financial circumstances, continue to contribute to the central funds so that The Ascension Trust can maintain its services to the whole network.

Also, the board remains vigilant in their commitment to the work of Ascension Trust and thereby have formed a Sub-Finance Committee to review regularly the finances of the organisation. This being achieved with the help of a recently appointed Accountant who is tasked with ensuring systems and procedures are compliant as well as having the task of assisting the Sub-Finance Committee with identifying new opportunities to increase revenue and to review fundraising options.

In 2016, our Word 4 Weapons initiative continued its work of helping to make our streets safer by maintaining and increasing the number of weapon bins in London and the West Midlands. An example being, working with the Police during Carnival seasons. The work in the West Midlands continues to be supported by the West Midlands Police. We are very grateful for this development and growing partnership. Word for Weapon became an Independent Charity Organisation on 14th August 2017.

We acknowledge and thank all those individuals, churches, and companies, who have supported the work of Ascension Trust in the past years through their kind donations of funds, advice and time.

Our specific thanks to the following organisations:

Church Communities UK St Marks Kennington PCC

Christian Life Fellowship
Deltic Group
Diageo

Mount Zion Community Church
Thoughts of Other
Holibrook House Limited

Jerusalem Trust
New Testament Church
Micah Christian

Investment policy and objectives

To date there has been very little financial headroom to consider any significant long term investment opportunities. The Management and Trustees remain active in exploring ways to improve the returns on cash reserves.

The Ascension Trust

Trustees' Report (continued)

Structure, governance and management

Nature of governing document

Ascension Trust is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association adopted on the 1st January 2009. It has no share capital and the liability of each member in the event of winding-up is limited to £10. Prior to this, the Ascension Trust was a charitable trust but converted to a Charitable Company limited by guarantee due to the rapid expansion of the Trust.

Recruitment and appointment of trustees

Ascension Trust is run by a board of directors which comprises 8 directors (Trustees). The Trustees are both Trustees of the Charity and Directors of the Company. Where there is a need for new Trustees, these would be identified and appointed by the current Trustees. Mr MOO Mbakwe resigned as a member of Trustee by tendering his letter of resignation during the year ending 31st December 2017.

Induction and training of trustees

The chair of Trustees is responsible for the induction of any new Trustee. This involves awareness training of a Trustee's duties and responsibilities, the governing document, administrative procedures, as well as the history and ethos of the charity. A new Trustee will also receive a copy of the previous year's annual report and a copy of the Charity Commission leaflet 'The Essential Trustee: What You Need to Know'. At present, Ascension Trust has nine Trustees from a variety of professional backgrounds, each relevant to the activities of the charity. The day to day management of the organisation is shouldered by a staff team, headed by a Chief Executive Officer (who is also a trustee and Director).

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2017

Major risks and management of those risks

The CEO, along with the Directors, routinely examines the business, reputation and operational risks when preparing strategic plans and budgets, and when considering forthcoming projects. In particular, Ascension Trust is aware of the risks involved in working with its various constituencies, including:

- i. Associated projects around the UK
- ii. Vulnerable people including young people
- iii. Individual Street Pastors
- iv. Financial Procedures
- v. International Development

The Ascension Trust

Trustees' Report (continued)

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on and signed on its behalf by:

.....
Reverend LW Isaac
Chief Executive Officer and Trustee

The Ascension Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Ascension Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on and signed on its behalf by:

.....
Reverend LW Isaac
Chief Executive Officer and Trustee

The Ascension Trust

Independent Auditor's Report to the Members of The Ascension Trust

Opinion

We have audited the financial statements of The Ascension Trust (the 'charity') for the year ended 31 December 2017, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

The Ascension Trust

Independent Auditor's Report to the Members of The Ascension Trust (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 8], 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.

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.

The Ascension Trust

Independent Auditor's Report to the Members of The Ascension Trust (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

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.

.....
Mr Sheetal Shah (Senior Statutory Auditor)
For and on behalf of Shah Kazemi & Co, Statutory Auditor

163 Herne Hill
London
SE24 9LR

Date:.....

The Ascension Trust

Statement of Financial Activities for the Year Ended 31 December 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	3	53,921	132,748	186,669
Charitable activities	4	344,233	52,513	396,746
Other trading activities	5	11,159	-	11,159
Investment income	6	516	-	516
Other income	7	49,245	-	49,245
Total Income		<u>459,074</u>	<u>185,261</u>	<u>644,335</u>
Expenditure on:				
Charitable activities	8	<u>(494,095)</u>	<u>(90,793)</u>	<u>(584,888)</u>
Total Expenditure		<u>(494,095)</u>	<u>(90,793)</u>	<u>(584,888)</u>
Net (expenditure)/income		<u>(35,021)</u>	<u>94,468</u>	<u>59,447</u>
Net movement in funds		(35,021)	94,468	59,447
Reconciliation of funds				
Total funds brought forward		<u>309,855</u>	<u>202,077</u>	<u>511,932</u>
Total funds carried forward	19	<u>274,834</u>	<u>296,545</u>	<u>571,379</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Income and Endowments from:				
Donations and legacies	3	62,358	24,039	86,397
Charitable activities	4	315,699	14,572	330,271
Other trading activities	5	20,741	-	20,741
Investment income	6	528	24	552
Other income	7	36,661	-	36,661
Total Income		<u>435,987</u>	<u>38,635</u>	<u>474,622</u>
Expenditure on:				
Charitable activities	8	<u>(470,438)</u>	<u>(20,530)</u>	<u>(490,968)</u>
Total Expenditure		<u>(470,438)</u>	<u>(20,530)</u>	<u>(490,968)</u>
Net (expenditure)/income		<u>(34,451)</u>	<u>18,105</u>	<u>(16,346)</u>
Net movement in funds		(34,451)	18,105	(16,346)
Reconciliation of funds				
Total funds brought forward		<u>344,306</u>	<u>183,972</u>	<u>528,278</u>
Total funds carried forward	19	<u>309,855</u>	<u>202,077</u>	<u>511,932</u>

The Ascension Trust

**Statement of Financial Activities for the Year Ended 31 December 2017
(continued)
(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2016 is shown in note 19.

The Ascension Trust
(Registration number: 06751712)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	238,347	244,899
Investments	15	<u>1</u>	<u>1</u>
		<u>238,348</u>	<u>244,900</u>
Current assets			
Debtors	16	134,317	111,234
Cash at bank and in hand		<u>371,763</u>	<u>316,470</u>
		506,080	427,704
Creditors: Amounts falling due within one year	17	<u>(88,281)</u>	<u>(69,382)</u>
Net current assets		<u>417,799</u>	<u>358,322</u>
Total assets less current liabilities		656,147	603,222
Creditors: Amounts falling due after more than one year	18	<u>(84,768)</u>	<u>(91,289)</u>
Net assets		<u><u>571,379</u></u>	<u><u>511,933</u></u>
Funds of the charity:			
Restricted funds		296,545	202,077
Unrestricted income funds			
Unrestricted funds		<u>274,834</u>	<u>309,855</u>
Total funds	19	<u><u>571,379</u></u>	<u><u>511,932</u></u>

The financial statements on pages 12 to 29 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
Mr O Ladega
Trustee

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Ascension Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Group accounts not prepared

The charity's subsidiary undertakings consists of Ascension Commercial Limited (Company Registration 07586400). The directors do not consider the cost of preparing consolidated accounts justifiable.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Exemption from preparing group accounts

The charity has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Equipment	15% Straight line balance
Fixtures and Fittings	20% Reducing balance
Leasehold Property	2% Straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2017	2016
	£	£	£	£
Donations and legacies;				
Donations from individuals	53,921	132,748	186,669	86,397
	<u>53,921</u>	<u>132,748</u>	<u>186,669</u>	<u>86,397</u>

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

4 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	General £	£	£	£
Street Pastors	271,247	-	271,247	268,590
School Pastors	14,276	-	14,276	14,104
Missions	8,570	-	8,570	13,584
Restricted	-	52,513	52,513	14,572
Training and uniforms	50,140	-	50,140	19,421
	<u>344,233</u>	<u>52,513</u>	<u>396,746</u>	<u>330,271</u>

5 Income from other trading activities

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Other income from other trading activities	11,159	11,159	20,741
	<u>11,159</u>	<u>11,159</u>	<u>20,741</u>

6 Investment income

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Interest receivable and similar income;			
Other interest receivable	516	516	552
	<u>516</u>	<u>516</u>	<u>552</u>

7 Other income

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

7 Other income (continued)

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Income from trading subsidiary	41,400	41,400	36,137
Fees and supplies	7,845	7,845	524
	<u>49,245</u>	<u>49,245</u>	<u>36,661</u>

8 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	General £	£	£	£
Street Pastors	350,308	-	350,308	345,230
School Pastors	43,182	-	43,182	30,460
Missions	22,132	-	22,132	12,888
Restricted	-	90,793	90,793	20,530
Training and uniforms	15,052	-	15,052	23,929
Governance Costs	63,421	-	63,421	57,930
	<u>494,095</u>	<u>90,793</u>	<u>584,888</u>	<u>490,967</u>

£430,673 (2016 - £470,437) of the above expenditure was attributable to unrestricted funds and £90,793 (2016 - £20,530) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £63,421 (2016 - £57,930) which relate directly to charitable activities. See note 9 for further details.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds		Total 2017	Total 2016
	Designated £	General £	£	£
Staff costs				
Wages and salaries	-	35,711	35,711	31,053
Social security costs	-	3,005	3,005	2,794
Audit fees				
Audit of the financial statements	-	4,200	4,200	4,200
Legal fees	-	308	308	13
Depreciation, amortisation and other similar costs	-	135	135	148
Other governance costs	2,690	17,372	20,062	19,722
	<u>2,690</u>	<u>60,731</u>	<u>63,421</u>	<u>57,930</u>

10 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2017 £	2016 £
Depreciation of fixed assets	<u>6,752</u>	<u>8,547</u>

11 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	304,028	280,610
Social security costs	25,308	22,079
Pension costs	4,988	2,386
	<u>334,324</u>	<u>305,075</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

11 Staff costs (continued)

	2017 No	2016 No
Staff	<u>12</u>	<u>13</u>

No employee received emoluments of more than £60,000 during the year.

12 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>4,200</u>	<u>4,200</u>

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 January 2017	283,476	4,409	60,515	348,400
Additions	<u>-</u>	<u>200</u>	<u>-</u>	<u>200</u>
At 31 December 2017	<u>283,476</u>	<u>4,609</u>	<u>60,515</u>	<u>348,600</u>
Depreciation				
At 1 January 2017	45,244	3,121	55,136	103,501
Charge for the year	<u>5,670</u>	<u>274</u>	<u>808</u>	<u>6,752</u>
At 31 December 2017	<u>50,914</u>	<u>3,395</u>	<u>55,944</u>	<u>110,253</u>
Net book value				
At 31 December 2017	<u>232,562</u>	<u>1,214</u>	<u>4,571</u>	<u>238,347</u>
At 31 December 2016	<u>238,232</u>	<u>1,288</u>	<u>5,379</u>	<u>244,899</u>

Included within the net book value of land and buildings above is £Nil (2016 - £Nil) in respect of freehold land and buildings and £232,562 (2016 - £238,231) in respect of leaseholds.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

15 Fixed asset investments

	2017 £	2016 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2017	<u>1</u>	<u>1</u>
At 31 December 2017	<u>1</u>	<u>1</u>
Net book value		
At 31 December 2017	<u>1</u>	<u>1</u>
At 31 December 2016	<u>1</u>	<u>1</u>

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Ascension Commercial Limited	England and Wales	Ordinary	100%	Resale of clothing and other branded merchandise

16 Debtors

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

16 Debtors (continued)

	2017 £	2016 £
Trade debtors	22,148	6,817
Due from group undertakings	107,984	87,524
Prepayments	2,565	6,448
Other debtors	1,620	10,445
	<u>134,317</u>	<u>111,234</u>

17 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	16,709	16,596
Other loans	4,561	556
Other taxation and social security	9,643	8,946
Other creditors	(25,786)	(28,623)
Accruals	83,154	71,907
	<u>88,281</u>	<u>69,382</u>

Bank borrowings

is denominated in with a nominal interest rate of 0%, and the final instalment is due on . The carrying amount at year end is £Nil (2016 - £Nil).

18 Creditors: amounts falling due after one year

	2017 £	2016 £
Bank loans	<u>84,768</u>	<u>91,289</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2017 £	2016 £
Bank loans	<u>84,768</u>	<u>91,289</u>

The loan is secured by a fixed charge on the property of the charity.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

19 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds				
General	(306,995)	(459,074)	491,405	(274,664)
Designated	<u>(2,860)</u>	<u>-</u>	<u>2,690</u>	<u>(170)</u>
Total unrestricted funds	<u>(309,855)</u>	<u>(459,074)</u>	<u>494,095</u>	<u>(274,834)</u>
Restricted funds	<u>(202,077)</u>	<u>(185,261)</u>	<u>90,793</u>	<u>(296,545)</u>
Total funds	<u><u>(511,932)</u></u>	<u><u>(644,335)</u></u>	<u><u>584,888</u></u>	<u><u>(571,379)</u></u>
	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Balance at 31 December 2016 £
Unrestricted funds				
General	(341,446)	(435,987)	470,438	(306,995)
Designated	<u>(2,860)</u>	<u>-</u>	<u>-</u>	<u>(2,860)</u>
Total unrestricted funds	<u>(344,306)</u>	<u>(435,987)</u>	<u>470,438</u>	<u>(309,855)</u>
Restricted funds	<u>(183,972)</u>	<u>(38,635)</u>	<u>20,530</u>	<u>(202,077)</u>
Total funds	<u><u>(528,278)</u></u>	<u><u>(474,622)</u></u>	<u><u>490,968</u></u>	<u><u>(511,932)</u></u>

The specific purposes for which the funds are to be applied are as follows:

During the year, restricted income was received for Word for weapons, Operation save Jamaica, Operation restoration, Jerusalem trust, Barbuda appeal fund and 60:40/Methodist project.

The Ascension Trust

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

20 Analysis of net assets between funds

21 Analysis of net funds

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	316,470	55,293	371,763
Net debt	<u>316,470</u>	<u>55,293</u>	<u>371,763</u>