

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY
(Registered with The Charity Commissioners)

FINANCIAL STATEMENTS

31 MARCH 2018

Registered Charity Number: 245250

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY
(Registered with The Charity Commissioners)

INDEX

Page

1 - 6

Trustees' Report

7

Auditors' Report

8

Balance Sheet

9

Statement of Financial Activities

10

Statement of Cash Flows

11 - 17

Notes to the Financial Statements

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2018

1. REFERENCE AND ADMINISTRATION

The Trust

The Trust's aims are best described as for "The advancement of the Christian Religion". To this end the Trust holds two funds.

The English Property Fund (an endowment fund), which holds land and buildings and the proceeds of land and buildings previously sold, as a capital fund, the income from which, after meeting administration and maintenance costs, is used for religious and other charitable purposes in connection with the advancement of the Christian Religion.

The General Purposes Fund, which holds investments the income from which, after meeting administration costs, is used for religious and other charitable purposes in connection with the advancement of the Christian Religion.

Trustees

The Trustees who served throughout the year and since (except where stated) were:-

Robin Gilmour McEwan
Edward Brian Thompson
Jonathan Michael Pitts
Philip Arthur Whittaker
Jeremy Charles Stacy (resigned 31 July 2017)
Christopher Benjamin
Trevor Benjamin
Thomas Baldwin (appointed 6 December 2017)

The Trustees are appointed by a resolution of the Trustees

Charity Registration Number	245250
Secretary to the Trustees	A J Reynoldson
Address	2 The Cloisters Gordon Square London WC1H 0AG
Bankers	The Royal Bank of Scotland 1 Fleet Street London EC4Y 1BD Child & Co 1 Fleet Street London EC4Y 1BD
Solicitors	Hunters Incorporating May, May & Merrimans 9 New Square Lincoln's Inn London WC2A 3QN
Registered Auditors	haysmacintyre 10 Queen Street Place London EC4R 1AG
Investment Advisers	CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET
Investment Powers	The provisions of the Trustee Investments Act 1961 apply, now the Trustee Act 2000

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity is governed by a Charity Commission Scheme dated 21st November 1973.

Management

The routine affairs of the Trust are executed by the Secretary to the Trustees who has delegated executive powers to manage the day to day operations of the Trust from the Trust Office at no. 2 The Cloisters Gordon Square London WC1H 0AG.

The Trustees have four formal meetings each year. Separate sessions are held for the General Purposes Fund and the English Property Fund. The affairs and business of the Trust are agreed by the Trustees at these quarterly formal meetings and thereafter actioned on their behalf by the Secretary.

The Secretary has day to day access to the Trustees.

The Trustees and their Secretary, as part of their Risk Management commitment, have produced a Procedures Manual setting down the day to day functions of the Charity and a panel of Trustees audit and update the document at regular intervals. Risks both to and from buildings and premises are managed by the employment of professionals: architects and building surveyors and the insurance cover which includes cover for terrorism. Financial investment risks are managed by the employment of external fund managers from CCLA who manage the Trust's COIF investment portfolio.

Safeguarding issues concerning religious organisations using the Trust's church buildings have been investigated. These various bodies' safeguarding policies have been vetted by a legal advisor specializing in these matters who is advising the Trustees as to their suitability for purpose. The Trustees are monitoring these religious organisations' compliance with their written safeguarding policies

With these various measures in place the Trustees are confident that risks are contained at an acceptable level.

Trustees

Trustees are selected from members of previous congregations of the Catholic Apostolic Church or those sympathetic to its objectives. A proposed new Trustee is initially interviewed by the Chairman and Trustees. Following approval and appointment, the new Trustee is issued with an information pack detailing the history of the Trust including copies of the various historical Trust deeds and a booklet explaining the role of the Charity Commission. A one to one induction session with the Secretary to the Trustees structured around the Office Procedures Manual, which covers all aspects of the day to day running and organisation of the Trust, is programmed.

Associated Charities

The Trust has one associated charity "The Paddington Church Trust" Charity Registration Number 245205.

Staff

The Trust employs an executive officer with the title of "Secretary to the Trustees", a resident Caretaker for the Church and Cloisters in Gordon Square, London and a resident Caretaker and an Assistant to the Caretaker for the Chapel and associated properties at the Albury site near Guildford. An Assistant Secretary was appointed on 6 September 2017 and he will replace the current Secretary to the Trustees in due course.

3. OBJECTIVES AND ACTIVITIES

The objective of the Trust is advancement of the Christian religion by the making of grants to assist the clergy in the major branches of the Christian Church in the United Kingdom and for the welfare of both poor members and

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

3. OBJECTIVES AND ACTIVITIES (continued)

widows of congregations of the Catholic Apostolic Church and for the maintenance of the remaining church buildings from the Catholic Apostolic Church and their appropriate use for worship by other Churches and congregations as agreed.

Public Benefit

The Trustees have consulted the guidance made available by the Charity Commission for England and Wales on the Public Benefit requirement of the Charities Act 2011. The Trustees took note of the update on public benefit guidance issued in September 2013.

The Trustees are confident that they have complied with their duty under section 17 of the Charities Act 2011 in that they have had due regard to public benefit guidance as currently published by the Commission.

In furtherance of its charitable purposes for the public benefit in the "Advancement of the Christian Religion" the Trustees give details of their activities this financial year under the following two headings "Grants awarded" and "Maintenance of Retained Properties".

Grants awarded

General Purposes Fund

The Trust holds the General Purposes Fund, which holds investments the income from which, after meeting administration costs, is available for religious and other charitable purposes in connection with the advancement of the Christian Religion.

During the year the following grants were made:-

	£
Russian Orthodox Chaplaincy Support	20,000
Russian Orthodox Church	25,000
Roman Catholic Church	25,000
Wolverhampton Christian Fellowship	20,000
Greek Orthodox Church	25,000
Forward in Faith Chaplaincy Support	14,000
Additional Curates Society	55,000
Various small grants	40,450
	<hr/>
	£224,450
	<hr/>

English Property Fund

The Trust holds the English Property Fund (an endowment fund) which holds land and buildings and the proceeds of land and buildings previously sold, as a capital fund, the income from which after meeting administration and maintenance costs is available for religious and other charitable purposes in connection with the advancement of the Christian Religion.

During the year the following grants were made to clergy:-

Forward in Faith general purposes	£45,000
	<hr/>

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

3. OBJECTIVES AND ACTIVITIES (continued)

Maintenance of Retained Properties

The retained properties are maintained as required for historic and listed buildings. During the year the following works were undertaken:-

The Cloisters

The 13 flats in the Cloisters were let by the appointed managing agents Hudsons Property. Routine maintenance tasks were undertaken during the year as well as the replacement of the video entry system serving the thirteen flats and the church offices in September; the existing system having become obsolete with spares being difficult to source.

The electrical installations in the flats and common areas were inspected and tested during September and certificates of compliance have been received. Various remedial and upgrading works were identified and these works were carried out in January 2018.

Rental income from these flats is used to support the Trust's objects.

Central Church (commonly known as Christ the King)

The English Chapel, meeting rooms and basement office accommodation is currently leased to Forward in Faith, part of the Church of England. Forward in Faith employ a Priest as chaplain and Eucharist services are held each weekday in the Chapel which is open to the general public for private devotions from 8am until 4pm every working day.

The main Church building is licenced to Euston Church an evangelical outreach of the Church of England (under the oversight of the Bishop of London). Morning and evening services are held every Sunday as well as weekday services and Bible study meetings.

The main Church is used for monthly public organ recitals for which no charge is made.

This property also houses the Church registers for baptism and marriage for closed Catholic Apostolic Churches in the United Kingdom and also the USA and Canada to which church members and the public have access via the Trustees' Secretary.

A new space heating system has been installed to serve the entire area of the church and basement. This comprised the removal of the existing boilers, pipework and radiators and the provision of three new condensing gas boilers, seventy eight new radiators and associated pipework and ancillary equipment. Listed building and local authority planning permission was obtained for these works which were undertaken under the supervision of the Trustees' appointed architects for the building, Nye Saunders Ltd.

The existing high level halogen lighting system was replaced with an LED (light emitting diode) system in October. This gave an equivalent lighting level and colour temperature with a much reduced current draw resulting in significant electricity cost savings.

Albury Site Properties

Albury Chapel

This property houses religious archives from the Catholic Apostolic Church and is visited by members of Catholic Apostolic Church congregations from the United Kingdom, Europe, United States, Canada, Australia and S Africa.

Cooks Place

The east end of this property is used by the Albury site Custodian and the west section is leased to a tenant. Rental income from both east and west section accommodation is used to support the Trust's objects.

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

3. OBJECTIVES AND ACTIVITIES (continued)

Minor maintenance works have been undertaken during the year. Parts of the house are 13th century and it is listed. All work is carried out under the supervision of the appointed Architect Nye Saunders Ltd.

Lyne Cottage

This building is used by the Caretaker. Exterior redecoration was carried during June and July. This included some exterior timber sill repairs and double glazed window panes.

Wolverhampton Church

The property is currently leased to The Wolverhampton Christian Fellowship, a non-conformist Church. The Trustees are satisfied that the lessees continue to comply with the issues of a good housekeeping nature identified in the current Fire Risk Assessment.

The Secretary and Assistant Secretary visited the property last autumn accompanied by their Appointed Architect and inspected the premises. They met with the Pastor and Church officers of the Wolverhampton Christian Fellowship and it was noted that the buildings and surrounding grounds were in good order.

4. ACHIEVEMENTS AND PERFORMANCE

The Trustees are satisfied that all current property maintenance requirements as advised by their appointed Architects have either been carried out or are programmed and funded for execution within the time scales recommended.

The Trustees are satisfied that, after providing sufficient funds for building maintenance and reserves for future years, the level of grants made during the year properly utilised the available investment income.

The Trustees are satisfied that a reasonable return on investments has been obtained without undue risk (as advised by consultants) and a reasonable income from revenue generating property has been obtained (as advised by consultants). It should be understood that the Trustees maintain an ethical investment policy. The Trust's funds are held within the COIF Charities Fixed Interest Fund and COIF Charities Ethical Investment Fund and the COIF Charities Property Fund. These are managed by CCLA and are subject to their Socially Responsible Investment policies with which the Trustees are in agreement. The Funds are promoted as Responsible Funds that consider the economic, social and environmental impacts of the companies in which the funds invest and avoid direct investment in areas such as armaments, gambling and tobacco.

The CCLA COIF fund managers have a proactive engagement process with companies in which it invests on non-financial issues which could have a material impact on business such as supply chain management, environmental impacts, human rights and labour standards and the Trustees are in agreement with this approach.

5. RISK REVIEW

Risk Area	Likelihood	Impact	Mitigation	Monitoring
External				
Economy	Medium	Low	Financial Advisors	
Terrorism	Low	High	Insurance Cover	
Internal				
Investments	Low	Medium	Financial Advisors	Secretary
Buildings				
Income Cloisters	Medium	Low	Letting Managers	Secretary
Personnel - Secretary				
- Failure	Low	Low	Procedures Manual	Trustees
- Resignation	Low	Low	Procedures Manual	Trustees

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

6. FINANCIAL REVIEW

The Trust is reliant on the income from its investments, which are long term funds seeking capital growth and sustainable income with protection from inflation. Income from investments amounted to £784,665, an increase of £14,737 from the previous year. Investments recorded gains of £106,850 which compares with £1,542,743 in the previous year.

The Trustees maintain reserves at a level to provide sufficient income to fund grants made by the General Purposes Fund and to meet costs that may arise on the properties of the English Property Fund. Unrestricted reserves increased to £8,096,833 and restricted funds to £16,361,575.

7. PLANS FOR THE FUTURE

PROPERTY

The Trust has a ten year forward maintenance profile in place, identifying the major property maintenance works that are expected to be required over the period to the current building stock, to which estimated costs have been applied. The Trustees are confident that proper allowance has been made on a year by year basis to meet these expenses.

8. TRUSTEES' RESPONSIBILITIES STATEMENT

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


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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 13 June 2018 and signed as authorised on their behalf by:

Trustee



Trustee



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

Opinion

We have audited the financial statements of Catholic Apostolic Church Trust Property for the year ended 31 March 2018 which comprise the Balance Sheet, the Statement of Financial Activities, the Statement of Cash Flows 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

Use of this report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY (continued)**

- 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



haysmacintyre
Statutory Auditors

Date:

21 June 2018

10 Queen Street Place
London
EC4R 1AG

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	£	2018	£	£	2017	£
FIXED ASSETS							
Tangible assets -							
Freehold Property – charitable use	2			501			501
Investment property	3	10,336,000			10,336,000		
Investments	4	13,274,449			13,167,599		
				23,610,449			23,503,599
				23,610,950			23,504,100
CURRENT ASSETS							
Amounts due within one year:							
Debtors	5	113,964			105,964		
Cash at bank and in hand	6	755,886			828,212		
				869,850			934,176
CREDITORS: amounts due within one year	7	(22,392)			(22,747)		
NET CURRENT ASSETS				847,458			911,429
				£24,458,408			£24,415,529
General Purposes Fund (unrestricted)				8,096,833			8,002,939
English Property Fund (restricted)				16,361,575			16,412,590
FUNDS	8			£24,458,408			£24,415,529

The financial statements were approved and authorised for issue by the Board of the Trustees on 13 June 2018 and were signed below on its behalf by:

Trustee

cBevja -

Trustee

S.T. Hughes

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	General Purposes Fund (Unrestricted) £	English Property Fund (Restricted) £	Total 2018 £	Total 2017 £
Income and endowments from:					
Investments	9	324,787	459,878	784,665	769,928
Other trading activities	10	5,102	-	5,102	1,061
Total		<u>329,889</u>	<u>459,878</u>	<u>789,767</u>	<u>770,989</u>
Expenditure on:					
<i>Raising funds:</i>					
Investment management costs	11	-	125,555	125,555	94,174
<i>Charitable activities:</i>					
Religious		192,199	48,000	240,199	239,499
Widows and poor		42,628	-	42,628	41,091
Building maintenance		70,125	375,231	445,356	301,595
Total charitable activities	12	<u>304,952</u>	<u>423,231</u>	<u>728,183</u>	<u>582,185</u>
Total		<u>304,952</u>	<u>548,786</u>	<u>853,738</u>	<u>676,359</u>
Net income/(expenditure) and net movement in funds before gains and losses on investments					
		24,937	(88,908)	(63,971)	94,630
Net gains on investments - realised and unrealised	4	<u>68,957</u>	<u>37,893</u>	<u>106,850</u>	<u>1,542,743</u>
NET MOVEMENT IN FUNDS		<u>93,894</u>	<u>(51,015)</u>	<u>42,879</u>	<u>1,637,373</u>
Reconciliation of funds					
Total funds brought forward		<u>8,002,939</u>	<u>16,412,590</u>	<u>24,415,529</u>	<u>22,778,156</u>
Total funds carried forward	8	<u>£8,096,833</u>	<u>£16,361,575</u>	<u>£24,458,408</u>	<u>£24,415,529</u>

All incoming resources and resources expended derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The comparative Statement of Financial Activities for the year ended 31 March 2017 is shown in note 20 to these financial statements.

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£	£
Cash flows from operating activities:		
Net cash (used in) operating activities (see below)	(856,991)	(672,167)
Cash flows from investing activities:		
Dividends, interest and rents from investments	784,665	769,928
Net cash provided by investing activities	784,665	769,928
Change in cash and cash equivalents in the year	(72,326)	97,761
Cash and cash equivalents at the start of the year	828,212	730,451
Cash and cash equivalents at the end of the year	£755,886	£828,212

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

Net income for the year (as per the Statement of Financial Activities)	42,879	1,637,373
Adjustments for:		
Gains on investments	(106,850)	(1,542,743)
Dividends, interest and rent from investments	(784,665)	(769,928)
(Increase) in debtors	(8,000)	(931)
(Decrease)/increase in creditors	(355)	4,062
Net cash (used in) operating activities	£(856,991)	£(672,167)

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements is as follows:

a) Basis of preparation

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 to the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) – (Charities SORP (FRS 102)) and, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Catholic Apostolic Church Property 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 note(s).

b) Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future. The most significant uncertainty that affect the carrying value of assets held by the charity are the level of investment return and the performance of investment markets.

c) Income

All incoming resources are included in the SOFA once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies apply to categories of income:

Donations & Grants where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before income being received the income is accrued.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

d) Expenditure and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

The cost of generating funds consists of the property management and property repairs and maintenance costs are shown in note 11.

e) Expenditure and irrecoverable VAT (continued)

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the charity.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Overhead and support costs relating to the charitable activities have been apportioned based on staff time. The allocation of overhead and support costs is analysed in note 13. Governance costs comprise direct cost for the statutory and governance expenditure of the charity and have also been allocated to charitable activities.

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

f) Fixed Assets

Freehold properties are shown at a nominal value. The cost of acquiring these properties has been written off in previous years and is now unknown. All the properties are over one hundred years old and are considered to be fully depreciated. Details of the properties are given in note 18.

g) Investments

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and subsequently valued at their fair value at the balance sheet date using the closing quoted market bid price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity holds its Cloister flats as an investment property. These flats are let out and are shown at market value.

h) Funds

The charity has an endowment fund: The English Property Fund, which holds land and buildings and the proceeds of land and buildings previously sold as capital. The income from which after meeting administration and maintenance costs is to be used for religious and other charitable purposes in connection with the advancement of the Christian religion.

There is also an unrestricted fund: The General Purposes Fund, which holds investments which may be applied to religious and other charitable objects in connection with the advancement of the Christian religion.

i) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

j) Debtors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

k) Cash at bank and in hand

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

2. TANGIBLE FIXED ASSETS	Churches £	Other £	Total £
Freehold Properties			
As at 31 March 2018	201	300	501
	<u>201</u>	<u>300</u>	<u>501</u>
As at 31 March 2017	201	300	501
	<u>201</u>	<u>300</u>	<u>501</u>
See note 18 for more details.			
3. INVESTMENT PROPERTY			
As at 1 April 2017			10,336,000
Revaluation			-
			<u>10,336,000</u>
As at 31 March 2018			<u>£10,336,000</u>
The Cloisters, Gordon Square, have been refurbished in prior years and the flats are let. The property was revalued in March 2014 by Hudsons Property on an open market basis.			
4. INVESTMENTS	Cost £	Market Value £	
As at 1 April 2017	9,531,156	13,167,599	
Gains and losses on disposals and revaluation	-	106,850	
	<u>9,531,156</u>	<u>13,274,449</u>	
As at 31 March 2018	<u>£9,531,156</u>	<u>£13,274,449</u>	
The investments are:			
COIF Charities Ethical Investment Fund income units		12,003,244	
COIF Charities Property Fund Income units		1,271,205	
		<u>£13,274,449</u>	
5. DEBTORS	2018 £	2017 £	
Income due	47,884	40,050	
Prepayments	66,080	65,914	
	<u>£113,964</u>	<u>£105,964</u>	
6. CASH AT BANK AND IN HAND			
The balance shown includes deposits of £421,551 (2017: £403,089) with COIF Charities Deposit Fund. Tenants' deposits are held by the managing agent and are not included in these accounts.			
7. CREDITORS	2018 £	2017 £	
Deferred income	11,712	12,367	
Accrued expenses	10,680	10,380	
	<u>£22,392</u>	<u>£22,747</u>	

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

8. ANALYSIS OF CHARITABLE FUNDS

There are two funds as described in the Trustees' report.

	General Purposes Fund (Unrestricted) £	English Property Fund (Restricted) £	Total £
Tangible fixed assets	-	10,336,501	10,336,501
Investments	7,832,402	5,442,047	13,274,449
Current assets	275,111	594,739	869,850
Current liabilities	(10,680)	(11,712)	(22,392)
Total	£8,096,833	£16,361,575	£24,458,408
Represented by:			
Unrestricted/restricted funds:			
Accumulated surpluses	6,037,956	3,700,676	9,738,632
Unrealised investment gains	2,058,877	1,677,332	3,736,209
Capital reserve	-	10,216,937	10,216,937
Endowment fund:			
Capital reserve	-	766,630	766,630
Total	£8,096,833	£16,361,575	£24,458,408

The movements on the above funds were as follows:-

	Capital Reserve £	Unrealised Investment Gains/(losses) £	Accumulated Surpluses £	Total £
At 1 April 2017	10,983,567	3,629,359	9,802,603	24,415,529
Gains on investments	-	106,850	-	106,850
Net deficit	-	-	(63,971)	(63,971)
At 31 March 2018	£10,983,567	£3,736,209	£9,738,632	£24,458,408

- The General Purposes Fund which is unrestricted is available to be spent for any of the purposes of the charity
- The English Property Fund holds land, buildings and investments, from the proceeds of land and buildings previously sold, which are endowment assets, the income from which is restricted and is available for religious and other charitable purposes in connection with the advancement of the Christian Religion.

9. INVESTMENT INCOME

	2018 £	2017 £
Dividends	519,888	509,635
Bank interest	917	1,778
Rents received	263,860	258,515
Total	£784,665	£769,928

10. OTHER TRADING ACTIVITIES

	2018 £	2017 £
Book sales	5,102	1,061

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

11. INVESTMENT MANAGEMENT COSTS	2018 £	2017 £
Property management	31,486	33,490
Property repairs and maintenance	68,543	35,599
Support costs	25,526	25,085
	<u>£125,555</u>	<u>£94,174</u>

12. CHARITABLE ACTIVITIES	Activities undertaken directly					
	Grants £	Church almanacs and sermons £	Property Costs £	Governance costs £	Support costs £	Total £
Religious	230,000	4,021	-	757	5,421	240,199
Widows and Poor	39,450	-	-	757	2,421	42,628
Building maintenance	-	-	329,073	13,621	102,662	445,356
	<u>£269,450</u>	<u>£4,021</u>	<u>£329,073</u>	<u>£15,135</u>	<u>£110,504</u>	<u>£728,183</u>

13. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

The breakdown of support costs and how these are allocated between raising funds and charitable activities is set out below.

Cost type	Basis of apportionment	Raising Funds £	Charitable activities £	Total £
Salaries	Staff time	25,526	94,103	119,629
Office costs	Staff time	-	16,401	16,401
		<u>£25,526</u>	<u>£110,504</u>	<u>£136,030</u>

14. GOVERNANCE COSTS	2018 £	2017 £
Fees paid to the Auditors		
- Audit	6,400	6,100
- Accountancy	4,280	4,280
- Other	1,354	1,288
Other	12,034	11,668
Trustees' travelling expenses (6 Trustees (2017: 6 Trustees))	3,101	4,266
	<u>£15,135</u>	<u>£15,934</u>

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

15. STAFF COSTS	2018 £	2017 £
Wages and salaries	119,707	103,595
Social security costs	8,736	10,524
	<u>£128,443</u>	<u>£114,119</u>
Number of employees: (2 administration; 3 caretaking)	<u>5</u>	<u>4</u>

No employee earned £60,000 per annum or more and no remuneration was paid to any trustees. Amounts paid to key management personnel were £75,932 (2017: £64,503).

16. GRANTS GIVEN

Grants are paid to a number of Christian denominations, and charities for the Clergy and their dependants. Such donations amounted to £229,000 (2017: £229,000) and are detailed in the Trustees report.

17. COMMITMENTS

There are no material amounts authorised or contracted for at the year end.

18. FREEHOLD PROPERTIES	Insurance Value £	Book Value 2018 £	Book Value 2017 £	Notes
CHURCHES				
Gordon Square	42,282,480	100	100	f)
Wolverhampton	6,492,050	100	100	a)
OTHER PROPERTIES				
Cooks Place, Albury	2,543,881	100	100	b)
Lyne Cottage, Albury	533,395	100	100	c)
Apostles Chapel, Albury	12,155,582	100	100	d)
OTHER CHURCH				
Paddington Church	33,000,000	1	1	e)
	<u>£97,007,388</u>	<u>£501</u>	<u>£501</u>	

NOTES

- a) Church is let at nominal rent.
- b) Rent is received on these properties.
- c) Occupied by caretaker.
- d) Not currently in use for worship.
- e) Held by local trustees under Declaration of Trust in favour of Head Trustees, previously under lease from Church Commissioners and is still in use by a C.A.C. Congregation.
- f) This Church is let out on a per occasion basis to certain sections of the Christian Church specifically for services of worship. A monthly lunchtime organ recital is given by a group of church organists. The separate English Chapel together with a number of vestries and the whole of the crypt meeting room complex, a basement live/work unit and a basement flat are leased to a section of the Church of England on co-terminus five year leases which were renewed for a further five years from 10 March 2017.

Insurance values indicate the size of the properties, but give no indication of the market value if in fact it was possible to sell the Churches. As indicated in the accounting policies, all Churches are over 100 years old and are considered to be fully depreciated. Other properties are adjacent to the particular church, and if now so available are let, but do not, in the opinion of the Trustees, have a sufficiently material value for inclusion in the Balance Sheet, except for the Cloisters which have been refurbished and the flats let (see note 3)

CATHOLIC APOSTOLIC CHURCH TRUST PROPERTY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

19. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at fair value	23,610,449	25,503,599
Financial assets measured at amortised cost	47,884	40,050
Financial assets measured at fair value include investments and investment properties.		
Financial assets measured at amortised cost include Other debtors.		

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

	General Purposes Fund (Unrestricted) £	English Property Fund (Restricted) £	Total 2017 £
Income and endowments from:			
Investments	296,492	473,436	769,928
Other trading activities	1,061	-	1,061
Total	297,553	473,436	770,989
Expenditure on:			
<i>Raising funds:</i>			
Investment management costs	-	94,174	94,174
<i>Charitable activities:</i>			
Religious	191,499	48,000	239,499
Widows and poor	41,091	-	41,091
Building maintenance	60,335	241,260	301,595
Total charitable activities	292,925	289,260	582,185
Total	292,925	383,434	676,359
Net income and net movement in funds before gains and losses on investments			
	4,628	90,002	94,630
Net gains on investments - realised and unrealised	827,041	715,702	1,542,743
NET MOVEMENT IN FUNDS	831,669	805,704	1,637,373
Reconciliation of funds			
Total funds brought forward	7,171,270	15,606,886	22,778,156
Total funds carried forward	£8,002,939	£16,412,590	£24,415,529