

**The Apostolic Church**  
**Financial Statements**  
**31 March 2018**

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

# **The Apostolic Church**

## **Financial Statements**

**Year ended 31 March 2018**

	<b>Page</b>
Trustees' annual report	<b>1</b>
Independent auditor's report to the members	<b>8</b>
Statement of financial activities	<b>12</b>
Statement of financial position	<b>13</b>
Statement of cash flows	<b>14</b>
Notes to the financial statements	<b>15</b>

# **The Apostolic Church**

## **Trustees' Annual Report**

### **Year ended 31 March 2018**

The trustees present their report and the financial statements of the charity for the year ended 31 March 2018.

#### **Introduction**

The Church continues to place the highest priority on its mission and, accordingly, understands that its spiritual health and its financial wellbeing are integral to that end. The Church is, in fact, the sum of all its member congregations and it is essential that each fulfils the role for which it was established, that each contributes to our overall progress and that each shares the responsibility for our health and wellbeing.

The Church exists to communicate. It does so using a dedicated array of language, technology, demonstration, events, programs, and buildings. The Church is continually focussed on its message of truth embedded with hope and carried forward by love. The Church is continually challenged to find ways in which its message can be communicated with words, with demonstration, and without compromise. The ultimate goal of this communication is to engage our present membership to reach beyond themselves into the world in which they live.

To that end, the Church primarily exists to preach the Gospel of the Lord Jesus Christ and to conduct any and all activity that is consistent with its primary aim and, in particular, to relieve the suffering of the sick, poor and elderly.

It is incumbent on the Church, its leaders and people to remain committed to the task set forth at inception. It is easy for a church with a lengthy history to find its focus drifting towards its survival. Such a church may, indeed, survive but would fail the test of serving its mission. A church that simply survives, inevitably, focuses upon itself. The missional task of the Church is to focus on nations, communities, families and others and seek to effectively communicate the Gospel to those who may never have been exposed to its message.

Rev T Jack  
National Leader

# **The Apostolic Church**

## **Trustees' Annual Report** *(continued)*

**Year ended 31 March 2018**

### **Reference and administrative details**

**Registered charity name** The Apostolic Church

**Charity registration number** 284789

**Principal office** 105 Crystal House  
New Bedford Road  
Luton  
LU1 1HS

### **The trustees**

Rev P Doherty  
Rev A Jenkins (resigned 23 August 2017)  
Rev E Parker  
Rev P Howells  
Rev I Parker  
Rev T Jack  
Rev S Taylor (appointed 14 November 2017)  
Rev A Abiodun (appointed 14 November 2017)

### **Auditor**

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

### **Bankers**

The Royal Bank of Scotland PLC  
13-14 Walter Road  
Swansea  
SA1 5NG

### **Solicitors**

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

# **The Apostolic Church**

## **Trustees' Annual Report *(continued)***

**Year ended 31 March 2018**

### **Structure, governance and management**

The charity is an unincorporated organisation governed by a Constitution, the last amendment of which was approved in May 2012.

Trustees are appointed to provide governance and oversight to the Church. Trustees are required to serve in the best interests of the Church and, when appointed for the first time, are inducted into their new role.

The Church functions at local and national level with each being responsible for various aspects of Church life. The local church is the gathering of believers in a particular location and it is responsible for gathering and discipling believers and for developing a cohesive outreach program so as to communicate the Church's core message to its community.

The national church is responsible for credentialling, appointments, policy development, corporate and legal compliance.

Matters of business management, leadership and governance are shared between the local and national church. The local church is responsible for leadership, ministry and administration of its own affairs. The national church is responsible for national leadership, overall governance and consolidation of corporate business management.

### **Public Benefit**

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

### **Objectives and activities**

The objectives of the Church are set out in the founding documents and, simply stated, are to communicate the Gospel of the Lord Jesus Christ and to alleviate suffering. These objectives are served by a range of activities at both national and local level, all of which are overseen by Trustees who also serve as the National Leadership Team. Trustees oversee all aspects of the life of the church and focus directly on spiritual administration, spiritual health, staff and other appointments, doctrine, policy development. The trustees also oversee with the assistance of the Finance Committee, all aspects of business administration, property management, corporate and legal compliance.

The Church at national level conducts events and programs intended to connect local church leaders. These include Ascension Ministries Council (AMC), the annual general and reporting meeting of the Church, staff conference, a meeting of available staff and other leaders, and NEXT, a leadership development conference.

Local churches also conduct regular and occasional events intended to equip their members to better understand faith and to be better prepared to serve in the church so that the church might better serve the community. These take the form of weekly services for worship, teaching and fellowship, as well as other groups for other aligned purposes.

The Church also conducts an extensive international outreach program which services historical fields of mission endeavour as well as seeking to extend the reach of the Church into hitherto unreached geographical regions, notably Asian and African nations.

# **The Apostolic Church**

## **Trustees' Annual Report *(continued)***

**Year ended 31 March 2018**

### **Achievements and performance**

The Church uses a range of measures to assess its accomplishments. Some are objective, others more subjective. A simple objective measure is the number of people who meet and the number of churches to which we relate. Increased numbers indicate some measure of accomplishment, though not the only one.

The more subjective measures of assessment relate to quality-related issues, which are not as easy to assess. A vital element of the Church's wellbeing is cohesive relationships. That is, the close and supportive relationships that are enjoyed by leaders and people. Another is the extent to which leaders and people in local churches engage in the overall reasons for which the Church exists. These can be measured to some extent through numbers of people responding to baptism, training for leadership development and so on.

The Church's mission is ongoing and will never reach the point at which it is satisfied that it has met its goals. The Trustees expect to see continued improvement and ongoing progress towards our goals and objectives.

Some notable milestones of progress during the year are:

- **Action Overseas**

Progress in what has been promoted as the 2020 Vision, that is, a goal to further reach into twenty nations (where we currently have no presence), planting 20,000 churches and making 200,000 disciples by 2020. This is an ambitious and faith-born goal. There have been the initial steps taken towards these faith targets. AO Chair Mark Chenery and the team are confidently working to engage local church and mobilise members.

- **Ghanaian Fellowships**

It has been pleasing to see the integration of the Ghanaian Fellowship at Edgware into formal relationship with the church as well as the planting a new congregation at Hemel Hempstead.

- **Taunton**

It has been similarly pleasing to finalise the incorporation of Oakwood Church at Taunton into formal relationship with the church. We recognise our partnership with, and cooperation of the leaders and people at Oakwood and look forward to a mutually beneficial relationship.

- **Training**

We note that there are a number of training cohorts through the UK through which young and emerging ministries are being developed. We note the continued excellence in training at the Baton Leadership Program in Scotland and the Leadership Academy with training taking place in Wales and Kent. This follows a pilot scheme where a number of young and emerging leaders trained in the previous year. It is our expectation to produce a 'leadership pipeline' where there are always leaders being prepared for future opportunities in existing or new churches.

- **National Youth**

We are pleased to note the appointment of Lloyd and Chloe Thomas as National Youth Directors, assuming responsibility at the beginning of 2018. Their passion to serve is exceptional and their role is to stimulate a desire to see youth ministries established where none now exists, and to resource and encourage youth leaders around the nation.

- **Children's Ministry**

# **The Apostolic Church**

## **Trustees' Annual Report *(continued)***

### **Year ended 31 March 2018**

We were sorry to say farewell to Chris (National Children's Director) and Sue Coyston though delighted that Chris was appointed as a youth and children's minister at a Baptist Church in London. Rachel Bainbridge and Carol Jenkins were appointed at the beginning of the year to succeed Chris and have commenced connecting with children's work leaders throughout the country and will endeavour to resource and encourage children's workers and stimulate work among children where none currently exists.

- Spring Harvest

The NLT took the decision to encourage participation in Spring Harvest in 2019 and endeavour to build our involvement in coming years. While we value time together as a movement of churches, we recognise our role in the wider church and want to participate more directly and intentionally in events like Spring harvest.

- NEXT

We note that planning continues in respect of NEXT 2019, a leadership conference for all leaders, current and emerging, serving in the Apostolic Church. This follows the NEXT event in 2017 which was deemed by those who attended as a success and the expectation is that the 2019 event will build on the success of NEXT 2017.

- Staff, Leaders and People

We recognise the enormous value of our leaders and people are thankful for their selfless and sacrificial service to the Lord, the church and the community. We are thankful to our many pastors and leaders and aware that our progress towards our goals is made possible because of their ministry.

- Europe

We note our continuing role in Europe, specifically coordinating the regular meeting of Apostolic Church leaders in Brussels as well as direct involvement in the churches in France, Belgium, Hungary and Ireland. We, in concert with the churches in Europe, have undertaken to conduct initial exploratory visits towards planting churches in the nations of Europe where there is no Apostolic Church representation. Specifically, we note that Bulgaria, Russia, Ukraine, Romania will be visited in the near future with other pans to be affected thereafter.

# **The Apostolic Church**

## **Trustees' Annual Report** *(continued)*

### **Year ended 31 March 2018**

#### **Financial review**

The trustees report that the accounts for the year ended 31 March 2018 show a surplus of £748,685 (2017: £1,005,778). This is stated after the actuarial losses of £142,000 (2017: £283,000) incurred on the defined benefit pension schemes.

Restricted reserves are made up of a missionary fund, building funds and other funds. The missionary fund is in respect of money held for missionary work. Building funds represent monies donated in relation to future building projects with other funds held in relation to various local projects.

#### **Reserves policy**

The Trustees have established a policy in the light of foreseeable risks to the Church and believe that holding cash reserves for between 3 and 6 months expenditure is appropriate and prudent. The trustees believe that this will be sufficient for all anticipated circumstances.

The Trustees acknowledge that there are many factors that can affect the Church, though most are faced at local church level. Fluctuations in income, expenditures and interest rates can all pose risks that must be managed and adequate cash reserves is a significant tool to that end.

The Trustees have also initiated steps to increase cash reserves.

#### **Investment policy**

The Church's policy is to hold excess funds in short and medium term investments. Properties which are surplus to requirements, both churches and manses, are sold. Some proceeds are used to meet our historical obligations. Others are used to strengthen and enhance the ministry locally and nationally.

#### **Risk management**

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

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

#### **Plans for future periods**

The Church continues its approach to align primary apostolic leadership to local churches in the belief and expectation that senior, apostolic-type leadership will have a beneficial effect in every location. The Trustees are committed to training young and developing leaders as we seek to embrace the significant opportunities that are emerging at home and board.

#### **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 Apostolic Church

## Trustees' Annual Report *(continued)*

**Year ended 31 March 2018**


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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 4/12/18 and signed on behalf of the board of trustees by:

  
Rev T Jack  
National Leader

# **The Apostolic Church**

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

**Year ended 31 March 2018**

### **Opinion**

We have audited the financial statements of The Apostolic Church (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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.

# **The Apostolic Church**

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

**Year ended 31 March 2018**

### **Other information**

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

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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 Apostolic Church**

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

### **Year ended 31 March 2018**

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

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

# **The Apostolic Church**

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

**Year ended 31 March 2018**

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

### **Use of our report**

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Field (Senior Statutory Auditor)

2/12/2018

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

**The Apostolic Church**  
**Statement of Financial Activities**  
**Year ended 31 March 2018**

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
<b>Income and endowments</b>					
Charitable activities	4	4,560,575	747,398	5,307,973	5,118,802
Investment income	5	282,263	—	282,263	280,337
Other income	6	421,615	—	421,615	512,083
<b>Total income</b>		<u>5,264,453</u>	<u>747,398</u>	<u>6,011,851</u>	<u>5,911,222</u>
<b>Expenditure</b>					
Expenditure on charitable activities	7,8	4,435,294	691,278	5,126,572	4,848,161
<b>Total expenditure</b>		<u>4,435,294</u>	<u>691,278</u>	<u>5,126,572</u>	<u>4,848,161</u>
Net gains on investments	10	5,406	—	5,406	225,717
<b>Net income</b>		<u>834,565</u>	<u>56,120</u>	<u>890,685</u>	<u>1,288,778</u>
Transfers between funds		(157,494)	157,494	—	—
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes		(142,000)	—	(142,000)	(283,000)
<b>Net movement in funds</b>		<u>535,071</u>	<u>213,614</u>	<u>748,685</u>	<u>1,005,778</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		12,194,243	3,174,560	15,368,803	14,363,025
<b>Total funds carried forward</b>		<u>12,729,314</u>	<u>3,388,174</u>	<u>16,117,488</u>	<u>15,368,803</u>

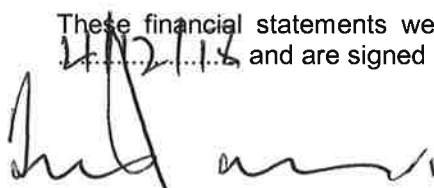
The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 15 to 33 form part of these financial statements.

**The Apostolic Church**  
**Statement of Financial Position**  
**31 March 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	15	10,267,944	10,561,723
Investments	16	648,920	643,514
		<u>10,916,864</u>	<u>11,205,237</u>
<b>Current assets</b>			
Debtors	17	274,018	344,549
Cash at bank and in hand		9,009,425	7,936,858
		<u>9,283,443</u>	<u>8,281,407</u>
<b>Creditors: amounts falling due within one year</b>	18	233,942	238,519
<b>Net current assets</b>		<u>9,049,501</u>	<u>8,042,888</u>
<b>Total assets less current liabilities</b>		<u>19,966,365</u>	<u>19,248,125</u>
<b>Creditors: amounts falling due after more than one year</b>	19	1,299,877	1,296,322
<b>Net assets excluding defined benefit pension plan liability</b>		<u>18,666,488</u>	<u>17,951,803</u>
Defined benefit pension plan liability	20	2,549,000	2,583,000
<b>Net assets including defined benefit pension plan liability</b>		<u>16,117,488</u>	<u>15,368,803</u>
<b>Funds of the charity</b>			
Restricted funds		3,388,174	3,174,560
Unrestricted funds:			
Defined benefit pension reserve		(2,716,000)	(2,583,000)
Other unrestricted income funds		15,445,314	14,777,243
<b>Total unrestricted funds</b>		<u>12,729,314</u>	<u>12,194,243</u>
<b>Total charity funds</b>	21	<u>16,117,488</u>	<u>15,368,803</u>

These financial statements were approved by the board of trustees and authorised for issue on 14/02/18 and are signed on behalf of the board by:

  
Rev T Jack  
National Leader

The notes on pages 15 to 33 form part of these financial statements.

# The Apostolic Church

## Statement of Cash Flows

Year ended 31 March 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Net income	890,685	1,288,778
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	67,683	72,498
Net gains on investments	(5,406)	(225,717)
Dividends, interest and rents from investments	(282,263)	(280,337)
Interest payable and similar charges	102,451	110,825
Gains on disposal of tangible fixed assets	(421,615)	(512,083)
Defined benefit pension plan employer contributions	(265,000)	(262,000)
Accrued income	(2,229)	(31,835)
<i>Changes in:</i>		
Trade and other debtors	70,531	343,701
Trade and other creditors	4,253	(56,706)
Cash generated from operations	159,090	447,124
Interest paid	(13,451)	(15,825)
Net cash from operating activities	145,639	431,299
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	282,263	280,337
Purchase of tangible assets	(705,290)	(535,984)
Proceeds from sale of tangible assets	1,353,001	1,166,498
Net cash from investing activities	929,974	910,851
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(3,046)	(74,736)
Net cash used in financing activities	(3,046)	(74,736)
<b>Net increase in cash and cash equivalents</b>	1,072,567	1,267,414
<b>Cash and cash equivalents at beginning of year</b>	7,936,858	6,669,444
<b>Cash and cash equivalents at end of year</b>	9,009,425	7,936,858

The notes on pages 15 to 33 form part of these financial statements.



**The Apostolic Church**  
**Notes to the Financial Statements**  
**Year ended 31 March 2018**

**1. General information**

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

**2. Statement of compliance**

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

**3. Accounting policies**

**Basis of preparation**

**Fund Accounting**

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

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

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

**Going concern**

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

**Judgements and key sources of estimation uncertainty**

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

# **The Apostolic Church**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2018**

### **3. Accounting policies** *(continued)*

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

##### **Significant judgements**

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

##### **Control of assembly assets and funds**

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

##### **Key sources of estimation uncertainty**

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

- **Legacy income**

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

- **Impairment of fixed assets**

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

- **Investment valuation**

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

- **Defined benefit pension scheme**

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

# **The Apostolic Church**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2018**

### **3. Accounting policies** *(continued)*

#### **Incoming resources**

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

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

#### **Resources expended**

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

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

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

#### **Tangible assets**

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

# **The Apostolic Church**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2018**

### **3. Accounting policies** *(continued)*

#### **Depreciation**

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

Freehold Property	-	2% straight line
Leasehold Property	-	2% straight line
Equipment & Church furnishings	-	20% straight line

#### **Investments**

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

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

#### **Investment property**

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

No depreciation is charged against any investment properties held.

#### **Impairment of fixed assets**

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

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

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

# **The Apostolic Church**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 March 2018**

#### **3. Accounting policies *(continued)***

##### **Financial instruments**

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

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

Debt instruments are subsequently measured at amortised cost.

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

##### **Defined benefit plans**

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

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

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

##### **Defined contribution plans**

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

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

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations, giving and similar income	4,065,471	81,396	<b>4,146,867</b>
Legacy income	15,500	19,802	<b>35,302</b>
Fundraising for buildings	—	196,966	<b>196,966</b>
Other charitable activity	427,559	435,325	<b>862,884</b>
Conference income	52,045	13,909	<b>65,954</b>
	<u>4,560,575</u>	<u>747,398</u>	<u><b>5,307,973</b></u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations, giving and similar income	3,936,014	72,134	4,008,148
Legacy income	13,056	20,000	33,056
Fundraising for buildings	—	216,065	216,065
Other charitable activity	224,890	446,896	671,786
Conference income	170,002	19,745	189,747
	<u>4,343,962</u>	<u>774,840</u>	<u>5,118,802</u>

### 5. Investment income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Property income	275,637	<b>275,637</b>	271,854	271,854
Investment income and interest received	6,626	<b>6,626</b>	8,483	8,483
	<u>282,263</u>	<u><b>282,263</b></u>	<u>280,337</u>	<u>280,337</u>

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

### 6. Other income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Gain on disposal of tangible fixed assets held for charity's own use	421,615	<b>421,615</b>	512,083	512,083

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Annual convention and conferences	39,754	—	<b>39,754</b>
Missionary	—	309,389	<b>309,389</b>
Ministerial	3,184,404	225,151	<b>3,409,555</b>
Other	312,330	156,738	<b>469,068</b>
Church admin	171,103	—	<b>171,103</b>
Support costs	727,703	—	<b>727,703</b>
	<u>4,435,294</u>	<u>691,278</u>	<u><b>5,126,572</b></u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Annual convention and conferences	41,641	—	41,641
Missionary	—	251,613	251,613
Ministerial	3,068,168	67,618	3,135,786
Other	408,785	166,478	575,263
Church admin	149,642	—	149,642
Support costs	694,216	—	694,216
	<u>4,362,452</u>	<u>485,709</u>	<u>4,848,161</u>

### 8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Annual convention and conferences	39,754	—	<b>39,754</b>	41,641
Missionary	309,389	—	<b>309,389</b>	251,613
Ministerial	3,409,555	533,618	<b>3,943,173</b>	3,670,535
Other	469,068	—	<b>469,068</b>	575,263
Church admin	171,103	—	<b>171,103</b>	149,642
Governance costs	—	194,085	<b>194,085</b>	159,467
	<u>4,398,869</u>	<u>727,703</u>	<u><b>5,126,572</b></u>	<u>4,848,161</u>

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

# The Apostolic Church

## Notes to the Financial Statements (continued)

### Year ended 31 March 2018

#### 9. Analysis of support costs

	Annual convention £	Missionary £	Ministerial £	Other £	Church admin £	Total 2018 £	Total 2017 £
Staff costs	-	-	205,547	-	-	205,547	232,435
Premises	-	-	175,963	-	-	175,963	164,511
Finance costs	-	-	13,451	-	-	13,451	15,825
Governance costs	1,729	13,454	148,260	23,202	7,441	194,086	159,467
Other expenses	-	-	70,222	-	-	70,222	114,656
Travel and accommodation	-	-	6,196	-	-	6,196	7,322
	<u>1,729</u>	<u>13,454</u>	<u>619,639</u>	<u>23,202</u>	<u>7,441</u>	<u>665,465</u>	<u>694,216</u>

Support costs above relate to specifically identifiable support activities.



# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 10. Net gains on investments

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Gains/(losses) on revaluation of investment properties	—	—	215,000	215,000
Gains/(losses) on listed investments	5,406	5,406	10,717	10,717
	<u>5,406</u>	<u>5,406</u>	<u>225,717</u>	<u>225,717</u>

### 11. Net income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	67,683	72,498
Gains on disposal of tangible fixed assets	<u>(421,615)</u>	<u>(512,083)</u>

### 12. Auditors remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>27,600</u>	<u>31,884</u>

### 13. Staff costs

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

	2018 £	2017 £
Wages and salaries	2,095,925	1,913,488
Employer contributions to pension plans	<u>38,692</u>	<u>31,108</u>
	<u>2,134,617</u>	<u>1,944,596</u>

The average head count of employees during the year was 136 (2017: 133). The average number of full-time equivalent employees during the year is analysed as follows:

	2018 No.	2017 No.
Number of staff	<u>90</u>	<u>71</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 14. Trustee remuneration and expenses

#### Payments to Trustees

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

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

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

#### Gross Salary

	2018	2017
	£	£
P Doherty	21,114	17,077
E Parker	26,637	26,765
PM Howells	21,798	21,798
I Parker	25,428	25,150
TW Jack	34,710	31,550
A Jenkins (resigned 23 August 2017)	32,224	31,724
A Abiodun (appointed 14 November 2017)	21,627	-
S Taylor (appointed 14 November 2017)	34,089	-
A Sackey (resigned 23 November 2016)	-	34,585
E Mbakwe (resigned 31 May 2016)	-	5,268
	<b>217,627</b>	<b>193,917</b>

#### Employer Pension Contributions

	2018	2017
	£	£
P Doherty	417	499
E Parker	795	1,060
PM Howells	654	872
I Parker	747	977
TW Jack	1,010	1,210
A Jenkins (resigned 23 August 2017)	607	607
A Abiodun (appointed 14 November 2017)	604	-
S Taylor (appointed 14 November 2017)	663	-
A Sackey (resigned 23 November 2016)	-	808
E Mbakwe (resigned 31 May 2016)	-	211
	<b>5,497</b>	<b>6,244</b>

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

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### Reimbursed expenses

The following expenses were reimbursed during the year:

	2018 £	2017 £
P Doherty	650	908
E Parker	1,715	694
PM Howells	1,704	2,293
I Parker	1,151	1,912
TW Jack	1,464	8,295
A Jenkins (resigned 23 August 2017)	436	369
A Abiodun (appointed 14 November 2017)	37	-
S Taylor (appointed 14 November 2017)	872	-
	<b>8,028</b>	<b>14,471</b>

#### 15. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 April 2017	11,515,274	16,927	439,137	<b>11,971,338</b>
Additions	700,882	-	4,408	<b>705,290</b>
Disposals	(997,885)	-	-	<b>(997,885)</b>
<b>At 31 March 2018</b>	<b>11,218,271</b>	<b>16,927</b>	<b>443,545</b>	<b>11,678,743</b>
<b>Depreciation</b>				
At 1 April 2017	978,480	2,031	429,104	<b>1,409,615</b>
Charge for the year	64,790	102	2,791	<b>67,683</b>
Disposals	(66,499)	-	-	<b>(66,499)</b>
<b>At 31 March 2018</b>	<b>976,771</b>	<b>2,133</b>	<b>431,895</b>	<b>1,410,799</b>
<b>Carrying amount</b>				
<b>At 31 March 2018</b>	<b>10,241,500</b>	<b>14,794</b>	<b>11,650</b>	<b>10,267,944</b>
At 31 March 2017	10,536,794	14,896	10,033	10,561,723

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 15. Tangible fixed assets *(continued)*

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

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

Of the buildings held, properties with a net book value of £969,158 (2017: £933,871) are held as collateral in relation to the bank loans outstanding.

### 16. Investments

	Listed investments £	Investment properties £	Total £
<b>Cost or valuation</b>			
At 1 April 2017	203,514	440,000	<b>643,514</b>
Additions	—	—	—
Fair value movements	5,406	—	<b>5,406</b>
<b>At 31 March 2018</b>	<b>208,920</b>	<b>440,000</b>	<b>648,920</b>
<b>Impairment</b>			
At 1 April 2017 and 31 March 2018			—
<b>Carrying amount</b>			
At 31 March 2018	208,920	440,000	<b>648,920</b>
At 31 March 2017	203,514	440,000	643,514

All investments shown above are held at valuation.

#### Investment properties

The valuation of the investment property held is based on an independent professional valuation obtained in May 2016. The trustees have considered fluctuation in market value since the valuation was carried out and no adjustments to the carrying market value are considered necessary.

#### Financial assets held at fair value

##### Listed investments

The fair value of the listed investments at the 31 March 2018 was £208,920 (2017: £203,514).

### 17. Debtors

	2018 £	2017 £
Prepayments and accrued income	10,361	25,644
Other debtors	263,657	318,905
	<b>274,018</b>	<b>344,549</b>

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

**18. Creditors: amounts falling due within one year**

	2018	2017
	£	£
Bank loans and overdrafts	<b>106,593</b>	113,194
Accruals and deferred income	<b>73,667</b>	75,896
Social security and other taxes	<b>49,001</b>	38,678
Other creditors	<b>4,681</b>	10,751
	<b><u>233,942</u></b>	<b><u>238,519</u></b>

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

	2018	2017
	£	£
Bank loans and overdrafts	<b><u>1,299,877</u></b>	<b><u>1,296,322</u></b>

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

**20. Pensions and other post retirement benefits**

**Defined contribution plans**

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £38,692 (2017: £31,108).

# **The Apostolic Church**

## **Notes to the Financial Statements** *(continued)*

### **Year ended 31 March 2018**

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

##### **Defined benefit plans**

The charity operates two defined benefit pension schemes:

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

##### **Unfunded Scheme**

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

Spouses of the former employees are also entitled to the same level of benefit upon the death of the former employee within the scheme.

Pensions are paid to the beneficiaries on a monthly basis directly from the charity's assets. The value of the liabilities at the reporting date has been determined on a member by member basis based on data used by the previous actuary in preparing last year's disclosures and with allowance for member movements over the year. Estimated increase have been applied to arrive at the pensions per annum as at 31 March 2018.

##### **Funded Scheme**

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

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

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

The most recent actuarial valuation was as at 30 June 2014. The liabilities of the scheme shown below have been estimated by updating the results of this actuarial valuation to allow for the passage of time, benefits paid out of the scheme and changes in actuarial assumptions.

There is currently a deficit funding plan in place for cash contributions of £10,700 per month.

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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

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

	Unfunded Scheme		Funded Scheme		Total	
	2018	2017	2018	2017	2018	2017
	£	£	£	£	£	£
Present value of defined benefit obligations	(1,502,000)	(1,591,000)	(3,728,000)	(3,660,000)	<b>(5,230,000)</b>	(5,251,000)
Fair value of plan assets	—	—	2,681,000	2,668,000	<b>2,681,000</b>	2,668,000
	<u>(1,502,000)</u>	<u>(1,591,000)</u>	<u>(1,047,000)</u>	<u>(992,000)</u>	<u><b>(2,549,000)</b></u>	<u>(2,583,000)</u>

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

	Unfunded Scheme	Funded Scheme	Total
	£	£	£
At 1 April 2017	1,591,000	3,660,000	<b>5,251,000</b>
Interest expense	34,000	97,000	<b>131,000</b>
Benefits paid	(137,000)	(143,000)	<b>(280,000)</b>
Remeasurements:			
Actuarial gains and losses	14,000	114,000	<b>128,000</b>
<b>At 31 March 2018</b>	<u>1,502,000</u>	<u>3,728,000</u>	<u><b>5,230,000</b></u>

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

	Unfunded Scheme	Funded Scheme	Total
	£	£	£
At 1 April 2017	—	2,668,000	<b>2,668,000</b>
Interest income	—	71,000	<b>71,000</b>
Benefits paid	(137,000)	(143,000)	<b>(280,000)</b>
Contributions by employer	137,000	128,000	<b>265,000</b>
Administrative costs	—	(29,000)	<b>(29,000)</b>
Remeasurements:			
Return on plan assets, excluding amount included in interest income	—	(14,000)	<b>(14,000)</b>
<b>At 31 March 2018</b>	<u>—</u>	<u>2,681,000</u>	<u><b>2,681,000</b></u>

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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

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

	Unfunded Scheme		Funded Scheme		Total	
	2018	2017	2018	2017	2018	2017
	£	£	£	£	£	£
Recognised in income or expenditure:						
Net interest expense	34,000	47,000	26,000	28,000	60,000	75,000
Administrative costs	—	—	29,000	20,000	29,000	20,000
	<u>34,000</u>	<u>47,000</u>	<u>55,000</u>	<u>48,000</u>	<u>89,000</u>	<u>95,000</u>
Recognised in other recognised gains and losses:						
Remeasurement of the liability:						
Actuarial gains and losses	14,000	59,000	114,000	443,000	128,000	502,000
Return on plan assets, excluding amounts included in net interest	—	—	14,000	(219,000)	14,000	(219,000)
	<u>14,000</u>	<u>59,000</u>	<u>128,000</u>	<u>224,000</u>	<u>142,000</u>	<u>283,000</u>

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

	Funded Scheme	
	2018	2017
	%	%
Cash and cash equivalents	4.89	4.27
Insured annuities percentage	27.75	28.29
Net current assets percentage	67.36	67.44

The return on plan assets are as follows:

	Funded Scheme	
	2018	2017
	£	£
Return on assets of benefit plan	<u>57,000</u>	<u>304,000</u>

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

	Unfunded Scheme		Funded Scheme	
	2018	2017	2018	2017
	%	%	%	%
Discount rate	2.35	2.20	2.50	2.70
Expected rate of increase in pensions	—	—	3.10	3.35
Inflation assumption	2.15	2.05	2.30	2.55
Mortality rates:				
Current pensioners at 65 - male	86.80	86.90	86.80	86.90
Current pensioners at 65 - female	88.70	88.70	88.70	88.70
Future pensioners at 65 - male	87.80	88.00	87.80	88.00
Future pensioners at 65 - female	<u>89.90</u>	<u>90.00</u>	<u>89.90</u>	<u>90.00</u>



# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 21. Analysis of charitable funds

#### Unrestricted funds

	At 1 Apr 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2018 £
General funds	14,944,243	4,928,453	(4,275,294)	(157,494)	5,406	15,445,314
Pension	—	336,000	(160,000)	—	—	176,000
Defined benefit pension schemes	(2,750,000)	—	—	—	(142,000)	(2,892,000)
	<u>12,194,243</u>	<u>5,264,453</u>	<u>(4,435,294)</u>	<u>(157,494)</u>	<u>(136,594)</u>	<u>12,729,314</u>

	At 1 Apr 2016 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2017 £
General funds	13,889,191	4,789,382	(4,182,452)	55,405	225,717	14,777,243
Pension	—	347,000	(180,000)	—	—	167,000
Defined benefit pension schemes	(2,467,000)	—	—	—	(283,000)	(2,750,000)
	<u>11,422,191</u>	<u>5,136,382</u>	<u>(4,362,452)</u>	<u>55,405</u>	<u>(57,283)</u>	<u>12,194,243</u>

#### Restricted funds

	At 1 Apr 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2018 £
Missionary fund	70,499	81,396	(309,389)	157,494	—	—
Building funds	2,721,858	196,966	(225,151)	—	—	2,693,673
Other restricted income	382,203	469,036	(156,738)	—	—	694,501
	<u>3,174,560</u>	<u>747,398</u>	<u>(691,278)</u>	<u>157,494</u>	<u>—</u>	<u>3,388,174</u>

	At 1 Apr 2016 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2017 £
Missionary fund	229,978	92,134	(251,613)	—	—	70,499
Building funds	2,628,816	216,065	(67,618)	(55,405)	—	2,721,858
Other restricted income	82,040	466,641	(166,478)	—	—	382,203
	<u>2,940,834</u>	<u>774,840</u>	<u>(485,709)</u>	<u>(55,405)</u>	<u>—</u>	<u>3,174,560</u>

# The Apostolic Church

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 21. Analysis of charitable funds *(continued)*

#### Missionary fund

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

#### Restricted building funds

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

#### Other restricted funds

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

### 22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	9,577,297	690,647	10,267,944
Investments	648,920	–	648,920
Current assets	6,585,916	2,697,527	9,283,443
Creditors less than 1 year	(233,942)	–	(233,942)
Creditors greater than 1 year	(1,299,877)	–	(1,299,877)
Defined benefit pension	(2,549,000)	–	(2,549,000)
<b>Net assets</b>	<b>12,729,314</b>	<b>3,388,174</b>	<b>16,117,488</b>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Tangible fixed assets	9,866,243	695,480	10,561,723
Investments	643,514	–	643,514
Current assets	5,802,327	2,479,080	8,281,407
Creditors less than 1 year	(238,519)	–	(238,519)
Creditors greater than 1 year	(1,296,322)	–	(1,296,322)
Defined benefit pension	(2,583,000)	–	(2,583,000)
<b>Net assets</b>	<b>12,194,243</b>	<b>3,174,560</b>	<b>15,368,803</b>

### 23. Financial instruments

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

	2018 £	2017 £
<b>Financial assets measured at fair value through income and expenditure</b>		
Listed investments	208,920	203,514

# **The Apostolic Church**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2018**

### **23. Financial instruments *(continued)***

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

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

### **24. Related parties**

Other than those disclosed in note 13 there were no other related party transactions.

