

CHARITY COMMISSION REGISTRATION NUMBER: 284789
OSCR REGISTRATION NUMBER: SC037835

The Apostolic Church
Financial Statements
31 March 2019

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 2019

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The Apostolic Church

Trustees' Annual Report

Year ended 31 March 2019

The trustees present their report and the financial statements of the charity for the year ended 31 March 2019.

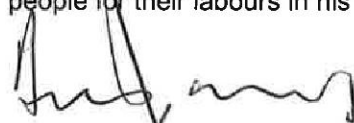
Introduction

On behalf of the trustees I am pleased to report on the activities of the charity (The Apostolic Church) for the year ended on 31st March 2019.

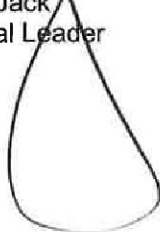
The Apostolic Church celebrates another year of mission and ministry, the one hundred and third since inception. In that period, the church has consistently sought to establish local churches, strengthen local churches, prepare leaders for the tasks associated with succession and geographical spread as well as fulfil its mission mandate to the wider world.

The church acknowledges that the world is fast changing and the task of making Christ known continues in a context that is, increasingly, post-Christian. This has the effect of meaning that our ministry is to people, who, often, have no Christian background, history or experience. This means that modes and norms of communication must take account of the absence of historical backgrounds or understandings to which truth may be attached. The benefit is that previously unchurched people often have little by way of prejudice against the church and its message. In some ways the church of the twenty first century is similar to the church of the first century which ministered in a similar context.

In the following pages, the trustees seek to outline a picture of the national church at work in the period from April 2018 to March 2019 and does so with thanks to God for his faithfulness and to his people for their labours in his name and for his glory.



Rev T Jack
National Leader



The Apostolic Church
Trustees' Annual Report *(continued)*
Year ended 31 March 2019

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 E Parker	(Resigned 14 February 2019)
Rev P Howells	
Rev M Chenery	(Appointed 6 June 2019)
Rev I Parker	
Rev T Jack	
Rev A Abiodun	(Resigned 6 June 2019)
Rev S Taylor	

Auditor	Burgess Hodgson LLP Chartered accountants & statutory auditor Camburgh House 27 New Dover Road Canterbury Kent CT1 3DN
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Bankers	The Royal Bank of Scotland PLC 13-14 Walter Road Swansea SA1 5NG
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Solicitors	Waldrons Wychbury Court Brierley Hill DY5 1TA Quinn Legal The Beacon 176 St Vincent Street Glasgow G2 5SG
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The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2019

Structure, governance and management

The charity is an unincorporated organisation governed by a Constitution, the last amendment of which was approved in 2018.

The activities of the charity are overseen by trustees, appointed for a period consistent with that of the National Leader. Trustees carry responsibility for spiritual life of the church as well as the business and financial activities that undergird its ministry. The range of activities is extensive, the geographical reach is vast and the level of complexity increases year by year. The trustees are supported by the ministry of apostolic leaders who share the spiritual burden of leadership, and a team responsible for the administrative and financial business of the charity.

The church functions as a single entity with diverse expressions throughout the country. The diversity of expression is determined by the skillsets of the leaders and people, the nature of the community which a local church may serve and the extent to which they are able to use their available resources.

Local churches relate to each other through an apostolic leader of their choice and relate to the national entity by means of a range of reporting features that take account of key business and administrative indicators.

Each local church, though it is empowered to be creative and innovative, even unique in its expression, remains committed to a single task, that of communicating the Gospel to its community and seeking to disciple believers towards Christian maturity.

The church at national level, through its leadership functions remains responsible for accrediting ministers, reviewing performance, making appointments, developing policy, managing our property portfolio, overseeing staff, legal issues, maintaining corporate standards and determining, shaping and monitoring our financial and business practices, etc.

Public Benefit

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

Objectives and activities

The charity (the church) exists as a legal entity in which the church conducts its legal affairs as it seeks to fulfil its missional mandate in the UK and beyond.

In human terms, leadership is paramount, and the church seeks to prepare, encourage and support leaders as they seek to bring the ministry of Christ to various villages, towns and cities across the UK.

The church is made up of many congregations, each with its own mission field, and each with its resources and strengths. Our key strategy is to provide a support mechanism for leaders as they seek to support those they lead. Mission drift is always possible and the church endeavours to state and restate its primary purpose so that any drift is arrested early.

The primary objective of the church is to reveal Christ to the nation through a network of local churches. Our primary activities are those associated with the local church; praying, preaching, worshipping, learning, serving, and witnessing in many ways. The church will, in addition, advocate for the wellbeing of the poor and disadvantaged, care for sick and lonely, address issues that may have social and/or political relevance. The church will seek to use the platform provided by the Gospel to communicate Christ to the nation.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2019

Achievements and performance

The trustees acknowledge that the church continues to serve its mission in the United Kingdom in changing and challenging times. To measure its progress, the trustees have access to some data that provides an insight into each location where the church has a presence. Data that is statistical and financial is helpful but are imperfect tools to measure activity. They do provide a point of beginning in our desire to understand how each church is doing. To this needs to be added an insight into the nature and context of each local setting, its challenges and the resources available to the local church.

Where strong local teams are built, this provides a great platform for the church to conduct its mission. The trustees are aware that there is strength in local churches throughout the UK.

Some notable milestones of progress during the year are:

- **Action Overseas**

Action Overseas (AO) is the international missions' agency that serves the church in the UK. AO exists to serve the local church and to facilitate the desire of people in local churches to share their faith in locations beyond the borders of this country. This is in accordance with the Great Commission, understood by the church to be Jesus' command to share the Gospel around the world.

AO measures its progress by using the 2020 Vision, 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. The AO team seeks to engage and inspire local church members to pray, give and visit mission fields in various locations.

- **Liverpool**

It is a delight to see the church plant at Liverpool continue in its journey of development, starting with a planting couple and progressing to reach to the local community in a range of activities and programs.

- **Birmingham**

We are pleased that our long-term efforts to release church planters to Birmingham are closer and we anticipate commencement in the early part of the 2019 year. We know that there are major people centres around the nation where we have little by way of a viable expression and we are confident that there are some great opportunities in large cities like Birmingham.

- **Training**

We are aware of the great need for the wider church's ministry and influence in the UK in coming years. We are committed to the Apostolic Church fulfilling its missional mandate to extend the Kingdom of God through its influence as 'salt and light'. We understand that leadership is critical to the ongoing ministry of the church, both in its present and future. Accordingly, to complement the training of leaders that occurs in each local church, our national program of leadership training continues.

Our training platforms are the Baton Training Program, a high-level training program which operates under the leadership of Pastor Alistair Matheson. Baton trains emerging leaders and prepares them for the rigours of life as a leader both in the church and beyond.

In addition, the Leadership Academy provides training for emerging leaders and is built around AXX Global, a theological training program to which is added training in respect of leadership and the distinctives associated with the Apostolic Church.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2019

It is anticipated that around 100 people will have successfully trained for leadership and ministry in both Baton and the Leadership Academy programs from 2017 to the end of the 2019 calendar year. The training that occurs in the local church remains crucial to leadership development and our national training initiatives seek to assist and supplement local training.

- **National Youth**

We remain committed to youth ministry being essential to the future of our movement of churches. Every local leader is expected to foster ministry to young people and to endeavour to disciple young believers. Lloyd and Chloe Thomas, National Youth Directors, continue to serve as a resource to local pastors and youth leaders. They seek to provide information, ideas and resources, events and communication to inspire and encourage local leaders.

- **Children's Ministry**

We note that Carol Jenkins and Rachel Bainbridge have served in the role of Co-Leaders, National Children's Ministry. This exists to encourage and resource children's ministry in the various congregations around the country. We are thankful for Carol and Rachel and those with whom they work at local level. We remain convinced that reaching young people for Christ is a great investment of our resources as it applies the focus and means to a demographic where, historically, more people come to Christ than any other age group.

- **National Conference Events**

Planning is well under way for our NEXT leadership conference, planned for July/August and it is expected that this event will attract many current and emerging leaders.

- **Staff, Leaders and People**

The church is a 'people business' and we extend our appreciation to the many leaders and people who serve selflessly and tirelessly throughout the country. We are respectful and thankful for variety of gifts and talents that are required to present the Gospel through many wide-ranging ministries.

Our trustees are thankful to our pastors, elders and local leaders. We convey appreciation to our various committees who oversee various areas of specific interest, and our untiring national office staff. We also acknowledge our missionaries to Malawi, Alan and Sandra Skene whose long and faithful service continues to bear amazing fruit.

- **Europe**

We continue to play a role among the nations in Europe where the Apostolic Church has a presence. We note our particularly close association with the churches in France, Belgium, Italy, Ireland and Hungary and commit to our ongoing work of serving together to further establish the church Spain, Portugal, Germany, Holland, Ukraine, Russia and other places where there are meaningful connections or prayerful aspirations.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2019

Financial review

The trustees report that the accounts for the year ended 31 March 2019 show a surplus of £1,022,958 (2018: £748,685). This is stated after the actuarial losses of £45,000 (2018: £142,000) incurred on the defined benefit pension schemes. The church had healthy year end reserves of £17,700,546 (2018: £16,677,588)

The trustees are content that the church is able to meet its obligations, make provision for reserves, achieve a small surplus and ensure that as much income as possible remains available for local churches to conduct their ministry in and from their local communities.

Reserves policy

The trustees oversee a policy of building national reserves and are content that this process is under way. The trustees acknowledge that this a process of contact building and are working towards a goal where both local churches and the national church have adequate financial reserves which can be called upon when necessary.

Investment policy

The Church's policy is to hold excess funds and reserves in cash, short- and medium-term investments. As has been the case for some time, properties which are surplus to requirements, are sold. The proceeds of the sale of manses are used to meet our historical obligations. Others are used to strengthen and enhance the ministry locally and nationally.

Risk management

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

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

Plans for future periods

The Church is constant in its expectation that the church has a bright and positive future. It is evident that the church must change in changing times and its methods, structures, doctrines and culture must be rooted in Biblical understanding and expressed in ways appropriate to the various contexts in which it ministers. Fundamental to this understanding is that true apostolic leadership will support, enhance, strengthen and benefit each and every leader and all local churches.

We are conscious that our changing world abounds with opportunities to connect with other leaders and to plant and strengthen the church. We envisage this happening through the ministry of experienced leaders as well as young and developing leaders. Through our leaders, 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 2019

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:

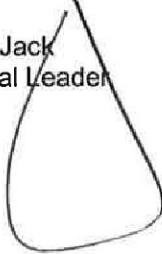
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate 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 9/12/19 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 2019

Opinion

We have audited the financial statements of The Apostolic Church (the 'charity') for the year ended 31 March 2019 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 2019 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 2019

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 2019

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

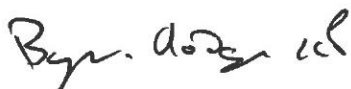
Independent Auditor's Report to the Members of The Apostolic Church *(continued)*

Year ended 31 March 2019

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)

9th October 2019

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 2019

			2019		2018
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Charitable activities	4	4,569,767	1,221,247	5,791,014	5,307,973
Investment income	5	315,334	–	315,334	282,263
Other income	6	270,462	–	270,462	421,615
Total income		<u>5,155,563</u>	<u>1,221,247</u>	<u>6,376,810</u>	<u>6,011,851</u>
Expenditure					
Expenditure on charitable activities	7,8	4,169,382	1,141,289	5,310,671	5,126,572
Total expenditure		<u>4,169,382</u>	<u>1,141,289</u>	<u>5,310,671</u>	<u>5,126,572</u>
Net gains on investments	10	1,819	–	1,819	5,406
Net income		<u>988,000</u>	<u>79,958</u>	<u>1,067,958</u>	<u>890,685</u>
Transfers between funds		(15,327)	15,327	–	–
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes		(45,000)	–	(45,000)	(142,000)
Net movement in funds		<u>927,673</u>	<u>95,285</u>	<u>1,022,958</u>	<u>748,685</u>
Reconciliation of funds					
Total funds brought forward as previously reported		13,289,414	3,388,174	16,677,588	15,368,803
Prior year adjustment		–	–	–	560,100
Total funds brought forward as restated		<u>13,289,414</u>	<u>3,388,174</u>	<u>16,677,588</u>	<u>15,928,903</u>
Total funds carried forward		<u>14,217,087</u>	<u>3,483,459</u>	<u>17,700,546</u>	<u>16,677,588</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 32 form part of these financial statements.

The Apostolic Church
Statement of Financial Position
31 March 2019

	Note	2019 £	2018 (restated) £
Fixed assets			
Tangible fixed assets	15	11,058,215	10,987,944
Investments	16	570,739	648,920
		<u>11,628,954</u>	<u>11,636,864</u>
Current assets			
Debtors	17	670,606	114,118
Cash at bank and in hand		9,567,949	9,009,425
		<u>10,238,555</u>	<u>9,123,543</u>
Creditors: amounts falling due within one year	18	<u>252,090</u>	<u>233,942</u>
Net current assets		<u>9,986,465</u>	<u>8,889,601</u>
Total assets less current liabilities		<u>21,615,419</u>	<u>20,526,465</u>
Creditors: amounts falling due after more than one year	19	<u>1,485,873</u>	<u>1,299,877</u>
Net assets excluding defined benefit pension plan liability		<u>20,129,546</u>	<u>19,226,588</u>
Defined benefit pension plan liability	20	2,429,000	2,549,000
Net assets including defined benefit pension plan liability		<u>17,700,546</u>	<u>16,677,588</u>
Funds of the charity			
Restricted funds		3,483,459	3,388,174
Unrestricted funds:			
Defined benefit pension reserve		(2,429,000)	(2,549,000)
Other unrestricted income funds		16,646,087	15,838,414
Total unrestricted funds		<u>14,217,087</u>	<u>13,289,414</u>
Total charity funds	21	<u>17,700,546</u>	<u>16,677,588</u>

These financial statements were approved by the board of trustees and authorised for issue on 21/12/19 and are signed on behalf of the board by:


 Rev T Jack
 National Leader

The notes on pages 15 to 32 form part of these financial statements.

The Apostolic Church
Statement of Cash Flows
Year ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
Net income	1,067,958	890,685
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	72,902	67,683
Net gains on investments	(1,819)	(5,406)
Dividends, interest and rents from investments	(315,334)	(282,263)
Interest payable and similar charges	113,312	102,451
Gains on disposal of tangible fixed assets	(270,462)	(421,615)
Defined benefit pension plan employer contributions	(262,000)	(265,000)
Accrued income	(7,304)	(2,229)
<i>Changes in:</i>		
Trade and other debtors	(556,488)	230,431
Trade and other creditors	15,313	4,253
Cash generated from operations	(143,922)	318,990
Interest paid	(16,312)	(13,451)
Net cash (used in)/from operating activities	(160,234)	305,539
Cash flows from investing activities		
Dividends, interest and rents from investments	315,334	282,263
Purchase of tangible assets	(853,806)	(865,190)
Proceeds from sale of tangible assets	1,061,095	1,353,001
Net cash from investing activities	522,623	770,074
Cash flows from financing activities		
Proceeds from borrowings	196,135	(3,046)
Net cash from/(used in) financing activities	196,135	(3,046)
Net increase in cash and cash equivalents	558,524	1,072,567
Cash and cash equivalents at beginning of year	9,009,425	7,936,858
Cash and cash equivalents at end of year	9,567,949	9,009,425

The notes on pages 15 to 32 form part of these financial statements.

The Apostolic Church
Notes to the Financial Statements
Year ended 31 March 2019

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 2019

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 2019

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 2019

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
Long leasehold property	- 2% straight line
Fixtures and fittings	- 20% straight line

Investments

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

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

Investment property

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

No depreciation is charged against any investment properties held.

Impairment of fixed assets

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

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

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

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

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 2019

4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations, giving and similar income	4,140,992	81,269	4,222,261
Legacy income	123,399	500,000	623,399
Fundraising for buildings	2,160	614,804	616,964
Other charitable activity	303,216	16,763	319,979
Conference income	—	8,411	8,411
	<u>4,569,767</u>	<u>1,221,247</u>	<u>5,791,014</u>

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

5. Investment income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Property income	301,941	301,941	275,637	275,637
Investment income and interest received	13,393	13,393	6,626	6,626
	<u>315,334</u>	<u>315,334</u>	<u>282,263</u>	<u>282,263</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 2019 £	Unrestricted Funds £	Total Funds 2018 £
Gain on disposal of tangible fixed assets held for charity's own use	270,462	270,462	421,615	421,615

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Annual convention and conferences	6,922	–	6,922
Missionary	602	384,646	385,248
Ministerial	2,757,559	530,221	3,287,780
Other	395,801	226,422	622,223
Church admin	136,799	–	136,799
Support costs	871,699	–	871,699
	<u>4,169,382</u>	<u>1,141,289</u>	<u>5,310,671</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Annual convention and conferences	39,754	–	39,754
Missionary	–	309,389	309,389
Ministerial	3,184,404	225,151	3,409,555
Other	312,330	156,738	469,068
Church admin	171,103	–	171,103
Support costs	727,703	–	727,703
	<u>4,435,294</u>	<u>691,278</u>	<u>5,126,572</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2019 £	Total fund 2018 £
Annual convention and conferences	6,922	–	6,922	39,754
Missionary	385,248	–	385,248	309,389
Ministerial	3,287,780	650,477	3,938,257	3,943,173
Other	622,223	–	622,223	469,068
Church admin	136,799	–	136,799	171,103
Governance costs	–	221,222	221,222	194,085
	<u>4,438,972</u>	<u>871,699</u>	<u>5,310,671</u>	<u>5,126,572</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 2019

9. Analysis of support costs

	Annual convention £	Missionary £	Ministerial £	Other £	Church admin £	Total 2019 £	Total 2018 £
Staff costs							
Premises	-	-	300,311	-	-	300,311	267,786
Finance costs	-	-	202,163	-	-	202,163	175,963
Governance costs	-	-	16,312	-	-	16,312	13,451
Other expenses	338	19,079	162,819	32,212	6,775	221,223	194,086
Travel and accommodation	-	-	122,602	-	-	122,602	70,222
	-	-	9,089	-	-	9,089	6,196
	338	19,079	813,296	32,212	6,775	871,700	727,704

Support costs above relate to specifically identifiable support activities.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

10. Net gains on investments

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Gains/(losses) on listed investments	<u>1,819</u>	<u>1,819</u>	<u>5,406</u>	<u>5,406</u>

11. Net income

Net income is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	72,902	67,683
Gains on disposal of tangible fixed assets	(270,462)	(421,615)

12. Auditors remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>27,000</u>	<u>27,600</u>

13. Staff costs

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

	2019 £	2018 £
Wages and salaries	2,272,358	2,095,925
Employer contributions to pension plans	59,716	38,692
	<u>2,332,074</u>	<u>2,134,617</u>

The average head count of employees during the year was 134 (2018: 136). The average number of full-time equivalent employees during the year is analysed as follows:

	2019 No.	2018 No.
Number of staff	<u>91</u>	<u>90</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2019 No.	2018 No.
£60,000 to £69,999	<u>1</u>	<u>—</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

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

	2019	2018
	£	£
P Doherty	21,330	21,114
E Parker (resigned 14 February 2019)	66,887	26,637
PM Howells	20,516	21,798
I Parker	26,378	25,428
TW Jack	31,710	34,710
A Abiodun (resigned 6 June 2019)	20,081	21,627
S Taylor	34,735	34,089
M Chenery (appointed 6 June 2019)	32,712	-
	254,348	185,403

Employer Pension Contributions

	2019	2018
	£	£
P Doherty	640	417
E Parker (resigned 14 February 2019)	893	795
PM Howells	2,113	654
I Parker	768	747
TW Jack	6,198	1,010
A Abiodun (resigned 6 June 2019)	1,951	604
S Taylor	1,042	663
M Chenery (appointed 6 June 2019)	3,323	-
	16,928	4,890

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 2019

Reimbursed expenses

The following expenses were reimbursed during the year:

	2019	2018
	£	£
P Doherty	748	650
E Parker (resigned 14 February 2019)	1,469	1,715
PM Howells	937	1,704
I Parker	1,183	1,151
TW Jack	1,284	1,464
A Abiodun (resigned 6 June 2019)	372	37
S Taylor	2,566	872
M Chenery (appointed 6 June 2019)	114	-
	8,673	7,592

15. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
Cost				
At 1 April 2018	11,938,271	16,927	443,545	12,398,743
Additions	838,088	-	15,718	853,806
Disposals	(751,323)	-	-	(751,323)
At 31 March 2019	12,025,036	16,927	459,263	12,501,226
Depreciation				
At 1 April 2018	976,771	2,133	431,895	1,410,799
Charge for the year	65,992	102	6,808	72,902
Disposals	(40,690)	-	-	(40,690)
At 31 March 2019	1,002,073	2,235	438,703	1,443,011
Carrying amount				
At 31 March 2019	11,022,963	14,692	20,560	11,058,215
At 31 March 2018	10,961,500	14,794	11,650	10,987,944

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.

The Apostolic Church
Notes to the Financial Statements *(continued)*
Year ended 31 March 2019

16. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 April 2018	208,920	440,000	648,920
Additions	—	—	—
Fair value movements	1,819	—	1,819
Transfers	(80,000)	—	(80,000)
At 31 March 2019	<u>130,739</u>	<u>440,000</u>	<u>570,739</u>
Impairment			
At 1 April 2018 and 31 March 2019			<u>—</u>
Carrying amount			
At 31 March 2019	<u>130,739</u>	<u>440,000</u>	<u>570,739</u>
At 31 March 2018	<u>208,920</u>	<u>440,000</u>	<u>648,920</u>

All investments shown above are held at valuation.

Investment properties

The value 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

Fair value adjustments are processed in respect of the listed investments every 6 months in line with a report issued from the broker.

17. Debtors

	2019 £	2018 £
Prepayments and accrued income	8,248	10,361
Other debtors	662,358	103,757
	<u>670,606</u>	<u>114,118</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

18. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	116,732	106,593
Accruals and deferred income	66,363	73,667
Social security and other taxes	61,810	49,001
Other creditors	7,185	4,681
	<u>252,090</u>	<u>233,942</u>

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

	2019	2018
	£	£
Bank loans and overdrafts	<u>1,485,873</u>	<u>1,299,877</u>

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

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £59,716 (2018: £38,692).

Defined benefit plans

The charity operates two defined benefit pension schemes:

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

Unfunded Scheme

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

Pensions are paid to the beneficiaries on a monthly basis directly from the charity's assets. The value of the liabilities at the reporting date has been determined on a member by member basis based on data used by the previous actuary in preparing last year's disclosures and with allowance for member movements over the year. A valuation of the scheme has been out as at 31 March 2019 by a qualified independent actuary.

Funded Scheme

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

The Funded Scheme is a registered scheme under UK legislation, is subject to the funding

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

requirements outlined in this legislation and was contracted into the State Second Pension.

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

A full actuarial valuation of the scheme was carried out as at 30 June 2017. The liabilities of the scheme shown below have been estimated by updating the results of this actuarial valuation to allow for the passage of time, benefits paid out of the scheme and changes in actuarial assumptions.

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

	Unfunded Scheme		Funded Scheme		Total	
	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£
Present value of defined benefit obligations	(1,421,000)	(1,502,000)	(3,741,000)	(3,728,000)	(5,162,000)	(5,230,000)
Fair value of plan assets	—	—	2,733,000	2,681,000	2,733,000	2,681,000
	<u>(1,421,000)</u>	<u>(1,502,000)</u>	<u>(1,008,000)</u>	<u>(1,047,000)</u>	<u>(2,429,000)</u>	<u>(2,549,000)</u>

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

	Unfunded Scheme	Funded Scheme	Total
	£	£	£
At 1 April 2018	1,502,000	3,728,000	5,230,000
Interest expense	33,000	91,000	124,000
Benefits paid	(134,000)	(150,000)	(284,000)
Remeasurements:			
Actuarial gains and losses	20,000	72,000	92,000
At 31 March 2019	<u>1,421,000</u>	<u>3,741,000</u>	<u>5,162,000</u>

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

	Unfunded Scheme	Funded Scheme	Total
	£	£	£
At 1 April 2018	—	2,681,000	2,681,000
Interest income	—	66,000	66,000
Benefits paid	(134,000)	(150,000)	(284,000)
Contributions by employer	134,000	128,000	262,000
Administrative costs	—	(39,000)	(39,000)
Remeasurements:			
Return on plan assets, excluding amount included in interest income	—	47,000	47,000
At 31 March 2019	<u>—</u>	<u>2,733,000</u>	<u>2,733,000</u>

The Apostolic Church

Notes to the Financial Statements (continued)

Year ended 31 March 2019

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

	Unfunded Scheme		Funded Scheme		Total	
	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£
Recognised in income or expenditure:						
Net interest expense	33,000	34,000	25,000	26,000	58,000	60,000
Administrative costs	—	—	39,000	29,000	39,000	29,000
	<u>33,000</u>	<u>34,000</u>	<u>64,000</u>	<u>55,000</u>	<u>97,000</u>	<u>89,000</u>

Recognised in other recognised gains and losses:

Remeasurement of the liability:

Actuarial gains and losses	20,000	14,000	72,000	114,000	92,000	128,000
Return on plan assets, excluding amounts included in net interest	—	—	(47,000)	14,000	(47,000)	14,000
	<u>20,000</u>	<u>14,000</u>	<u>25,000</u>	<u>128,000</u>	<u>45,000</u>	<u>142,000</u>

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

	Funded Scheme	
	2019	2018
	%	%
Cash and cash equivalents	4.89	4.89
Insured annuities percentage	27.75	27.75
Net current assets percentage	67.36	67.36

The return on plan assets are as follows:

	Funded Scheme	
	2019	2018
	£	£
Return on assets of benefit plan	<u>113,000</u>	<u>57,000</u>

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

	Unfunded Scheme		Funded Scheme	
	2019	2018	2019	2018
	%	%	%	%
Discount rate	2.00	2.35	2.30	2.50
Expected rate of increase in pensions	—	—	3.20	3.10
Inflation assumption	2.30	2.15	2.40	2.30
Mortality rates:				
Current pensioners at 65 - male	86.30	86.80	86.30	86.80
Current pensioners at 65 - female	88.20	88.70	88.20	88.70
Future pensioners at 65 - male	87.30	87.80	87.30	87.80
Future pensioners at 65 - female	<u>89.40</u>	<u>89.90</u>	<u>89.40</u>	<u>89.90</u>

The Apostolic Church

Notes to the Financial Statements (continued)

Year ended 31 March 2019

21. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2018 £	Income £	Expenditure £	Transfers £	Prior period adjustment £	Gains and losses £	At 31 Mar 2019 £
General funds	15,838,414	4,827,563	(4,006,382)	(15,327)	—	1,819	16,646,087
Defined benefit pension schemes	(2,549,000)	328,000	(163,000)	—	—	(45,000)	(2,429,000)
	<u>13,289,414</u>	<u>5,155,563</u>	<u>(4,169,382)</u>	<u>(15,327)</u>	<u>—</u>	<u>(43,181)</u>	<u>14,217,087</u>

	At 1 Apr 2017 £	Income £	Expenditure £	Transfers £	Prior period adjustment £	Gains and losses £	At 31 Mar 2018 £
General funds	14,777,243	4,928,453	(4,275,294)	(157,494)	560,100	5,406	15,838,414
Defined benefit pension schemes	(2,583,000)	336,000	(160,000)	—	—	(142,000)	(2,549,000)
	<u>12,194,243</u>	<u>5,264,453</u>	<u>(4,435,294)</u>	<u>157,494</u>	<u>560,100</u>	<u>(136,594)</u>	<u>13,289,414</u>

Restricted funds

	At 1 Apr 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2019 £
Missionary fund	—	381,269	(384,646)	3,377	—	—
Building funds	2,693,673	614,804	(530,221)	11,950	—	2,790,206
Other restricted income	694,501	225,174	(226,422)	—	—	693,253
	<u>3,388,174</u>	<u>1,221,247</u>	<u>(1,141,289)</u>	<u>15,327</u>	<u>—</u>	<u>3,483,459</u>

	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>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

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 2019 £
Tangible fixed assets	10,066,541	991,674	11,058,215
Investments	570,739	—	570,739
Current assets	7,746,770	2,491,785	10,238,555
Creditors less than 1 year	(252,090)	—	(252,090)
Creditors greater than 1 year	(1,485,873)	—	(1,485,873)
Defined benefit pension	(2,429,000)	—	(2,429,000)
Net assets	14,217,087	3,483,459	17,700,546

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	10,297,297	690,647	10,987,944
Investments	648,920	—	648,920
Current assets	6,426,016	2,697,527	9,123,543
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)
Net assets	13,289,414	3,388,174	16,677,588

23. Prior period adjustment

A prior period adjustment was required to recognise a property which was transferred to the church along with its associated liabilities. The value of the transferred property was £720,000 and associated liabilities amounted to £159,900, giving rise to an increase in reserves of £560,100.

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Year ended 31 March 2019

24. Financial instruments

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

	2019	2018
	£	£
Financial assets measured at fair value through income and expenditure		
Listed investments	<u>130,739</u>	<u>208,920</u>

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.