

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)

ACCOUNTS AND ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2020

CHARITY NO: 1072227

**Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics LE11 5XR**

Tel: 01509 214163

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)
FOR THE YEAR ENDED 31 DECEMBER 2020

<u>Contents</u>	<u>Page</u>
Report of the Trustees	1 - 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes Forming Part of the Financial Statements	8 - 13

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2020.

OBJECTIVES

The objectives of the Charity are:

- To advance the Christian faith (in accordance with its Statement of Belief) in London and elsewhere.
- To relieve persons in hardship or distress in London and elsewhere.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

In accordance with the Church's objectives, the Church is continually involved in day to day Church activities and in many other activities in the local community and further afield. Part of the building is already being used for the various Church activities, mentioned below:-

- Sunday Church Service
- Sunday School
- Weddings
- Funerals

Pastoral counselling on different levels, dealing with drug abuse, domestic violence, physical, spiritual and emotional issues, mentoring, and general encouragement to set people back on the course of life. This practical help and advice is still very much a part of the Church's ongoing work:-

- Bible Study
- Youth Work
- Drama Workshop
- Drug/Racism Awareness Seminars
- Prison Ministry

Reaching out to all members of society, both at home and overseas, irrespective of cultural, social and ethnic backgrounds, remains one of the main aims of the Church. Church numbers have remained steady, with continued involvement by the congregation in all aspects of Church life.

From mid-March until early June, the Church went into lock down due to Covid 19, like everyone else in the UK. During this period, only minimal on-line presence was being carried out. Once the lockdown restriction began to ease, the Church opened its doors to the congregation, but functioning on restricted capacity until present. Prior to the lockdown, a team from the Church travelled to Ghana in January for their annual thanks giving service and to Texas in March to set up the Houston Ixthus Church Council chapter.

The Church continues to build a strong relationship with Angel Place Nursery Ltd, who is extending their business to accommodate more children, which will subsequently lead to an increase in income for the Church. During Covid, the Nursery have been granted a rent free period. The income stream of the Church was unaffected due to members' donations increasing.

The Church refinanced their debt, moving from NatWest Bank to Unity Bank, extended the term and borrowed additional funds so that improvements could be made to our audio and visual equipment with the intention to allow to stream educational biblical teachings at a charge, therefore increasing our revenue.

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)

TRUSTEES REPORT (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2020

Ixthus Church Council (ICC) Events (All held at ACC)

- ICC Conference on Saturday 10th October 2020

Ministers Ordained or became members of in 2020 (All at ACC)

- Bishop Stanley Lopes – Consecrated on 13/12/20

Other Events – Bible Diploma Course at ACC.

- 8-week course starting January 2020 (Graduation of 6 students was at Conference in October)

FINANCIAL REVIEW

Income increased during the year to £280,959 from £205,411. This increase is due to an increase in donations being received in 2020. Expenditure decreased during the year from £182,791 to £169,933, which means that this year there has been a surplus of £111,026 (2019: £22,620).

Risk Management

The Trustees have conducted their own review of the major risks to which the Church is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all financial transactions and projects. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity.

Organisation

The Board of Trustees meet a minimum of twice a year, and when necessary, the Trustees meet in between these times to discuss and act upon any urgent matters which might arise. The day to day operational responsibility is delegated to Andrew Sotiriou. However, the spiritual government of the Church fellowship is under the control of the recognised spiritual leadership of the Church.

Related Parties

The Charity has close relationships with a number of organisations that work to achieve compatible objectives within the area, including:

The Metropolitan Police
The Haringey Peace Alliance
Other local Churches through the Ixthus Council

The Church is continuing to build on the excellent relationship it has with the local Police Force and Enfield Borough Council, who continue to welcome and support the work of the Church. A visit to the Church was made by the Borough Commander of Enfield who met with Archbishop Evangelou and the Senior Pastor to discuss ways of working together in the community.

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)

TRUSTEES REPORT (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NUMBER	107227
PRINCIPAL OFFICE	193 – 195 Angel Place Fore Street Edmonton London NE18 2UD

The trustees serving during the year and since the year end were as follows:

A Sotiriou
M Constantinou
P Efstathiou
A Georgiou

INDEPENDENT EXAMINERS	Cound & Co LLP 1 Princes Court Royal Way Loughborough Leics LE11 5XR
------------------------------	---

BANKERS	National Westminster Bank plc 1302 High Road Whetstone London N20 9JS CafCash Limited PO Box 289 West Maling Kent ME19 4TA
----------------	---

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity was established by a Declaration of Trust dated 14 September 1998. It was registered as a charity with the Charity Commission on 31 October 1998.

Appointment of Trustees

As set out in the Declaration of Trust, the Church has a minimum of three trustees and it is not subject to a maximum number. New trustees are invited to join the board if they have a particular area of expertise that can help the charity. A majority of trustees need to agree on this.

Trustee Induction and Training

New trustees are advised of their obligations under charity law, the content of the Declaration of Trust as well as the structure and decision-making process of the committee.

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)

TRUSTEES REPORT (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves Policy

The Trustees monitor the financial position of the Church and have established a level of reserves that they believe the Church requires to cover day to day expenditure and also unforeseen emergencies such as repairs to the Church buildings. This level is deemed as being approximately two months' expenditure, which is not considered excessive.

Approved by the Trustees on 10 April 2021 and signed on their behalf by:

.....

P Efstathiou

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)

I report on the accounts of the charity for the year ended 31 December 2020 which are set out on pages 5 to 12.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts.

The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the Charities Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with our examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep proper accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act;has not met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

D R Gradon MA FCA
Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics
LE11 5XR

27 April 2021

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

<u>INCOME</u>	<u>Notes</u>	Unrestricted Funds <u>2020</u>	Total Funds <u>2020</u>	Total Funds <u>2019</u>
Donations and legacies				
Donations		187041	187041	121136
Gift Aid tax recoverable		35049	35049	26168
Income from charitable activities				
Hall hire		53352	53352	52002
IXTHUS		5517	5517	6105
		_____	_____	_____
TOTAL INCOME		£280959	£280959	£205411
		_____	_____	_____
<u>EXPENDITURE</u>				
Charitable activities	2	169933	169933	182791
		_____	_____	_____
TOTAL EXPENDITURE		£169933	£169933	£182791
		_____	_____	_____
NET INCOME FOR THE YEAR AND MOVEMENT IN FUNDS BEFORE GAINS AND LOSSES		111026	111026	22620
Net Gains on the Revaluation of Fixed Assets	4	57648	57648	49439
		_____	_____	_____
NET MOVEMENT IN FUNDS		£168674	£168674	£72059
		_____	_____	_____
RECONCILIATION OF FUNDS:				
TOTAL FUNDS BROUGHT FORWARD		889934	889934	817875
		_____	_____	_____
TOTAL FUNDS CARRIED FORWARD		£1058608	£1058608	£889934
		_____	_____	_____

Note

The Church also applied resources as follows in respect of capital expenditure:

	<u>2020</u>	<u>2019</u>
Freehold church building	-	-
Music and other equipment	-	-
Fixtures and fittings	5069	875
	_____	_____
	£5069	£875
	_____	_____

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)

BALANCE SHEET AS AT 31 DECEMBER 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>Fixed Assets</u>	4	1297683	1240747
<u>Current Assets</u>			
Debtors	5	14698	10681
Cash at Bank and in Hand		211204	4004
		=====	=====
		225902	14685
		=====	=====
<u>Creditors: Amounts falling due within one year</u>	6	36791	23890
		=====	=====
<u>Net Current Assets/(Liabilities)</u>		189111	(9205)
		=====	=====
<u>Total Assets Less Current Liabilities</u>		1486794	1231542
		=====	=====
<u>Creditors: Amounts falling due after more than one year</u>	7	428186	341608
		=====	=====
<u>Net Assets</u>		£1058608	£889934
		=====	=====
<u>Unrestricted Funds</u>			
General Funds	10	594572	483546
Revaluation Reserve	10	464036	406388
		=====	=====
Total Funds		£1058608	£889934
		=====	=====

Approved by the trustees on 10 April 2021 and signed on their behalf by:

.....

M Constantinou (Trustee)

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies

- a) These financial statements have been prepared in accordance with the Charities SORP (FRS 102): 'Accounting and Reporting by Charities, Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102") (effective 1 January 2016)', FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (effective September 2016) and the Charities Act 2011. The disclosure requirements of Section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The charity constitutes a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transactional value unless otherwise stated in the relevant accounting policy note and the financial statements are prepared on a going concern basis. The financial statements are prepared in sterling, which is the financial currency of the charity and rounded to the nearest £1.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the funding provider. The costs of raising and administering such funds are charged against the specific funds.

- c) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.
- d) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
- e) Depreciation is charged in such a way as to write off the cost of fixed assets over their estimated useful lives at the following rates:

Office equipment	-	30% of net book amount per annum
Music and other equipment	-	30% of net book amount per annum
Motor Vehicles	-	25% of net book amount per annum

No depreciation has been charged in respect of the freehold church buildings. Freehold church buildings are valued at fair value. The movement in the year is transferred to the Revaluation reserve.

f) Judgements and Estimation Uncertainties

The trustees have given consideration to any judgements and uncertainties in these accounts and the only issue to note is that the Church's going concern is based on the continued support from its congregation and members, who provide the majority of the income for the Church. However, there is no reason to suspect that this support will not continue in the future.

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. <u>Charitable Expenses</u>	<u>2020</u>	<u>2019</u>
Ministerial expenses	401	953
Evangelistic literature	445	163
Gas and electricity	10232	12916
Rates	2439	576
Insurance	2699	2600
Repairs and maintenance	6933	8405
Salaries	79958	120345
Music and audio/CD, tapes and DVDs	-	705
Church functions/events	18	1101
Travel Expenses	3010	189
Bank loan interest	19564	17805
Donations (see note 8)	6220	900
Bank charges and interest	7964	695
Office expenses	-	36
Postage, printing and stationery	1385	1289
Subscriptions	3945	1128
Training Course Fees	943	176
Telephone and internet costs	2009	1904
Legal fees and professional fees	11487	1004
Accountancy fees	4500	3816
Depreciation - fixtures and fittings	2541	3631
- music and other equipment	734	1048
- office equipment	2506	1406
	<hr/>	<hr/>
	£169933	£182791
	<hr/>	<hr/>
Accountancy fees are split between;		
Payroll and Bookkeeping services	2500	1866
Independent Examination fees	2000	1950
	<hr/>	<hr/>
	£4500	£3816
	<hr/>	<hr/>

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. <u>Staff Numbers and Costs</u>	<u>2020</u>	<u>2019</u>
Salaries	110021	110275
Social Security Costs	12769	12851
Less: Employment Allowance	(4000)	(3000)
Pension Contributions	2627	219
JRS Grants Received	(41459)	-
	<hr/>	<hr/>
	£79958	£120345
	<hr/>	<hr/>
 Average number of employees	 2	 2
	<hr/>	<hr/>

One of the two employees (P Efstathiou) is a trustee and her remuneration was £55052 (2019: £54806). She receives remuneration for her role as Senior Pastor and not for her role as a trustee.

No employee received emoluments in excess of £60000.

The total amount of remuneration benefits for trustees and key management personnel during the year was £112648 (2019: £110494).

Trustees' reimbursed expenses were:	<u>2020</u>	<u>2019</u>
A Sotiriou	420	503
M Constantinou	12077	4224
	<hr/>	<hr/>
	£12497	£4727
	<hr/>	<hr/>

The above expenses relate to goods purchased on behalf of the charity and do not include any travel, meals, accommodation and telephone costs.

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. <u>Fixed Assets</u>	<u>Freehold Church Building</u>	<u>Office Equipment</u>	<u>Fixtures & Fittings</u>	<u>Music & Other Equipment</u>	<u>Total</u>
<u>Cost</u>					
As at 1 January 2020	1226549	18452	217859	86488	£1549348
Additions	-	5069	-	-	5069
Revaluations	57648	-	-	-	57648
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	1284197	23521	217859	86488	£1612065
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>					
At 1 January 2020	-	15171	209388	84042	£308601
Charge for Year	-	2506	2541	734	5781
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	-	17677	211929	84776	£314382
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value					
At 31 December 2020	1284197	5844	5930	1712	£1297683
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value					
At 31 December 2019	1226549	3281	8471	2446	£1240747
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Freehold Church building was revalued by the trustees as at 31 December 2020 at its open market value.

The building was valued by NatWest Bank plc in September 2011 as part of financing arrangements by the Church. The trustees have updated this valuation to 31 December 2020 by using land registry house price indices for the local Borough to obtain a fair value.

The historical cost of the building as at 31 December 2020 was £806691 (2019: £806691).

5. <u>Debtors</u>	<u>2020</u>	<u>2019</u>
Trade Debtors	3880	1300
Charitable Loan (see note 9)	1050	1050
Gift Aid Tax Recoverable	5227	4683
Other Debtor	4334	100
Prepayments	317	3548
	<hr/>	<hr/>
	£14698	£10681
	<hr/>	<hr/>

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6.	<u>Creditors – Amounts Falling Due Within One Year</u>	<u>2020</u>	<u>2019</u>
	Trade Creditors	-	-
	Due to HM Revenue & Customs	3412	9342
	Accruals	4030	3106
	Nursery Rental Deposit	6250	6250
	Nursery Rent in Advance	3334	3334
	Wages Owing	587	570
	Hire Purchase	-	1032
	Pension Contributions	584	256
	Bank Loan	18594	-
		<hr/>	<hr/>
		£36791	£23890
		<hr/>	<hr/>
7	<u>Creditors – Amounts Falling Due After One Year</u>	<u>2020</u>	<u>2019</u>
	(i) NatWest Bank Loan (£364500)	-	263698
	NatWest Bank Loan (£142500)	-	77910
	(ii) Unity Bank Loan	428186	-
		<hr/>	<hr/>
		£428186	£341608
		<hr/>	<hr/>
	(i) These loans were repaid on 9 September 2020 from the Unity Bank Loan.		
	(ii) The Unity Bank Loan is being repaid over 20 years by monthly repayments of £2,494.40. Interest is being paid at 2.5% above bank base rate. The loan is secured by a charge over the freehold property.		
8.	<u>Donations</u>	<u>2020</u>	<u>2019</u>
	Success Temple	-	100
	Amazing Grace Ministries International	-	200
	Reconciliation International	-	150
	Full Global Evangelism	-	100
	Visiting Ministry	200	100
	Full Gospel Evangelism	-	100
	Global Mission of Apostolic and Charismatic Congress	-	50
	Gateway of Hope Christian Church	-	100
	Covid Support	4520	-
	Funeral Cost Support	1500	-
		<hr/>	<hr/>
		£6220	£900
		<hr/>	<hr/>

APOSTOLIC CHRISTIAN CHURCH (SHEEPFOLD)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Related Party Transactions

In 2007 the Church made a loan of £5000 to an employee, Archbishop C C Evangelou. This loan is interest free and was repayable within 3 years. However, as at 31 December 2020 £1050 was outstanding (2019: £1050) and is included in debtors (note 5).

The Church rents office space to another Charity, Community Heart (London). Two of the trustees of the Church (P Efstathiou and M Constantinou) and Archbishop C C Evangelou are also trustees of this charity.

During the year the Church received £12000 in rent (2019: £12000).

On 6 March 2016 the Church leased the ground floor and basement of the Church building to Angel Place Nursery Limited. P Efstathiou, a trustee of the Church and Archbishop C C Evangelou are also directors of this company. The lease runs for 5 years. The rent received was £40002 (2019: £40002). The nursery was actually operating on an informal rent free basis for a period prior to the lease being signed. The terms of the lease were approved by the Charity Commission.

During the year the Church received donations totalling £6120 (2019: £5600) from Ethical Financial Planning Limited. This is a company controlled by trustee, A Sotiriou.

The Church received total donations from the trustees of £15180 (2019: £13090).

10. Fund Reconciliation

	Balance as at 1 January <u>2020</u>	<u>Income</u>	<u>Expenditure</u>	Revaluation <u>Gains</u>	Balance as at 31 December <u>2019</u>
Unrestricted Funds	483546	280959	(169933)	-	594572
Revaluation Reserve	406388	-	-	57648	464036
	<u>£889934</u>	<u>280959</u>	<u>(169933)</u>	<u>57648</u>	<u>£1058608</u>

11. Analysis of Net Assets by Fund

	Unrestricted <u>Funds</u>	Revaluation <u>Reserve</u>	Total <u>Funds</u>
Fixed Assets	833647	464036	1297683
Current Assets	225902	-	225902
Current Liabilities	(36791)	-	(37791)
Creditors After More Than One Year	(428186)	-	(428186)
	<u>594572</u>	<u>464036</u>	<u>1058608</u>