

CHARITY REGISTRATION NUMBER: 284789
OSCR REGISTRATION NUMBER: SC037835

The Apostolic Church
Financial Statements
31 March 2023

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 2023

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The Apostolic Church
Trustees' Annual Report
Year ended 31 March 2023

The trustees present their report and the financial statements of the charity for the year ended 31 March 2023.

Introduction

I am delighted to present on behalf of the Trustees of the charity (The Apostolic Church UK) their report for the period 1st April 2022 to 31st March 2023.

During this financial year the Apostolic Church has continued to make progress after the difficult circumstances of the worldwide Covid-19 pandemic. There have been encouraging signs from assemblies from all parts of the United Kingdom and Ireland. Many have not only recovered to pre-pandemic numbers, but have gone beyond and are now enjoying spiritual, numerical and financial increase.

As the charity prepares to reconstitute from an unincorporated entity to an incorporated one the Apostolic Church reset its missional mandate to reinvigorate missional enterprise as our primary function. This meant that apostles gathered more frequently in 2022 and the focus of both the Ascension Ministries Council and Ascension Ministries Conference for all staff was to underline this intentionality.

In the following pages, the trustees seek to outline a picture of the national church at work from April 2022 to March 2023. We do so with grateful hearts to God for His faithfulness to His people for their labours in His Name and for His Glory.



Rev I Parker
National Leader

Year ended 31 March 2023

Registered charity name	The Apostolic Church
Charity registration number	284789
Principal office	105 Crystal House New Bedford Road Luton LU1 1HS

Rev P Doherty (Appointed 28 November 2022)
 Rev P Howells (Resigned 22 November 2022)
 Rev A Matheson
 Rev D Bird
 Rev C Hopkins
 Rev I Parker
 Rev S Taylor

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Barclays Bank (UK) PLC
Luton George Street 2
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E87 2BB

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 2023

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 trustees have reviewed if the present unincorporated structure is the most appropriate legal structure to service the very diverse requirements of the church. A great deal of work has been done to progress this and we are grateful to the team of gifted and skilled individuals that do so diligently.

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 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 and relieve suffering and that its activities meet the Charity Commission's guidance in respect of Public Benefit.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

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 the sick and lonely and 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 2023

Achievements and performance

Our flagship church in London completed a multi-million-pound state-of-the-art building refurbishment including multimedia facilities. The building now has an increased seating capacity, multi-purpose use and the ability to facilitate proclamation of the gospel, both in situ and to people's homes, whilst also meeting the needs of the local community.

Community involvement

As our contribution to alleviating the impact of current cost of living challenges, many of our churches have supported Warm Spaces Initiatives and provided warm places for people to keep warm during the winter months. We provide an army of dedicated volunteers who partner with food banks and other social enterprises seeking to help the poor and needy.

Church growth

Church attendance in many assemblies is returning to pre-pandemic levels. Several church plants continue to successfully reach into the communities around them. Two churches in the Scottish Highlands previously affiliated to the Apostolic Church have now fully incorporated into the church.

Ministerial development

Programs for discipleship, leadership enrichment, lifelong theological training and professional development were commissioned last year and are on-going. These new tools are mainly for leaders in the ministry and made available through our website and other platforms to ensure ease of access and promote clear understanding of ACUK's mission in the next phase of its history. This exciting program will clearly define the Apostolic Church, its beliefs and its vision for the generations to follow.

Re-organisation of Action Overseas

Hard decisions were also taken during the year to ensure the viable future of our overseas missional enterprise. It was decided that the department responsible for carrying out this task should be closed due to its funding crisis. In the last quarter of the year Action Overseas was officially closed and replaced by ReACh; local churches and ascension ministries collaborating together to network and facilitate missional enterprise with our partner indigenous churches in Asia, Europe and Africa.

Additionally, we made the appointment of an International Relations Apostle. This role is to ensure clear lines of communication with our partner movements globally and the UK leadership team. I look forward to reporting next year on the value of this appointment and relational progress achieved.

Unity and diversity

The Unity and Diversity forum established in 2020 for the Apostolic Church UK was formed to cultivate an intergenerational and culturally diverse intentionality within the Movement. The forum was given additional funding and new members added to bring additional strength and breadth. Although it has been slow progress to date, we believe the forum will deliver in the next twelve months a significant program for improvement in Unity and Diversity.

The Apostolic Church
Trustees' Annual Report *(continued)*
Year ended 31 March 2023

Other achievements

The investment in developing our online platforms to strengthen both internal and external communications continues. Already, we have felt the worth of this investment, which will continue to be a priority in the years to come.

I'm pleased to report that progress has been made in the following areas.

- An increasingly agile and adapt National Office for support.
- The appointment of an operations director
- Church Planting training, support and enabling.
- Leadership Training
- Youth Workers strategy and support
- Children's Workers strategy and support
- Safeguarding Training, strategy and support
- Technology and Communications Strategy and support

Partners

We have significantly strengthened our relationships with both European and Worldwide Apostolic Churches and our interdenominational links here in the UK. All our partnerships are vital, as together we are stronger, we can all go further, and achieve far greater.

The Apostolic Church

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Financial review

The trustees report that the accounts for the year ended 31 March 2023 show a surplus of £911,533 (2022: £879,440). This is stated after the actuarial gains of £521,000 (2022: £228,000) incurred on the defined benefit pension schemes. The church had healthy year end reserves of £21,015,733 (2022: £20,104,200).

The trustees are content that whilst there may be some local difficulties in some local churches the church overall 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.

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 it 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. The Church has partnered with Thirtyone:eight as a training provider to extend specialist safeguarding training on a bespoke basis for all our ministerial and Christian workers.

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

Registration of the new CIO is now finalised with the Charity Commission and preparation is now in progress to arrange the transfer of undertakings into the new legal entity from 1 April 2024.

Due to changes in the economic climate, with increased annuity rates, we now see the opportunity to transfer the Apostolic Church Final Salary Scheme pension to an external provider. We are currently working with the Pension Trustees to meet the scheme deficit and take this forward.

Trustees' responsibilities statement

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

The law applicable to charities in England, Wales 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.

The Apostolic Church
Trustees' Annual Report *(continued)*
Year ended 31 March 2023

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 Dec 21, 2023 and signed on behalf of the board of trustees by:



Rev I Parker
National Leader

The Apostolic Church

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

Year ended 31 March 2023

Opinion

We have audited the financial statements of The Apostolic Church (the 'charity') for the year ended 31 March 2023 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 2023 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The Apostolic Church

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

Year ended 31 March 2023

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.

The Apostolic Church

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

Year ended 31 March 2023

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and business performance with particular reference to the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets.

Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end, posting of unusual journals and manipulating the Company's performance measures to meet targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit. Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

The Apostolic Church

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

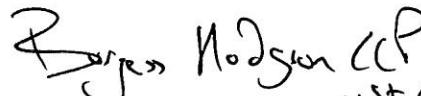
Year ended 31 March 2023

- 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.

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.


21st December 2023

Robert Field FCA CTA (Senior Statutory Auditor)

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 2023

		Unrestricted funds £	2023 Restricted funds £	Total funds £	2022 Total funds £
	Note				
Income and endowments					
Charitable activities	4	4,651,069	330,896	4,981,965	4,883,151
Investment income	5	304,832	–	304,832	257,811
Other income	6	500,630	–	500,630	401,778
Total income		<u>5,456,531</u>	<u>330,896</u>	<u>5,787,427</u>	<u>5,542,740</u>
Expenditure					
Expenditure on charitable activities	7,8	<u>4,744,629</u>	<u>645,329</u>	<u>5,389,958</u>	<u>4,886,812</u>
Total expenditure		<u>4,744,629</u>	<u>645,329</u>	<u>5,389,958</u>	<u>4,886,812</u>
Net losses on investments	10	(6,936)	–	(6,936)	(4,488)
Net income		<u>704,966</u>	<u>(314,433)</u>	<u>390,533</u>	<u>651,440</u>
Transfers between funds		(201,932)	201,932	–	–
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		<u>521,000</u>	–	<u>521,000</u>	<u>228,000</u>
Net movement in funds		<u>1,024,034</u>	<u>(112,501)</u>	<u>911,533</u>	<u>879,440</u>
Reconciliation of funds					
Total funds brought forward		<u>16,512,853</u>	<u>3,591,347</u>	<u>20,104,200</u>	<u>19,224,760</u>
Total funds carried forward		<u>17,536,887</u>	<u>3,478,846</u>	<u>21,015,733</u>	<u>20,104,200</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 16 to 32 form part of these financial statements.

The Apostolic Church
Statement of Financial Position
31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	15	12,519,438	10,325,095
Investments	16	130,005	136,941
		<u>12,649,443</u>	<u>10,462,036</u>
Current assets			
Debtors	17	12,125	64,032
Cash at bank and in hand		10,705,106	12,690,209
		<u>10,717,231</u>	<u>12,754,241</u>
Creditors: amounts falling due within one year	18	221,484	148,906
Net current assets		<u>10,495,747</u>	<u>12,605,335</u>
Total assets less current liabilities		<u>23,145,190</u>	<u>23,067,371</u>
Creditors: amounts falling due after more than one year	19	1,026,457	1,117,171
Net assets excluding defined benefit pension plan liability		<u>22,118,733</u>	<u>21,950,200</u>
Defined benefit pension plan liability	20	1,103,000	1,846,000
Net assets including defined benefit pension plan liability		<u>21,015,733</u>	<u>20,104,200</u>
Funds of the charity			
Restricted funds		3,478,846	3,591,347
Unrestricted funds:			
Defined benefit pension reserve		(1,103,000)	(1,846,000)
Other unrestricted income funds		18,639,887	18,358,853
Total unrestricted funds		<u>17,536,887</u>	<u>16,512,853</u>
Total charity funds	21	<u>21,015,733</u>	<u>20,104,200</u>

These financial statements were approved by the board of trustees and authorised for issue on Dec 21, 2023....., and are signed on behalf of the board by:



Rev I Parker
National Leader

The notes on pages 16 to 32 form part of these financial statements.

The Apostolic Church

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income	390,533	651,440
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	124,881	97,983
Net losses on investments	6,936	4,488
Dividends, interest and rents from investments	(304,832)	(257,811)
Interest payable and similar charges	79,947	76,777
Gains on disposal of tangible fixed assets	(344,536)	(280,421)
Defined benefit pension plan employer contributions	(290,000)	(296,000)
Accrued expenses	80,730	3,603
<i>Changes in:</i>		
Trade and other debtors	51,907	(51,305)
Trade and other creditors	(575)	(13,565)
Cash generated from operations	(205,009)	(64,811)
Interest paid	(11,947)	(9,777)
Net cash used in operating activities	(216,956)	(74,588)
Cash flows from investing activities		
Dividends, interest and rents from investments	304,832	257,811
Purchase of tangible assets	(2,647,202)	(106,433)
Proceeds from sale of tangible assets	672,514	957,892
Net cash (used in)/from investing activities	(1,669,856)	1,109,270
Cash flows from financing activities		
Proceeds from borrowings	(98,291)	(260,275)
Net cash used in financing activities	(98,291)	(260,275)
Net (decrease)/increase in cash and cash equivalents	(1,985,103)	774,407
Cash and cash equivalents at beginning of year	12,690,209	11,915,802
Cash and cash equivalents at end of year	10,705,106	12,690,209

The notes on pages 16 to 32 form part of these financial statements.

The Apostolic Church
Notes to the Financial Statements
Year ended 31 March 2023

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 2023

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 2023

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 2023

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	-	167/50 years straight line
Long leasehold property	-	50 years 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.

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.

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.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

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.

4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations, giving and similar income	4,117,802	71,831	4,189,633
Legacy income	107,862	—	107,862
Fundraising for buildings	—	73,491	73,491
Other charitable activity	425,405	184,364	609,769
Conference income	—	1,210	1,210
	<u>4,651,069</u>	<u>330,896</u>	<u>4,981,965</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

4. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations, giving and similar income	4,132,921	42,097	4,175,018
Legacy income	105,062	–	105,062
Fundraising for buildings	–	87,807	87,807
Other charitable activity	297,319	216,685	514,004
Conference income	–	1,260	1,260
	<u>4,535,302</u>	<u>347,849</u>	<u>4,883,151</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Property income	290,103	290,103	254,595	254,595
Investment income and interest received	14,729	14,729	3,216	3,216
	<u>304,832</u>	<u>304,832</u>	<u>257,811</u>	<u>257,811</u>

6. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gain on disposal of tangible fixed assets held for charity's own use	344,536	344,536	280,421	280,421
Job retention scheme grant	–	–	121,357	121,357
Gain on revaluation of tangible fixed assets held for charity's own use	156,094	156,094	–	–
	<u>500,630</u>	<u>500,630</u>	<u>401,778</u>	<u>401,778</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Missionary	15,568	273,763	289,331
Ministerial	3,274,953	258,093	3,533,046
Other	205,027	113,473	318,500
Church admin	171,644	—	171,644
Support costs	1,077,437	—	1,077,437
	<u>4,744,629</u>	<u>645,329</u>	<u>5,389,958</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Missionary	28,828	342,778	371,606
Ministerial	2,791,453	170,819	2,962,272
Other	199,479	190,847	390,326
Church admin	164,533	—	164,533
Support costs	998,075	—	998,075
	<u>4,182,368</u>	<u>704,444</u>	<u>4,886,812</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2023 £	Total fund 2022 £
	£	£	£	£
Missionary	289,331	—	289,331	371,606
Ministerial	3,533,046	906,900	4,439,946	3,752,345
Other	318,500	—	318,500	390,326
Church admin	171,644	—	171,644	164,533
Governance costs	—	170,537	170,537	208,002
	<u>4,312,521</u>	<u>1,077,437</u>	<u>5,389,958</u>	<u>4,886,812</u>

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

9. Analysis of support costs

	Missionary £	Ministerial £	Other £	Church admin £	Total 2023 £	Total 2022 £
Staff costs	—	500,549	—	—	500,549	469,760
Premises	—	239,951	—	—	239,951	239,090
Finance costs	—	11,947	—	—	11,947	9,777
Governance costs	9,658	124,804	30,345	5,730	170,537	208,002
Other expenses	—	152,942	—	—	152,942	69,926
Travel and accommodation	—	1,511	—	—	1,511	1,520
	<u>9,658</u>	<u>1,031,704</u>	<u>30,345</u>	<u>5,730</u>	<u>1,077,437</u>	<u>998,075</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

9. Analysis of support costs *(continued)*

Support costs above relate to specifically identifiable support activities.

10. Net losses on investments

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gains/(losses) on listed investments	<u>(6,936)</u>	<u>(6,936)</u>	<u>(4,488)</u>	<u>(4,488)</u>

11. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	124,881	97,983
Gains on disposal of tangible fixed assets	<u>(344,536)</u>	<u>(280,421)</u>

12. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>24,000</u>	<u>23,000</u>

13. Staff costs

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

	2023 £	2022 £
Wages and salaries	2,441,708	2,251,067
Employer contributions to pension plans	<u>75,438</u>	<u>76,649</u>
	<u>2,517,146</u>	<u>2,327,716</u>

The average head count of employees during the year was 125 (2022: 127). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of staff	<u>77</u>	<u>86</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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

	2023	2022
	£	£
P Howells	55,138	23,243
A Matheson	40,655	39,471
C Hopkins	39,993	38,141
I Parker	34,562	34,000
S Taylor	41,525	39,866
P Doherty	21,257	19,741

233,130 194,462

Employer Pension Contributions

	2023	2022
	£	£
P Howells	3,210	2,253
A Matheson	4,003	3,758
C Hopkins	3,957	3,683
I Parker	997	959
S Taylor	4,109	3,858
P Doherty	3,377	2,229

19,653 16,740

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.

Reimbursed expenses

The following expenses were reimbursed during the year:

	2023	2022
	£	£
P Howells	1,207	982
A Matheson	1,117	111
C Hopkins	-	329
I Parker	4,986	2,695
S Taylor	584	626
P Doherty	957	-
	8,851	4,743

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
Cost				
At 1 April 2022	11,088,710	128,927	482,208	11,699,845
Additions	2,597,321	—	49,881	2,647,202
Disposals	(548,171)	—	—	(548,171)
Revaluations	156,094	—	—	156,094
At 31 March 2023	13,293,954	128,927	532,089	13,954,970
Depreciation				
At 1 April 2022	906,478	9,972	458,300	1,374,750
Charge for the year	99,574	2,579	22,728	124,881
Disposals	(64,099)	—	—	(64,099)
At 31 March 2023	941,953	12,551	481,028	1,435,532
Carrying amount				
At 31 March 2023	12,352,001	116,376	51,061	12,519,438
At 31 March 2022	10,182,232	118,955	23,908	10,325,095

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 2023

16. Investments

	Listed investments £
Cost or valuation	
At 1 April 2022	136,941
Additions	—
Fair value movements	(6,936)
At 31 March 2023	130,005
Impairment	
At 1 April 2022 and 31 March 2023	
Carrying amount	
At 31 March 2023	130,005
At 31 March 2022	136,941

All investments shown above are held at valuation.

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

	2023 £	2022 £
Prepayments and accrued income	6,340	1,957
Other debtors	5,785	62,075
	<u>12,125</u>	<u>64,032</u>

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	85,731	93,308
Accruals and deferred income	135,753	55,023
Other creditors	—	575
	<u>221,484</u>	<u>148,906</u>

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

	2023 £	2022 £
Bank loans and overdrafts	1,026,457	1,117,171

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

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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 £75,438 (2022: £76,649).

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 carried out as at 31 March 2023 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 new employees.

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

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 Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Present value of defined benefit obligations	(979,000)	(1,184,000)	(2,691,000)	(3,425,000)	(3,670,000)	(4,609,000)
Fair value of plan assets	—	—	2,567,000	2,763,000	2,567,000	2,763,000
	<u>(979,000)</u>	<u>(1,184,000)</u>	<u>(124,000)</u>	<u>(662,000)</u>	<u>(1,103,000)</u>	<u>(1,846,000)</u>

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

	Unfunded Scheme	Funded Scheme	Total
	£	£	£
At 1 April 2022	1,184,000	3,425,000	4,609,000
Interest expense	28,000	87,000	115,000
Benefits paid	(90,000)	(136,000)	(226,000)
Remeasurements:			
Actuarial gains and losses	(143,000)	(685,000)	(828,000)
At 31 March 2023	<u>979,000</u>	<u>2,691,000</u>	<u>3,670,000</u>

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

	Unfunded Scheme	Funded Scheme	Total
	£	£	£
At 1 April 2022	—	2,763,000	2,763,000
Interest income	—	73,000	73,000
Benefits paid	(90,000)	(136,000)	(226,000)
Contributions by employer	90,000	200,000	290,000
Administrative costs	—	(26,000)	(26,000)
Remeasurements:			
Return on plan assets, excluding amount included in interest income	—	(307,000)	(307,000)
At 31 March 2023	<u>—</u>	<u>2,567,000</u>	<u>2,567,000</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Recognised in income or expenditure:						
Net interest expense	28,000	19,000	14,000	17,000	42,000	36,000
Administrative costs	—	—	26,000	31,000	26,000	31,000
	<u>28,000</u>	<u>19,000</u>	<u>40,000</u>	<u>48,000</u>	<u>68,000</u>	<u>67,000</u>
Recognised in other recognised gains and losses:						
Other costs in other recognised gains/losses user defined 1	—	—	87,000	—	87,000	—
Remeasurement of the liability:						
Actuarial gains and losses	(143,000)	(39,000)	(772,000)	(293,000)	(915,000)	(332,000)
Return on plan assets, excluding amounts included in net interest	—	—	307,000	104,000	307,000	104,000
	<u>(143,000)</u>	<u>(39,000)</u>	<u>(378,000)</u>	<u>(189,000)</u>	<u>(521,000)</u>	<u>(228,000)</u>

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

	Funded Scheme	
	2023	2022
	%	%
Cash and cash equivalents	7.56	7.75
Insured annuities percentage	17.45	21.17
Net current assets percentage	74.99	71.08

The return on plan assets are as follows:

	Funded Scheme	
	2023	2022
	£	£
Return on assets of benefit plan	<u>(234,000)</u>	<u>(50,000)</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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

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

	Unfunded Scheme		Funded Scheme	
	2023	2022	2023	2022
	%	%	%	%
Discount rate	4.50	2.50	4.50	2.60
Expected rate of increase in pensions	—	—	3.00	3.60
Inflation assumption	2.25	3.50	2.25	2.95
Mortality rates:				
Current pensioners at 65 - male	86.20	86.80	86.20	86.80
Current pensioners at 65 - female	88.70	89.10	88.70	89.10
Future pensioners at 65 - male	87.20	87.80	87.20	87.80
Future pensioners at 65 - female	<u>89.80</u>	<u>90.30</u>	<u>89.80</u>	<u>90.30</u>

21. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
General funds	18,358,853	5,093,531	(4,603,629)	(201,932)	(6,936)	18,639,887
Defined benefit pension schemes	(1,846,000)	363,000	(141,000)	—	521,000	(1,103,000)
	<u>16,512,853</u>	<u>5,456,531</u>	<u>(4,744,629)</u>	<u>(201,932)</u>	<u>514,064</u>	<u>17,536,887</u>

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
General funds	17,880,499	4,844,891	(4,061,368)	(300,681)	(4,488)	18,358,853
Defined benefit pension schemes	(2,303,000)	350,000	(121,000)	—	228,000	(1,846,000)
	<u>15,577,499</u>	<u>5,194,891</u>	<u>(4,182,368)</u>	<u>(300,681)</u>	<u>223,512</u>	<u>16,512,853</u>

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

21. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
Missionary fund	–	71,831	(273,763)	201,932	–	–
Building funds	2,596,236	73,491	(258,093)	–	–	2,411,634
Other restricted income	995,111	185,574	(113,473)	–	–	1,067,212
	<u>3,591,347</u>	<u>330,896</u>	<u>(645,329)</u>	<u>201,932</u>	<u>–</u>	<u>3,478,846</u>

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Missionary fund	–	42,097	(342,778)	300,681	–	–
Building funds	2,679,248	87,807	(170,819)	–	–	2,596,236
Other restricted income	968,013	217,945	(190,847)	–	–	995,111
	<u>3,647,261</u>	<u>347,849</u>	<u>(704,444)</u>	<u>300,681</u>	<u>–</u>	<u>3,591,347</u>

Missionary fund

The missionary fund comprises restricted income which is related to missionary work under the Action Overseas 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.

The Apostolic Church

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	11,612,909	906,529	12,519,438
Investments	130,005	–	130,005
Current assets	8,144,914	2,572,317	10,717,231
Creditors less than 1 year	(221,484)	–	(221,484)
Creditors greater than 1 year	(1,026,457)	–	(1,026,457)
Defined benefit pension	(1,103,000)	–	(1,103,000)
Net assets	17,536,887	3,478,846	21,015,733

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	9,409,817	915,278	10,325,095
Investments	136,941	–	136,941
Current assets	10,078,172	2,676,069	12,754,241
Creditors less than 1 year	(148,906)	–	(148,906)
Creditors greater than 1 year	(1,117,171)	–	(1,117,171)
Defined benefit pension	(1,846,000)	–	(1,846,000)
Net assets	16,512,853	3,591,347	20,104,200

23. Financial instruments

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

	2023 £	2022 £
Financial assets measured at fair value through income and expenditure		
Listed investments	130,005	136,941

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. Analysis of changes in net debt

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	12,690,209	(1,985,103)	10,705,106
Debt due within one year	(93,308)	7,577	(85,731)
Debt due after one year	(1,117,171)	90,714	(1,026,457)
	11,479,730	(1,886,812)	9,592,918