



**ELIM FOURSQUARE GOSPEL
ALLIANCE**

**CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED 30 September 2017**

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LEGAL AND ADMINISTRATIVE DETAILS

Charity registration

England and Wales 251549
Scotland SCO37754

Registered Office

De Walden Rd
West Malvern
Worcestershire
WR14 4DF

Property Trustee

The Elim Trust Corporation

Directors of the Elim Trust Corporation

Rev S Blount
Rev C P Cartwright (Chairman)
Rev C W Dye
Rev J J Glass
Rev K M Peat
Rev R Millar

Rev D Campbell
Rev D Clark
Rev S D Foster
Rev G H Neale
Rev M Pugh

National Leadership Team and Trustees

C P Cartwright (Chairman)
D Campbell
C W Dye
S D Foster
J J Glass

S Blount
D Clark
G H Neale
K M Peat
M Pugh

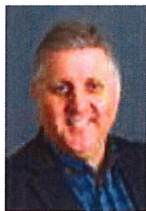
Principal Officers

General Superintendent
Director of Ministry
International Missions Director
Irish Superintendent
Director of Training
Evangelism Director
National Director of Youth Ministries
National Administrator
Finance Director

Rev Chris Cartwright
Rev Stuart Blount
Rev Paul Hudson
Rev Edwin Michael
Rev David Newton
Rev Gary Gibbs
Rev Tim Alford
Rev Sarah Bale
Rev Robert Millar

LEGAL AND ADMINISTRATIVE DETAILS

National Leadership Team



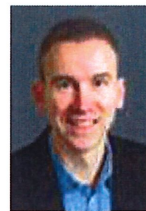
Stuart Blount
Director of Ministry



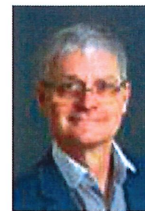
David Campbell
Regional Leader
Metropolitan East &
Metropolitan West



Chris Cartwright
General Superintendent



Duncan Clark
Senior Minister
Elim Coventry



Colin Dye
Senior Minister
Kensington Temple,
London



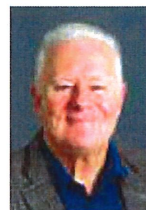
Simon Foster
Regional Leader
Wales and
Southern England



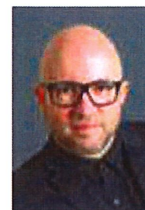
James Glass
Senior Pastor
Glasgow Elim Church



Gordon Neale
Regional Leader
Midlands and
North East



Kevin Peat
Regional Leader
Scotland, North West
England & North Wales



Mark Pugh
Senior Minister
Rediscover Church,
Exeter

Heads of Department and Officers



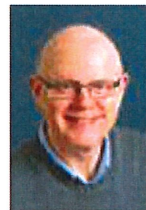
Tim Alford
Director
LIMITLESS



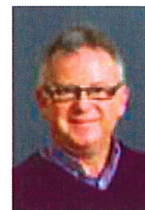
Sarah Bale
National Administrator



Alistair Cole
Chairman
Elim Prayer Network



Gary Gibbs
Director of REACH



Paul Hudson
Director of
International Missions



Mark Lyndon-Jones
Director
MPower



Leanne Mallett
Director
Aspire



Alun Mathias
Executive Director



Robert Millar
Finance Director



David Newton
Director of Elim Training
Principal of Regents
Theological College

LEGAL AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
130 High Street
CHELTENHAM
Gloucestershire
GL50 1EW

RBS / National Westminster Bank Plc
31 Promenade
CHELTENHAM
Gloucestershire
GL50 1LH

Solicitors

Anthony Collins Solicitors LLP
134 Edmund St
Birmingham
B3 2ES

Bates Wells & Braithwaite
2-6 Cannon Street
London
EC4M 6YH

dfLegal
1 North Place
Cheltenham
Gloucestershire
GL50 4DW

Auditors

Grant Thornton UK LLP
Registered Auditors
11-13 Penhill Road
Cardiff
CF11 9UP

Other advisers

Pension Fund Solicitors

Dickinson Dees
St Ann's Wharf
112 Quay side
NEWCASTLE
N99 1SB

Pension Fund Administrators

Punter Southall
Wellbar Central
Gallowgate
Newcastle
NE1 4TD

Pension Fund Actuaries

Punter Southall
33-35 Queen Square
Bristol
BS1 4LU

Solicitors in Scotland

Beveridge Philip & Ross
22 Bernard St
Leith
EDINBURGH
EH6 6PS

Solicitors in Northern Ireland

Cunningham and Dickey
68 Upper Church Lane
BELFAST
BT1 4LG

REPORT OF THE TRUSTEES

Objectives and policies

The overall objective of the Alliance is the "Propagation of the Gospel of Jesus Christ". Each and every activity included in these financial statements represents our present endeavours to that end. Some of the means set out for the achievement of these objects are the training and sending out of Ministers and Evangelists, the establishment of Churches, the issue of Christian publications and operating of community and social programs.

Public Benefit

The Trustees have considered the Charity Commission's guidelines on public benefit and have reviewed the charities activities to ensure that they provide benefit to the public. In shaping and planning our activities the trustees always ensure that the programmes we undertake are in line with our main objective. We share with other Christian denominations a core belief in the gospel of Jesus Christ and in the personal transformation that results from believing in and following Him. Our churches and members are committed not just to speaking about Him but to demonstrating Christ's love in practical action and service within their neighbourhoods and communities.

STRATEGIC AND ACTIVITY REVIEW

A RENEWED ADVENTURE OF MISSION

We believe God is calling us on a renewed adventure of mission, as we enter new territory culturally and socially, and operate in a changing landscape for ministry and outreach.

We are seeking to develop a better understanding of the times, awakening to, and engaging with, a new culture as we reach out with the unchanging gospel of Jesus Christ.

LEADERS CHALLENGED AND STRETCHED

The Christian Church has navigated significant cultural and social changes before. As we enter a new season, our leaders will be challenged and stretched, both individually and corporately, to pursue God's plans and purposes for whatever He has called them to steward.

STEWARDSHIP MATTERS

What we steward really matters and how we steward people and resources will be very significant. The important thing is that we don't limit God; it's all about pursuing His unlimited plans and purposes for our churches and our future.

CELEBRATING DIVERSITY WITH INTENTIONAL SHARED PRIORITIES

By celebrating the diversity expressed in our church network both in the UK and Ireland, and overseas, we seek to encourage and support thousands of leaders and volunteers as they pursue their independent local vision.

Alongside this, we believe we can be more intentional together in sharing the gospel and achieving our shared strategic priorities at the core of Elim's DNA, strengthening relationships and connection across the network based on mutual respect, recognition and support.

BRINGING COMMUNITY TRANSFORMATION

Doing life together, and bringing transformation at every level of society, won't necessarily look like traditional historic church programs. Many of our churches have seen a significant local impact from innovative and creative missional activities such as food banks and homeless shelters at the heart of the community.

REPORT OF THE TRUSTEES

UNLIMITED PLANS WITH BI-FOCAL VISION

God's plans for the millennial generation are unlimited. There are communities on our doorsteps that God has a passion to reach and He is raising up men and women to step up to the challenge, get out of their churches and into the mission of Christ.

To accomplish this, we need a bi-focal vision; caring for the needs of the church, but not being limited by them. We are called to care for all those within our reach and to stretch into communities and sub-cultures where we have not yet gone.

As a movement, our four main strategic priorities at the core of our DNA are:

MAKING DISCIPLES

To plant the gospel of Jesus Christ in a relevant way in individual lives and communities, making life-long disciples in the UK and every nation across the globe. This year we saw the birth of our new Evangelism Academy, and we are currently developing a national, cohesive framework for evangelism to help us reach our communities with more effectiveness over the next 5 to 10 years. We were delighted to see the launch of our new Young Aspire leadership team, and the new youth ministries developed by Limitless Pioneers.

PLANTING AND GROWING CHURCHES

To facilitate the Movement's ever-increasing and effective planting of Elim churches worldwide, with fully trained church planters inspiring more people to plant churches, and increasing our positive impact in the communities we serve. This is why we have established a new church planting team this year to oversee the discipleship and training of our church planters. The team launched a new training module in November 2017 to help our church planters to launch and grow successful new churches.

REACHING NATIONS

To be an international, disciple-making Movement with strategies for church-planting and leadership development in every nation. During 2016/17 we hosted our first UK conference for missionaries in over ten years. Elim Sound also served at our first South East Asia conference in Cambodia for 50 delegates from 10 nations, while MPower faced the challenge of 'on-the-edge' mission in the Dominican Republic of Congo.

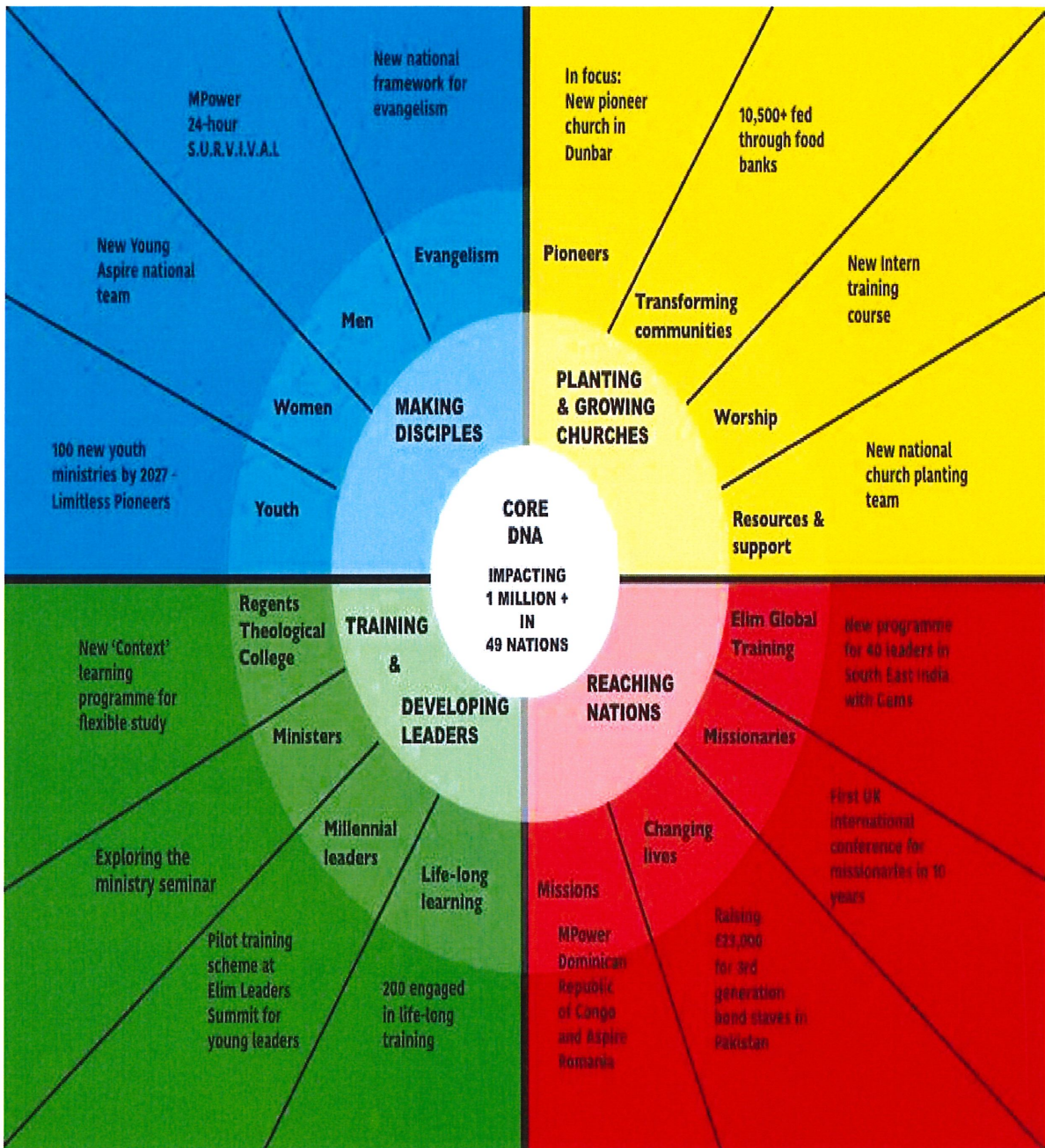
TRAINING AND DEVELOPING LEADERS

To train, develop and support leaders across the Elim Movement and beyond, seeking to develop servant leaders who are committed to working on behalf of others and have a positive contribution to make in wider community life. This year we piloted a new initiative to bring 120 young leaders together to support, train and equip them in their ministry at Elim Leaders' Summit. We also launched a new, context-learning programme to enable students at Regents Theological College to study full or part-time from home, helping them to continue in their roles in the community or local church.

For more extensive details on our vision and performance on activities we would encourage you to access the Elim website using the following link. <https://www.elim.org.uk>

REPORT OF THE TRUSTEES

The following graphic seeks to indicate our proposals towards realising these priorities.



REPORT OF THE TRUSTEES

Constitution and legal status

The constitution of the Elim Foursquare Gospel Alliance ("the Alliance") was established by a Deed Poll registered on 10 April 1934, as amended by Deeds of Variation dated 14 January 1942 and 12 September 2007 and a Deed disclosing the Irish Constitution in 1942. The Alliance is a registered charity in England and Wales (charity registration number 251549) and in Scotland (SCO37754).

Branches, connected trusts and subsidiary companies

The following entities are connected with Elim Foursquare Gospel Alliance:

Name	Country of Incorporation	Relationship	Address	Activity
Elim Church Incorporated	England & Wales	Common Directors	Elim International Centre De Walden Rd West Malvern WR14 4DF	Act as an association of churches to promote the Christian religion
Elim Trust Corporation	England & Wales	Common Directors / Trustee	Elim International Centre De Walden Rd West Malvern WR14 4DF	Elim Trust Corporation acts as a Property Trustee for Elim Foursquare Gospel Alliance.
Elim Pentecostal Alliance Council	Northern Ireland	Common Directors / Trustee	Elim Corporate Office 14 Charlestone Ave Portadown N Ireland BT63 5ZF	Trustee for certain properties in Northern Ireland
EPC Services Limited	England & Wales	Wholly owned subsidiary	Elim International Centre De Walden Rd West Malvern WR14 4DF	Carries out any trading aspect of the Alliance in relation to insurance and conferences and building development

A list of addresses and contacts for local churches is available from the Registered Office of the Alliance, or from the Charity website at www.elim.org.uk. This list includes details of churches associated through the Elim Church Incorporated (see above table).

Local churches are branches set up to conduct the business of the main charity in fulfilling its objectives.

Investments / management of resources

Agreement has been reached with the main bankers to the effect that an allowance is made on the credit balances held in current accounts which is then applied towards subsidising bank charges levied on church accounts.

Reserves Policy

The Alliance continues to hold general reserves, of which a significant proportion relates to provision of fixed assets. The general reserves are maintained in order to provide for the future operations of the charity, in recognition of the fact that its income mainly comes from voluntary sources. The present level of Free Reserves would support the activity of the Alliance for approximately six months if no further income were to materialise. The Reserves as at the 30 September 2017 are detailed on the Balance Sheet on page 25.

Payment Policy

Payment to suppliers is generally made within the terms agreed on confirmation of order for goods or services.

REPORT OF THE TRUSTEES

Funding

The Trustees are satisfied that the charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds. While individual activities are generally constructed so as to be self-funding the Trustees reserve the right to allocate finance from general unrestricted funds where this is felt to be essential or beneficial towards the fulfilment of our objectives.

Communication and Involvement of Members

The Alliance has continued its practice of maintaining communication to churches and their ministers and officers on matters affecting them in fulfilment of their roles, and financial and statutory factors impacting the Movement as a charity.

For the last two years we have produced an annual Review booklet in which we seek to represent Elim's vision, strategy and performance in a more informal publication.

Direction Magazine continues to serve as a general news vehicle to the members and the general public.

A monthly circular, "NETWORK" contains updates on issues of charity administration, including statutory developments, employment issues, etc. This despatch also includes communications from various other Christian organisations with whom we network. A database of email details is also maintained which facilitates correspondence on more pressing issues.

The Conference Agenda includes annual reports from Alliance officers and departments together with the Financial Statements and copies are supplied to all ministers and church lay representatives. Members of Conference, individually or on behalf of their church, are able to add items to the agenda or raise comment on others, for discussion during the Conference sessions.

Our central website www.elim.org.uk is continually updated.

All the central departments publish their own site, as do most of our churches throughout the UK.

An online advice service ElimNET, is maintained which focuses on administrative information and guidance for church leaders and officers, covering a wide range of topics including taxation, Health and Safety, and Gift Aid procedures. Much of the information is available for download in PDF format. The national ministry departments also use the site to disseminate resources and communicate policy.

The General Superintendent maintains regular communications on major issues to ministers, church elders, and members.

Annual reviews on administrative matters are issued to treasurers and church administrators.

The Alliance has 10 Regions across the UK. Each is supervised by a Regional Leader / Superintendent, and has a co-ordinating committee made up of ministers and individuals from churches in that region. These regions have established their own local communications programs.

The activities of the Alliance would be impossible without the willing and generous participation of its members and friends. It would be impossible to number those involved, but research has shown that at least 60% of members will be directly involved in regularly sharing responsibilities in the activities of the Church. We would place on record our wholehearted appreciation for this ongoing support and look forward with our members to enjoying the fruit of their labours.

REPORT OF THE TRUSTEES

GOVERNANCE

Conference: The legislative body is the Conference, which meets at least annually and is comprised of a Representative and a Ministerial Session. The Representative Session consists of all ministers, and lay representatives appointed by the Churches. The Ministerial Session, which consists of ministers only, deals with all ministerial and pastoral subjects. All other matters, including the making of General Rules and Working Arrangements, are exclusively within the province of the Representative Session.

National Leadership Team: The National Leadership Team (NLT) is appointed from among members of the Conference. The General Superintendent is nominated by the NLT of the day and submitted to Conference for a confirmatory vote. The individual so appointed serves for four years but is eligible for re-election. The General Superintendent nominates the members of the NLT on a rotational basis and these nominees are again subject to a confirmatory vote of the Conference, and successful candidates serve for four years. All the Ministers, and Lay Representatives from each Church, have votes in the election, which is conducted by postal ballot. Members of this team serve as trustees of the Alliance and meet at least five times per annum and are responsible for ensuring that procedures and working arrangements of the Constitution are applied in the activities of the Alliance and in the course of administration of the affairs of the Alliance.

Officers and Committees are also appointed to help the smooth running of the various Departments.

Management Board: This body is constituted by Conference and consists of the three members of the National Leadership Team, the Executive Director, the Administrator, the Finance Director and a minimum of three Lay appointments approved by the National Leadership Team. The Board is responsible for supervision and monitoring the management and application of the charity's assets.

Audit Committee: This committee operates under guidelines established by the Financial Reporting Council (FRC). Members are appointed by the National Leadership Team, to whom they will seek to provide assurance on processes relative to management of corporate risk and governance.

Salary Committee: The Lay representatives on the board also serve as the Salary Committee for the Charity.

Regions: These are comprised of groups of churches. A Regional Leader supervises two regions, with the support in each of a Regional Co-ordinator and Regional Committee. The Committee consists of the Regional Co-ordinator, four co-optees and four members appointed from within the region.

Church Leadership Teams: Responsible for the administration and management of the local Churches, general purposes, finances and personnel. Capital projects and expenditure require the approval of the NLT / Management Board. Appointments to the Church Session and appointments of church officers are governed by the local Church Constitution.

Trustees / Directors: The Elim Trust Corporation, a company limited by guarantee, was legally constituted to serve as a trustee for the Alliance in matters of property and business. A few properties are still held in trust for the Alliance by local trustees under the terms of a Model Trust Deed, and a further few properties are held under the auspices of the Elim Pentecostal Alliance Council. Most of these properties have been transferred under the auspices of the Elim Trust Corporation, and the process will continue for the remainder.

The members of the National Leadership Team listed on page 2 and the Finance Director are the directors and served throughout the year unless a termination of office or appointment date has been reported.

Following discussions with the Charity Commissioners and since the constitutional changes confirmed by conference in prior years the members of the NLT are also now effectively trustees of the Alliance.

No salary is paid for holding position as a member of the NLT and therefore ex officio as a trustee of the Alliance. Since qualification for appointment requires that candidates must be credentialed ministers and serving in full time roles all the individuals will be in receipt of payment of remuneration solely related to

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2017

REPORT OF THE TRUSTEES

that function and not as trustees. In line with SORP requirements we have included details of those payments.

Summary of Salaried roles held by Trustees

	2017	2017	2017	2016	2016	2016	
Name	Salary	Employers NI	Pension	Salary	Employers NI	Pension	Position salaried
John Glass	-	-	-	39,438	4,696	18,202	John served as General Superintendent until his retirement in May 2016
Chris Cartwright	85,000	10,607	5,184	67,778	8,133	4,882	Chris serves as General Superintendent, the most senior full time position in Elm, and global leader of the charity
Stuart Blount	62,197	7,460	5,184	41,815		5,184	As from October 2016 Stuart is now serving as national Director of Ministry having previously been the Senior Minister at our CLC church in Selly Oak
David Campbell	61,297	7,336	6,084	62,197	7,464	5,184	Serves as Regional Leader for the Metropolitan East and West Regions
Duncan Clarke	45,564		5,184	39,564		5,184	Serves as Senior Minister of our church at Coventry
Colin Dye	98,216			90,000			Serves as Senior Minister of our largest church, Kensington Temple in London and also as Regional Leader of the London City Region
Simon Foster	63,441	7,633	5,184	55,944	2,385	3,456	Served as Senior Minister of our church in Bristol until May 2016 when he took up the role as Regional Leader for the Southern and Wales and South West
James Glass	39,766		5,184	39,766		5,184	Serves as Senior Minister of our church in Glasgow
Gordon Neale	38,197	4,148	29,184	61,781	3,948	5,184	Serves as Regional Leader for the Midlands and North East Regions
Kevin Peat	62,201	7,460	5,184	62,197	7,464	5,184	Serves as Regional Leader for Scotland and North West Regions
Mark Pugh	48,996		5,184	48,996		5,184	Serves as Senior Minister of our church in Exeter
	604,875	44,644	71,556	609,477	34,090	62,828	
Total per note 8 to the accounts	721,075			706,395			

Trustee - related Parties	2017	2016	
Name	Salary	Salary	Position salaried
Amanda Dye	50,000	50,000	Full time senior administration and ministry role in the church at Kensington Temple, London
Amanda Blount	-	2,098	Part-time administrative role in the church at Selly Oak CLC until the end of the year September 2016
Amanda Campbell	8,240	9,000	Part-time role as leader of Lifelink within the Elm International Missions department.
Beryl Glass	6,206	6,206	Part-time administrative role in the church in Glasgow since 2011, prior to her husband becoming a trustee. Now also a credentialed minister in training.
Jane Foster	7,800	8,400	Part-time administrative and support role in the church in Bristol until May 2016, then with the Southern and Wales Regions
Kay Neale	1,320	-	Part-time administrative and support role for Midlands and North East Regions
Margaret Peat	7,800	4,000	Part-time administrative and support role for Scotland and North West Regions
Total per note 8 to the accounts	81,366	79,704	

REPORT OF THE TRUSTEES

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the charity may continue.

It is the policy of the charity that training, career development and promotion opportunities should be available to all employees.

Risk Management

The Alliance has historically been very pro-active in risk management. Current policies are subject to review by the NLT and Management Board. It is the responsibility of the Principal Officers to identify and assess areas of risk and formulate necessary controls and procedures.

The main procedures adopted by the Alliance include:

- Committee structure with regular meetings.
- Detailed terms of reference for each committee, together with formal agendas and minutes of all meetings.
- Accountability of all national officers and lines of reporting clearly established.
- Formal written policies and operational requirements and maintaining database to monitor compliance.
- Retaining third party consultants in particularly sensitive areas such as Human Resources and Child Protection etc.
- Regular update training for trustees and officers.
- Budget and management accounting and regular finance reporting.
- Strong internal controls.
- Subscription to relevant journals, literature and regular "watchdog" reports from various advisors.
- The development of the ElimNET website resource to keep local church ministers and administrators informed and updated.
- The provision of charity specific insurance policies covering not only fixed assets of the Alliance but also major public and employment liabilities.
- An independent Audit Committee is in place with primary responsibility to review financial governance and processes.

The trustees recognise that the scope of our ministry and activity brings considerable responsibility and take seriously the need to ensure that the testimony of the Alliance is maintained at a high level and are satisfied that the major risks have been identified and the relevant processes are in place to manage those risks as far as humanly possible. During this next year the Audit Committee will be reviewing our risk profile with a view to updating and consolidating the Risk Register.

Grant Policy

No donations were made to political organisations. Grants to external bodies are only made to those organisations and activities which are compatible with our charitable objectives. Grants to individuals are in keeping with the parameters of the relevant fund and restricted to those participating in ministry within the Alliance activities, or to alleviate poverty or hardship circumstances. Other national or central funds have been established from which grants are made to Elim churches towards the furtherance or maintenance of their activities.

Policy on funding of overseas activities

The Alliance maintains support for ministry and community projects overseas, both through its central Elim International Missions department and from local church resources. Many of the mission fields have now been developed and established with local indigenous government, operating under the statutory requirements of their national laws and regulations. The administration and application of the funds has therefore been placed in the hands of national leaders. Funding made available to other charities in respect of relief work etc is donated as restricted funds to the receiving charity. Such receiving charities are vetted by the International Missions Department and subject to approval by the National Leadership Team.

REPORT OF THE TRUSTEES

Payments can only be made to subsequently approved organisations and individuals, All funds to third parties overseas are processed through the offices of the International Missions.

Subsidiaries

EPC Services Ltd has traditionally operated to serve our needs in areas of commercial activity particularly insurance, and conferences. As the insurance business now relates entirely to Alliance activities this function has become an internal operation of EFGA under the auspices of the Finance Department.

REPORT OF THE TRUSTEES

FINANCE DIRECTORS REPORT -- Review of performance for the year

As always due diligence and good stewardship continue to be the order of the day. This annual report once again reflects a steady performance overall. The Alliance has maintained its level of operation and ministry in the continuing uncertain economic climate but has also embarked on a substantial programme to pioneer and plant new Churches throughout the UK financed mainly from funds set aside as part of our special Centenary Celebrations in 2015.

When viewing the Financial Reports of the Alliance, it is also important to remember that these reflect the consolidation of the activities of about 460 Alliance Churches. We therefore express our appreciation for the tremendous support and input we receive from the "Finance Team", which includes all the local Church Finance Officers most of whom provide their services on a voluntary basis.

Consolidated Statement of Financial Activities - Page 23

Revenue performance of the various activities are summarised in notes 1 to 4 (Income) and notes 5 to 8 (Expenditure).

Overall income for the year was £68m (2016: £66m) an increase of 2.4%.

Voluntary income mainly from church offerings continue to be our main source of funds, generating 70% of total income. We are encouraged by the increase of 4.9% on previous year. We are extremely grateful to our members and friends for their ongoing and consistent commitment and support.

Of the general income 44% was donated under Gift Aid resulting in approximately £5m of tax rebate. There is still scope for churches to encourage increased participation in the scheme.

We continue to promote the new digital and online resources now available to ensure that our members and supporters have access to all possible opportunities to make their donations.

Ancillary programs reflect engagement in specific areas of community impact. Overall income increased by 7%. Support for a range of Community Programs including foodbanks, luncheon clubs etc. almost doubled. Nurseries have been severely impacted by the new statutory introductions and the further delay in receiving payments from local authorities. The Nursing Homes, in common with the NHS and other care providers have struggled to maintain staffing levels and at times have had to restrict intake which clearly affects income.

Total Expenditure for the year was £65m (2016: £62.3m) an increase of 4%, representing 95% of total income.

Elim has continued to maintain its central objective and mission to "spread" and "demonstrate the full Gospel of Jesus Christ" in such ways as to ensure that individuals, families and communities will have the opportunity to experience the beneficial impact of faith in God.

The application of charity funds is focused to that end. 92.6% of income has been applied directly to Charitable Activities.

We are extremely grateful for the faithful commitment of staff and volunteers who are engaged in a wide range of programs both in the UK and overseas. Please see notes 5 through 7 which will give some indication of the scope of Elim ministries, including nurseries, coffee shops, bookrooms and nursing homes alongside a large variety of engagement in traditional church activities. The details in note 8 confirm that 1,958 individuals are paid staff but these are supported by almost 10,000 volunteers. We salute them all!

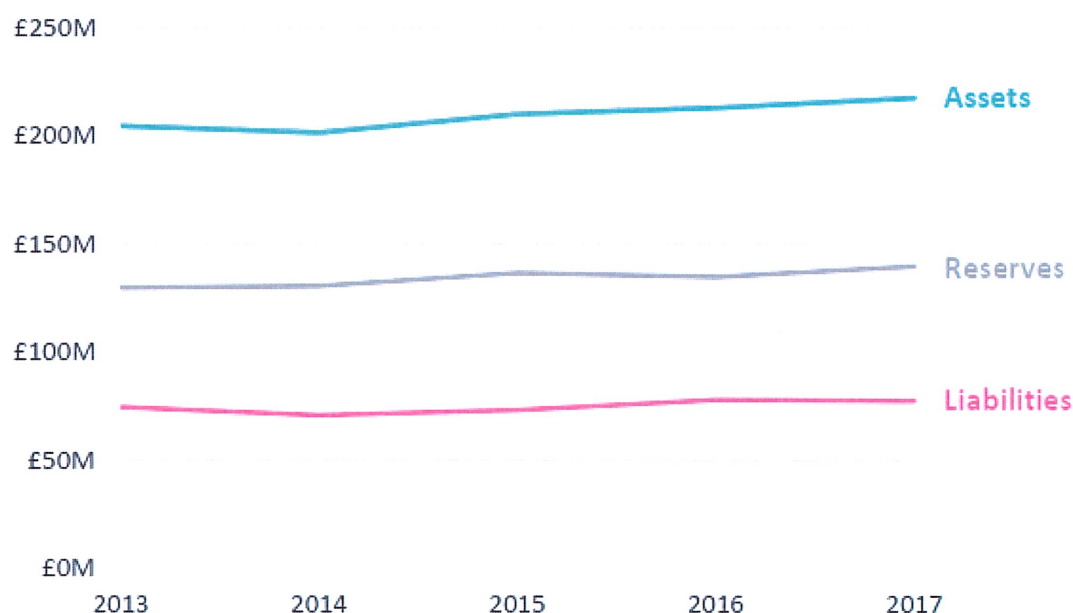
CONSOLIDATED BALANCE SHEET - Page 25

The stability of the Alliance's financial position is reflected by the balance sheet. The surplus of £3 million on the Revenue Account has generated an increase in free reserves which have now reached a level of £41.7m (2016: £39.9m).

REPORT OF THE TRUSTEES

EFGA Consolidated Financial Statements Summary

Balance Sheet 2017



The Consolidated Balance Sheet continues to affirm the solidity of the Alliance's financial position. Much of this strength is vested in property, namely just over 300 Church buildings, and 62 manse alongside the central properties at Malvern. As we are not in business as property developers, these assets represent pockets of ministry and activity across the nation.

The chart above also shows the financial liabilities, mostly representing loan facilities of £49.8m (2016: £51.2m) provided by banks in support of capital projects undertaken by the Alliance. These loans are secured by legal charges against properties. However our net reserves of almost £140m confirm that we have a surplus equity of 63%, while against Property Asset the surplus equity is 73%.

We do appreciate the longstanding relationships with our main bankers Lloyds and RBS/NatWest, and their ongoing support for our Capital projects.

During the year 28 capital projects relating to the purchase and improvement of Church properties have been undertaken at a cost of approximately £3.2m (see note 9). Other than the £1m arising from sales of properties, the balance has been provided from funds generated by local Churches.

Property assets are included at 1998 valuation and cost on additions since then. Recent extensive valuation exercises indicate a conservative potential current value of £287m against disclosed Balance Sheet amount of £194m.

Though we do not process revaluation assessments through the accounts we have continued to apply an annual depreciation charge – see note 9 – 2017: £1.5m. However sizeable amounts are expended annually on maintenance and refurbishment of Alliance properties - £3.36m in the current year (2016: £2.4m).

We are grateful for the opportunity to represent the Kingdom of God, and must acknowledge His grace and blessing which is reflected in the financial statements herewith. We pray for the grace to continue to serve and minister and for God's continuing blessing which is our major resource of enabling and support to move forward in the fulfilment of His mission.

REPORT OF THE TRUSTEES

Trustees' responsibilities for the financial statements

Trustees' Responsibilities Statement

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, and the regulations made thereunder, requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of the resources, including the income and expenditure, of the charity and group 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 set out in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust Deed. The trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Following a review undertaken by the Audit Committee it has been decided to appoint new auditors as from the new financial year to 30 September 2018. We have enjoyed a long relationship with Grant Thornton UK LLP and thank them for their support and excellent service since their original appointment.

The new auditors will be Kingston Smith LLP.

Signed by order of the National Leadership Team



STUART BLOUNT - TRUSTEE

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2017

AUDIT REPORT - INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF ELIM FOURSQUARE GOSPEL ALLIANCE

Opinion

We have audited the financial statements of Elim Foursquare Gospel Alliance (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 September 2017 which comprise the group and parent charitable balance sheets, the group and parent charitable statements of financial activities, the group cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 September 2017 and of the group's and the parent charity's incoming resources and application of resources, including the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under sections 151 of the Charities Act 2011 and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. 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 group and parent 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.

Who we are reporting to

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 group or the parent 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.

AUDIT REPORT - INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF ELIM FOURSQUARE GOSPEL ALLIANCE

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 5 to 16 other than the financial statements and our auditor's report thereon. 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 Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient and proper accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees are responsible for the preparation of the financial statements which 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 group's and the parent 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 group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Rhian Owen
Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2017

ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Constitution of the Alliance, applicable accounting standards, and recommendations in the Statement of Recommended Practice: Accounting by Charities (the SORP), except as noted below.

They have been prepared under the historical cost convention except that certain freehold properties are shown at their previously revalued amounts.

The financial statements are submitted under the Charity SORP (FRS102).

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the charity and its subsidiary undertakings drawn up to 30 September 2017. All intra-Alliance transactions and profits are eliminated on consolidation, unless indicative of an underlying impairment.

The results of the charity's charitable trading income have been incorporated on the basis of the summary income and summary expenditure.

The results of the local churches have been incorporated on a line by line basis.

Funds administered by overseas activities have been excluded in accordance with current policy.

BRANCHES

The financial statements of the charity incorporate those of all funds and branches which are governed by the terms of the Constitution of the Alliance. Branch returns and accounts have been prepared, and either examined or audited in accordance with the turnover limits provided by the Charities Act, by independent examiner and auditor.

INCOMING RESOURCES

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable. There are no donor-imposed restrictions as to the timing of the related expenditure.

Legacies are included when certain and the value can be measured with sufficient reliability.

Gifts-in-kind are accounted for at the trustees' estimate of value to the charity or sale value as follows:

- assets received for distribution by the Alliance are recognised only when distributed
- assets received for resale are recognised, where practicable, when receivable or otherwise when sold
- gifts of fixed assets for charity use, or funds for acquiring fixed assets for charity use are accounted for (as restricted funds), immediately on receipt.

Voluntary help is not included as income.

Cash collected to which the charity is legally entitled but which has not been received at the year end is included as income.

Donations under Gift Aid are credited as income when the donations are received. The associated income tax recoveries are also included on confirmation of the amount reclaimable by HMRC.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2017

ACCOUNTING POLICIES

All income on trading activities is the total amount receivable by the Alliance in the ordinary course of business for goods supplied and for services provided, excluding VAT. All income is recognised when the services are performed.

Contributions re Capital projects

Donations and gifts designated to major building renovation and refurbishment programs are included on receipt and treated as restricted funds until applied for their specific purpose.

Grants receivable

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipts have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Investment income

Investment income is recognised when receivable.

RESOURCES EXPENDED

Expenditure which is charged on an accruals basis is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objectives (direct charitable), including management and administration
- expenditure incurred directly in the effort to raise voluntary contributions (fundraising and publicity)
- refurbishment or renovation costs on properties valued in October 1998 are not capitalised but included as expenditure on the Statement of Financial Activities
- the purchase of properties overseas from funds provided by the International Missions Board is included in the statements under restricted funds expenditure and not as tangible fixed assets, except where held on behalf of the Board by the Elim Trust Corporation.
- Direct costs attributable to a single activity are allocated directly to that activity. Support costs and governance costs are allocated by management based on the most appropriate categorisation and split between categories where appropriate. See note 6a.

FUND ACCOUNTING

Restricted funds are applied for specified purposes laid down by the donor. The restriction on these funds is fulfilled on application to their specific purpose, and the expenditure for those purposes is charged to the fund. For Elim Relief Association 10% of income is allocated to the International Missions Fund in respect of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation, net of depreciation. No depreciation is charged during the year of acquisition, or period of construction. Under the transitional arrangements of Financial Reporting Standard 15: Tangible Fixed Assets, the Alliance will treat the revalued amount as the base cost and will not update the book value with subsequent valuations.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 September 2017

ACCOUNTING POLICIES

Website development costs are written off as incurred to the Statement of Financial Activities and not capitalised due to there being insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period or into the future.

Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets held for charity use other than freehold land, by equal annual instalments over their expected useful lives. The periods generally applicable are:

Freehold properties	0.35% - 0.79% reducing balance from June 1999 on valuation, or on cost incurred from that date
Leasehold properties	Period of lease
Plant and machinery	3 to 5 years
Fixtures and fittings	10 years

In accordance with FRS 102 assets in the course of construction are not depreciated. Depreciation will occur when assets in the course of construction are ready for use, being when the physical construction is complete.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the statement of financial activities.

BORROWINGS

Bank borrowings are stated net of issue costs. All attributable issue costs are amortised over the term of the loan.

Bank borrowings are secured by charges on certain properties of the Alliance as disclosed in note 15.

The borrowings are included within long term loans except for the element that is due within 12 months which is separately disclosed on the face of the Balance Sheet.

CONTRIBUTIONS TO PENSION FUNDS

Defined Benefit Scheme

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the charity, in separate trustee administered funds. Under FRS102 valuation Pension scheme assets are measured at fair values and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. This is a prescriptive valuation process determined by the Pensions Regulator purely for Employer Balance Sheet purposes. The FRS102 valuation for 2017 is £21.8m (2016: £23m).

The main actuarial valuations for Trustee management are obtained at least triennially. These results however are not reported via the Balance Sheet for the Alliance. The latest triennial report for 3 years ended 31 December 2015 indicates a resulting pension shortfall of £7.6m, with a recovery plan targeted at 2028.

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

JUDGEMENTS AND ESTIMATES

The key judgements and estimates made by the charity management relate to the following:

1. Depreciation on property assets
2. Assumptions for the Defined Benefit Pension scheme
3. The recoverability of Debtors

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017

Consolidated Statement of Financial Activities
incorporating Income and Expenditure Account

	note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOMING RESOURCES					
Activities for generating income					
Voluntary Income	1	45,780,676	2,086,326	47,867,002	45,634,969
Income generated by ancillary programs	2	18,973,778	-	18,973,778	17,762,837
Income from charitable activities	3	1,465,340	-	1,465,340	1,802,291
Other Income	4	(249,730)	-	(249,730)	1,282,681
Total incoming resources		65,970,064	2,086,326	68,056,390	66,482,778
RESOURCES EXPENDED					
Costs of generating income	5	1,330,600	-	1,330,600	1,215,466
Charitable Activities	6	61,057,145	1,961,703	63,018,848	60,650,956
Pension Adjustment		677,000	-	677,000	432,000
		63,064,745	1,961,703	65,026,448	62,298,422
Net incoming resources for the year		2,905,319	124,623	3,029,942	4,184,356
Actuarial Gain/ (Loss) on Defined Benefit Scheme		1,838,000	-	1,838,000	(5,817,000)
Fund balances at 1 October 2016		134,493,596	496,746	134,990,342	136,622,986
Fund balances at 30 September 2017		139,236,915	621,369	139,858,284	134,990,342

All of the activities of the charity are classed as continuing

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017

Statement of Financial Activities - CHARITY ONLY
incorporating Income and Expenditure Account

	note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOMING RESOURCES					
Activities for generating income					
Voluntary Income	1	45,780,676	2,086,326	47,867,002	45,634,969
Income generated by ancillary programs	2	18,737,113		18,737,113	17,572,292
Income from charitable activities	3	1,465,340	-	1,465,340	1,801,500
Other Income	4	(249,730)	-	(249,730)	1,282,681
Total incoming resources		65,733,399	2,086,326	67,819,725	66,291,442
RESOURCES EXPENDED					
Costs of generating income	5	1,330,600	-	1,330,600	1,214,821
Charitable Activities	6	60,824,306	1,961,703	62,786,009	60,452,283
Pension Adjustment		677,000	-	677,000	432,000
		62,831,906	1,961,703	64,793,609	62,099,104
Net incoming resources for the year		2,901,493	124,623	3,026,116	4,192,338
Actuarial Gain/ (Loss) on Defined Benefit Scheme		1,838,000	-	1,838,000	(5,817,000)
Fund balances at 1 October 2016		134,425,257	496,746	134,922,003	136,546,665
Fund balances at 30 September 2017		139,164,750	621,369	139,786,119	134,922,003

All of the activities of the charity are classed as continuing

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017
CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2017

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Fixed Assets					
Tangible fixed assets	9	194,480,661	-	194,480,661	194,346,676
Long term loans advanced	12	943,559	-	943,559	778,475
		195,424,220		195,424,220	195,125,151
Current Assets					
Stocks	10	42,047	-	42,047	60,473
Debtors	11	2,366,745	-	2,366,745	2,266,819
Cash at bank and in hand	13	17,917,343	621,369	18,538,712	15,570,273
		20,326,135	621,369	20,947,504	17,897,565
Current Liabilities					
Creditors	14	1,442,584	-	1,442,584	1,376,929
Current portion on long term loans	15	1,740,000	-	1,740,000	1,856,403
		3,182,584	-	3,182,584	3,233,332
Net current assets		17,143,551	621,369	17,764,920	14,664,233
Total assets less current liabilities		212,567,771	621,369	213,189,140	209,789,384
Long term loans received and other liabilities	15	51,442,856	-	51,442,856	51,750,042
Pension obligations	22	21,888,000	-	21,888,000	23,049,000
		139,236,915	621,369	139,858,284	134,990,342
Reserves					
General free reserves		41,715,110	-	41,715,110	39,851,365
General property reserves	17	119,409,805	-	119,409,805	117,691,231
Restricted funds	16	-	621,369	621,369	496,746
Pension Reserve	22	(21,888,000)	-	(21,888,000)	(23,049,000)
		139,236,915	621,369	139,858,284	134,990,342

These financial statements were approved by the National Leadership Team on
and signed on its behalf by

SB

. STUART BLOUNT - TRUSTEE .

The accounting policies on pages 19 to 22 and the notes on pages 28 to 42 form part of these financial statements.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017

CHARITY BALANCE SHEET AS AT 30 SEPTEMBER 2017

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Fixed Assets					
Tangible fixed assets	9	194,478,573	-	194,478,573	194,345,165
Long term loans advanced	12	943,559	-	943,559	778,475
		<u>195,422,132</u>		<u>195,422,132</u>	<u>195,123,640</u>
Current Assets					
Stocks	10	35,334	-	35,334	51,937
Debtors	11	2,342,862	-	2,342,862	2,241,684
Cash at bank and in hand	13	17,871,412	621,369	18,492,781	15,520,964
		<u>20,249,608</u>	<u>621,369</u>	<u>20,870,977</u>	<u>17,814,585</u>
Current Liabilities					
Creditors	14	1,436,134	-	1,436,134	1,360,777
Current portion on long term loans	15	1,740,000	-	1,740,000	1,856,403
		<u>3,176,134</u>	<u>-</u>	<u>3,176,134</u>	<u>3,217,180</u>
Net current assets		<u>17,073,474</u>	<u>621,369</u>	<u>17,694,843</u>	<u>14,597,405</u>
Total assets less current liabilities		<u>212,495,606</u>	<u>621,369</u>	<u>213,116,975</u>	<u>209,721,045</u>
Long term loans received and other liabilities	15	51,442,856	-	51,442,856	51,750,042
Pension obligations	22	21,888,000	-	21,888,000	23,049,000
		<u>139,164,750</u>	<u>621,369</u>	<u>139,786,119</u>	<u>134,922,003</u>
Reserves					
General free reserves		41,645,033	-	41,645,033	39,784,537
General property reserves	17	119,407,717	-	119,407,717	117,689,720
Restricted funds	16	-	621,369	621,369	496,746
Pension Reserve	22	(21,888,000)	-	(21,888,000)	(23,049,000)
		<u>139,164,750</u>	<u>621,369</u>	<u>139,786,119</u>	<u>134,922,003</u>

These financial statements were approved by the National Leadership Team on
and signed on its behalf by



- STUART BLOUNT - TRUSTEE

The accounting policies on pages 19 to 22 and the notes on pages 28 to 42 form part of these financial statements.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017

CONSOLIDATED CASH FLOW STATEMENT

	2017	2016
Net cash inflow from operating activities	3,029,942	4,184,356
Adjustments for:		
Depreciation	1,821,420	1,433,131
Interest received	(44,147)	(536,667)
Interest paid	1,922,902	2,257,859
Movement in stock	18,426	(16,705)
Movement in debtors	(99,926)	(996,704)
Movement in creditors	65,654	150,728
Non cash movement re Defined Benefit Pension Scheme	677,000	432,000
Profit on disposal of fixed assets	249,730	(1,282,681)
Net cash from operating activities	<u>7,641,001</u>	<u>5,625,317</u>
Cash Flows from investing activities:		
Purchase of Property, plant and equipment	(3,203,073)	(8,579,534)
Sale of Property, plant and equipment	997,938	4,042,331
Interest received	44,147	536,667
Repayment of loans made	(165,083)	212,902
	<u>(2,326,071)</u>	<u>(3,787,634)</u>
Cash flows from financing activities		
Movement in loans	(423,589)	(1,713,793)
Interest paid	(1,922,902)	(2,257,859)
	<u>(2,346,491)</u>	<u>(3,971,652)</u>
Change in cash and cash equivalents in the reporting period	2,968,439	(2,133,969)
Cash and cash equivalents at the beginning of the reporting period	15,570,273	17,704,242
Cash and cash equivalents at the end of the reporting period	<u>18,538,712</u>	<u>15,570,273</u>

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
	£	£	£	£
1. 'Activities for generating income				
1. Voluntary Income				
General Gifts and Offerings	595,008	20,599,476	21,194,484	19,848,710
Gift Aid donations and tax rebate	609,290	20,553,896	21,163,186	21,684,494
Designated gifts and offerings	678,504	2,446,629	3,125,133	2,307,484
Legacies	307,702	237,622	545,324	294,715
Grants received	1a -	1,807,254	1,807,254	1,324,198
Other donations	-	31,621	31,621	175,368
	<u>2,190,504</u>	<u>45,676,498</u>	<u>47,867,002</u>	<u>45,634,969</u>

Included with Voluntary income is £2,086,326 which relates to restricted funds (2016: £1,943,285).

1a. Grants received

Grants received from external sources during the year to 30 September 2017 and for the year to 30 September 2016, are included under income. We welcome and appreciate the support from the various grant makers and while the individual amounts are of considerable importance to the relevant individual activity, the number involved renders it impracticable to list donors in detail.

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
2. Income from ancillary programs				
Hire of premises	68,174	2,861,920	2,930,094	2,888,564
Church Seminars etc.	259,812	1,770,162	2,029,974	2,884,813
Ministry and Skills training	1,921,766	233,971	2,155,737	2,078,114
Community Programs	216,020	1,549,831	1,765,851	916,436
Childcare programs	-	7,154,864	7,154,864	5,677,501
Nursing Homes	2,851,423	-	2,851,423	2,982,438
Other ancillary activities	-	85,835	85,835	334,971
	<u>5,317,195</u>	<u>13,656,583</u>	<u>18,973,778</u>	<u>17,762,837</u>

A proportion of the income for childcare and community programs is derived from Local Authority support for payment of fees on behalf of beneficiaries. Included within the above is £236,665 which relates to the group's subsidiary company (2016: £190,545).

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
3. Income from charitable activities				
Coffee shops	-	443,657	443,657	383,026
Bookrooms	-	183,524	183,524	247,832
Charity shops	-	623,070	623,070	625,251
Sundry Activities	87,916	83,026	170,942	9,515
Interest Received	-	44,147	44,147	536,667
	<u>87,916</u>	<u>1,377,424</u>	<u>1,465,340</u>	<u>1,802,291</u>

Included in the above is £nil (2016: £791) relating to the group's subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
4. Other Income resources				
(Loss)/ Profit on sale of assets	(249,730)	-	(249,730)	1,282,681
	<u>(249,730)</u>	<u>-</u>	<u>(249,730)</u>	<u>1,282,681</u>
Total incoming resources	<u>7,345,885</u>	<u>60,710,505</u>	<u>68,056,390</u>	<u>66,482,778</u>

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
5. Costs of generating Income				
Promotion and publicity	48,559	209,220	257,779	256,539
Bank Charges	128,129	283,888	412,017	247,653
Coffee shops	13,525	307,611	321,136	325,402
Bookrooms	-	105,437	105,437	128,237
Charity shops	-	234,231	234,231	257,635
	<u>190,213</u>	<u>1,140,387</u>	<u>1,330,600</u>	<u>1,215,466</u>

Included in the above is £nil (2016: £645) relating to the group's subsidiary company.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

6. Charitable Activities expenditure		Church Activity 2017	Evangelism 2017	Youth 2017	Missions 2017	Training 2017	Ancillary 2017	Total 2017	Total 2016
6a Summary by Costs									
Personnel costs	8	20,962,168	190,433	1,047,194	348,226	1,271,212	6,541,631	30,360,864	27,360,691
UK Events and ministry programs		6,396,609	508,998	770,656	-	-	-	7,676,263	8,306,895
UK ancillary and community programs		62,609	-	-	-	-	3,157,396	3,220,005	3,612,316
Overseas ministry		50,480	-	-	1,578,701	-	-	1,629,181	2,001,782
Training and development		-	336	3,437	-	272,776	38,851	315,400	242,340
Literature and material		79,614	78,775	74,530	4,916	6,227	22,005	266,067	258,755
Premises costs		8,065,235	832	3,673	1,680	332,130	722,155	9,125,705	8,235,643
Utilities costs		1,857,086	-	-	-	114,597	-	1,971,683	1,952,248
Equipment costs		1,661,343	3,326	21,664	4,422	82,021	81,750	1,854,526	1,613,859
Office and administration costs		1,658,608	5,659	20,633	11,662	47,610	78,084	1,822,256	1,800,670
Grants Made	6c	1,557,156	37,486	18,286	-	4,940	77,917	1,695,785	1,986,812
Governance costs		933,731	107	1,908	12,095	122,133	88,237	1,158,211	1,021,086
Interest Costs		1,922,902	-	-	-	-	-	1,922,902	2,257,859
		45,207,541	825,952	1,961,981	1,961,702	2,253,646	10,808,026	63,018,848	60,650,956

Support costs amount to £1,943,960 (2016: £1,962,690) and are split out by cost type in Note 7 below.
These cost have been allocated to "Church Activity", as this is considered appropriate as this is the main activity of the charity.

Included in the above is £232,839 (2016: £198,673) which relates to the group's subsidiary company. Included in the above is £1,961,703 (2016: £2,062,680) which relate to restricted funds.

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
6b Expenditure re Ancillary Programs				
6a Church Seminars etc.	80,128	264,828	344,956	563,086
Ministry and Skills training	-	128,897	128,897	180,605
Childcare programs	-	6,063,856	6,063,856	4,083,615
Community Programs	-	1,119,424	1,119,424	573,419
Nursing Homes	3,150,893	-	3,150,893	2,870,724
	<u>3,231,021</u>	<u>7,577,005</u>	<u>10,808,026</u>	<u>8,271,449</u>

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
6c. Grants Made				
6a Individuals	168,324	509,171	677,495	636,459
Other ministries and institutions	5,603	446,480	452,083	665,395
Other charities	269,398	296,809	566,207	684,958
	<u>443,325</u>	<u>1,252,460</u>	<u>1,695,785</u>	<u>1,986,812</u>

Grants to other ministries and charities were mainly made by Churches. While specific details of each grant have not been collated but it is known that over 100 churches made such payments. The trustees are satisfied that churches are adequately advised as to the parameters relative to the making of grants and that any misapplication would not have created any material misrepresentation in the financial statements.

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
7. Governance costs				
Central and Regional Salaries	1,485,330	-	1,485,330	1,442,984
Central office premises	166,707	-	166,707	203,084
Central Equipment	99,470	-	99,470	118,329
Central administration costs	192,453	-	192,453	198,293
Principal auditor fee	107,607	-	107,607	93,000
Consultancy fees	44,692	-	44,692	136,926
Legal and advisory fees	562,270	410,560	972,830	771,028
Trustee and management committees	29,894	3,188	33,082	20,132
	<u>2,688,423</u>	<u>413,748</u>	<u>3,102,171</u>	<u>2,983,776</u>

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

8. EMPLOYEES	Central Funds 2017	Churches 2017	Total 2017	Total 2016
STAFF COSTS DURING THE YEAR WERE AS FOLLOWS:				
Wages and salaries - ministry	5,434,318	19,142,498	24,576,816	21,685,715
Wages and salaries - administration	-	2,797,915	2,797,915	3,011,812
Agency Costs	30,902	-	30,902	
Social security costs	337,058	709,693	1,046,751	851,211
Other pension costs	275,152	1,528,639	1,803,791	1,711,335
Private health insurance	30,247	74,442	104,689	100,619
	<u>6,107,677</u>	<u>24,253,187</u>	<u>30,360,864</u>	<u>27,360,692</u>

	Number 2017	Number 2016
Church and ministry staff	623	619
Youth Ministry	107	121
Administration	319	319
Care - Nursing and childcare	477	491
Community Programs	247	208
Property Services	185	186
	<u>1,958</u>	<u>1,944</u>

	Number 2017	Number 2016
£90,001 - £100,000	1	
£80,001 - £90,000	2	2
£70,001 - £80,000	2	2
£60,001 - £70,000	8	10
£50,001 - £60,000	8	9
£40,001 - £50,000	58	52
£30,001 - £40,000	151	
£20,001 - £30,000	261	
£10,001 - £20,000	670	1,869
£1 - £9,000	797	
Total	<u>1,958</u>	<u>1,944</u>

£40,001 to £50,000	58	52
£50,001 to £60,000	8	9
£60,001 to £70,000	8	10
£70,001 to £80,000	2	2
£80,001 to £90,000	2	2
£90,001 to £100,000	1	

Trustees and Officers	2017	2016
Remuneration re offices held	<u>933,656</u>	<u>784,760</u>
Disbursement of expenses in fulfilment of duties	<u>73,728</u>	<u>82,210</u>

NOTES TO THE FINANCIAL STATEMENTS

8. EMPLOYEES (Continued)

As required by the Constitution of the Alliance all members of the National Leadership Team (the Trustees) are serving ministers of the Alliance. During the year all members received remuneration commensurate with their ministerial or executive role. The total amount including pension contributions was £721,075 (2016: £706,395). A breakdown of this amount is included within the Trustees Report. Please read this in conjunction with this report.

No other payment was made during the year to persons related to a trustee other than those due under contract of employment. In the period to September 2017 the number employed was 6 (2016: 6) with a total salary of £81,366. A breakdown of this amount is included within the Trustees Report. Please read this in conjunction with this report.

The key management personnel of the Charity comprises the National Leadership Team and the Principal Officers. The total employee benefits of the key management personnel of the Charity were £1,181,750 (2016: £1,415,151). A breakdown of the amounts paid to trustees has been included within the Trustees report please read this in conjunction with this note. A breakdown of the amounts paid to related parties has been included within the Trustees report please read this in conjunction with this note.

NOTES TO THE FINANCIAL STATEMENTS

9. Tangible Fixed Assets

Group	Freehold property & leasehold improvements	Assets in the course of Construction	Fixtures, fittings & equipment	Total
Cost as at 1 October 2016	207,367,595	80,000	4,260,056	211,707,651
Additions	3,013,508	(80,000)	269,565	3,203,073
Disposals	(1,388,321)	-	-	(1,388,321)
Cost as at 30 September 2017	208,992,782	-	4,529,621	213,522,403
Accumulated depreciation as at 1 October 2016	14,266,340	-	3,094,635	17,360,975
Charge in the year	1,536,408	-	285,012	1,821,420
Depreciation on disposals	(140,653)	-	-	(140,653)
Accumulated depreciation as at 30 September 2017	15,662,095	-	3,379,647	19,041,742
Net book value at 30 September 2017	193,330,687	-	1,149,974	194,480,661
Net book value at 30 September 2016	193,101,255	80,000	1,165,421	194,346,676

NOTES TO THE FINANCIAL STATEMENTS

9. Tangible Fixed Assets

Charity	Freehold property & leasehold improvements	Assets in the course of Construction	Fixtures, fittings & equipment	Total
Cost as at 1 October 2016	207,367,593	80,000	4,254,947	211,702,540
Additions	3,013,508	(80,000)	268,026	3,201,534
Disposals	(1,388,321)	-	-	(1,388,321)
Cost as at 30 September 2017	208,992,780	-	4,522,973	213,515,753
Accumulated depreciation as at 1 October 2016	14,266,340	-	3,091,035	17,357,375
Charge in the year	1,536,408	-	284,050	1,820,458
Depreciation on disposals	(140,653)	-	-	(140,653)
Accumulated depreciation as at 30 September 2017	15,662,095	-	3,375,085	19,037,180
Net book value at 30 September 2017	193,330,685	-	1,147,888	194,478,573
Net book value at 30 September 2016	193,101,253	80,000	1,163,912	194,345,165

On 31 October 1998, the freehold property in England, Scotland, Wales and the Channel Islands was revalued by Messrs GVA Grimley (RICS). The basis of the valuation used was depreciated replacement cost for the specialised properties, existing use value assuming vacant possession for non-specialised properties and open market value assuming vacant possession for properties, which are surplus to requirements. This valuation was included in the 1998 financial statements and the surplus arising transferred to the general reserve. Subsequently the 1998 valuation has been treated as the deemed cost for the relevant properties.

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
10. STOCKS				
Group				
Goods for resale	-	33,866	33,866	35,165
Office stock	8,181	-	8,181	25,308
	<u>8,181</u>	<u>33,866</u>	<u>42,047</u>	<u>60,473</u>

Goods for resale are held by local church book rooms and EPC Services Shop

Charity

Goods for resale	-	33,866	33,866	35,165
Office stock	1,468	-	1,468	16,772
	<u>1,468</u>	<u>33,866</u>	<u>35,334</u>	<u>51,937</u>

Goods for resale are held by local church bookrooms

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
11. DEBTORS				
Group				
Trade Debtors	-	292,477	292,477	312,556
Other debtors	297,841	1,776,427	2,074,268	1,954,263
	<u>297,841</u>	<u>2,068,904</u>	<u>2,366,745</u>	<u>2,266,819</u>

Charity

Trade Debtors	-	282,330	282,330	301,719
Other debtors	297,841	1,762,691	2,060,532	1,939,965
	<u>297,841</u>	<u>2,045,021</u>	<u>2,342,862</u>	<u>2,241,684</u>

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
12. LONG TERM LOANS ADVANCED				
Group and Charity				
Advances to individuals	a 78,013	110,930	188,943	162,613
Sundry advances less provisions	754,616	-	754,616	615,862
	<u>832,629</u>	<u>110,930</u>	<u>943,559</u>	<u>778,475</u>

a. Includes advances to 2 officers of the Alliance secured against house property and repayable by date of sale £27,845 (2016: £44,300) No individual loan exceeds £30,000.

Other advances are repayable over a maximum period of 15 years and bear interest at 1% over prevailing cost of funds.

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2017	2017	2017	2016
13. CASH AT BANK AND IN HAND				
Net balance held in local church accounts	13,219,682	-	13,219,682	12,537,303
Central Funds	4,697,661	621,369	5,319,030	3,032,970
	<u>17,917,343</u>	<u>621,369</u>	<u>18,538,712</u>	<u>15,570,273</u>

The charity cash at bank amounts to £18,492,781 (2016: £15,520,964) split between £17,871,412 (2016: £15,024,218) unrestricted and £621,369 (2016: 496,746) restricted

14. CREDITORS Group	Central Funds 2017	Churches 2017	Total 2017	Total 2016
Trade creditors	492,396	407,234	899,630	812,671
Social security and other taxes	2,908	69,462	72,370	85,856
Other creditors	368,546	102,038	470,584	478,402
	<u>863,850</u>	<u>578,734</u>	<u>1,442,584</u>	<u>1,376,929</u>

Charity	Central Funds 2017	Churches 2017	Total 2017	Total 2016
Trade creditors	488,120	408,968	897,088	808,388
Social security and other taxes	575	68,887	69,462	85,856
Other creditors	355,099	110,736	465,835	464,956
Intercompany	3,749	-	3,749	1,577
	<u>847,543</u>	<u>588,591</u>	<u>1,436,134</u>	<u>1,360,777</u>

ELIM FOURSQUARE GOSPEL ALLIANCE
FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

	Central Funds 2017	Churches 2017	Total 2017	Total 2016
15. LONG TERM LOANS RECEIVED				
Unsecured liabilities:-				
Amounts due to other trusts	1,947,819	-	1,947,819	642,058
Amounts due to individuals	-	1,457,077	1,457,077	1,746,774
Amounts repayable within one year	-	(890,000)	(890,000)	(1,006,403)
	1,947,819	567,077	2,514,896	1,382,429
Secured liabilities:-				
Bank loans	49,777,960	-	49,777,960	51,217,613
Bank loan portion payable within one year	(850,000)	-	(850,000)	(850,000)
Individual loan portion payable within one year	-	-	-	-
Total Long Term Loans	50,875,779	567,077	51,442,856	51,750,042
Bank loan projected repayments				
Within one year			850,000	850,000
After one and within two years			5,000,000	5,000,000
After two and within five years			7,000,000	7,000,000
After five years			36,927,960	38,367,613
			49,777,960	51,217,613

Bank loans are secured by charges on certain properties of the Alliance.

£27.25m is provided by Lloyds as a Fixed Rate loan. The ultimate repayment date is 2042.

There is a rolling three year notice period which was extended in December 2017 which was the date of the last review.

£7 million is provided by Lloyds as a variable LIBOR + a margin loan. The ultimate repayment date on the £7 million is 2029. However there is a review date in January 2019 and 2024. The Charity needs to repay £6 million by 2024.

£2.5 million is provided by Lloyds as a variable LIBOR + a margin loan. This is repayable in instalment up to a final repayment in December 2020.

£9.4 million is provided by RBS/ NatWest at LIBOR + Margin. The loan is repayable in January 2020.

The above loan projected repayments are based on expectations and the bank renewing the facilities on each notice period/ review date.

NOTES TO THE FINANCIAL STATEMENTS

16. MOVEMENT ON RESTRICTED FUNDS

Group and charity

	CHURCH RESTRICTED FUNDS	ELIM RELIEF ASSOC. FUND	2017 TOTAL RESTRICTED FUNDS £	2016 TOTAL RESTRICTED FUNDS £
At 1 October 2016	439,519	57,227	496,746	616,141
Incoming resources	2,043,775	42,551	2,086,326	1,943,285
Expenditure	(1,910,105)	(51,598)	(1,961,703)	(2,062,680)
At 30 September 2017	573,189	48,180	621,369	496,746

Churches hold various funds as a result of specific donations, which are awaiting the relevant allocation. The major portion of these funds are church building funds.

Elim Relief Association is a fund from which to provide relief overseas through humanitarian and development programs.

17. MOVEMENT ON DESIGNATED FUNDS

The Group

	CAPITAL ASSETS FUND	2017 TOTAL DESIGNATED FUNDS	2016 TOTAL DESIGNATED FUNDS
At 1 October 2016	117,691,231	117,691,231	117,839,685
Incoming resources	-	-	-
Expenditure	-	-	-
Transfers	1,718,574	1,718,574	(148,454)
At 30 September 2017	119,409,805	119,409,805	117,691,231

The charity

	CAPITAL ASSETS FUND	2017 TOTAL DESIGNATED FUNDS	2016 TOTAL DESIGNATED FUNDS
At 1 October 2016	117,689,720	117,689,720	117,839,685
Incoming resources	-	-	-
Expenditure	-	-	-
Transfers	1,717,997	1,717,997	(149,965)
At 30 September 2017	119,407,717	119,407,717	117,689,720

Local Church leaderships have set aside monies from unrestricted funds for various specific purposes particularly building projects.

Capital Assets funds represents the accumulation of contributions applied to, held for, the acquisition of property used in pursuit of our charity objectives.

18. FINANCIAL INSTRUMENTS

Financial instruments GROUP

	2017 £	2016 £
Financial assets measured at amortised cost	21,849,016	18,615,567

	2017 £	2016 £
Financial Liabilities measured at amortised cost	54,553,070	54,897,518

Financial assets measured at amortised cost comprise Trade debtors, Other Debtors, Long term loans advanced and cash

Financial liabilities measured at amortised cost comprise Trade creditors, Other Creditors, bank loans and amounts owed to other trusts and individuals

Financial instruments CHARITY

	2017 £	2016 £
Financial assets measured at amortised cost	21,779,202	18,541,123

	2017 £	2016 £
Financial Liabilities measured at amortised cost	54,549,528	54,881,366

Financial assets measured at amortised cost comprise Trade debtors, Other Debtors, Long term loans advanced and cash

Financial liabilities measured at amortised cost comprise Trade creditors, Other Creditors, Intercompany, bank loans and amounts owed to other trusts and individuals

NOTES TO THE FINANCIAL STATEMENTS

19. CONTINGENT LIABILITIES

There are no contingent liabilities (2016 : £nil)

20. CAPITAL COMMITMENTS

The Alliance has no major capital commitments other than for church building projects contracted as at 30 September 2017.

21. OPERATING LEASES

The Churches utilise non-cancellable operating leases which does impose a commitment on the Charity. These operating leases largely consist of office equipment and rental commitments.

Operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

22. PENSIONS

The charity operates a defined benefit occupational pension scheme, the Elim Ministers' Pension Fund to provide retirement benefits for its current and previous employees. A full actuarial valuation was carried out as at 31 December 2015.

The total employer contributions during the year to 31 December 2017 amounted to £1,632,000 (2016: £1,769,000).

Contributions to the scheme for the year ending 31 December 2018 are expected to be £1.7 million.

The scheme is funded by payment of contributions from the Alliance to a trustee administered fund (members are not required to contribute).

Benefits were built up in the scheme during the year on a 'final salary' basis, whereby the associated pension benefits are calculated with reference to a member's Final Pensionable Salary at the time they leave service or retire.

Principal Assumptions

The ELIM Ministers Pension Fund prepares its accounts to 31 December each year. As a result the valuation of the pension fund is performed at that date rather than the year end date of the charity. The Trustees are satisfied that there would be no material difference on the valuation of the scheme between the Charity and Pension fund year end dates.

Employee benefit obligations	Value at 2017 £000s £	Value at 2016 £000s £
Present value of funded obligations	57,601	57,011
Fair value of scheme assets	(35,713)	(33,962)
Deficit	<u>21,888</u>	<u>23,049</u>

NOTES TO THE FINANCIAL STATEMENTS

The amounts recognised in the statement of financial activities are as follows:

	2017 £000s	2016 £000s
Current service cost	1,731	1,593
Net Interest cost on the net defined benefit liability	578	607
Total	<u>2,309</u>	<u>2,200</u>

Remeasurements of the net defined benefit liability recognised in OCI

	2017 £000s	2016 £000s
Actuarial (gains) / losses	(744)	7,380
Return on assets excluding interest income	(1,094)	(1,563)
	<u>(1,838)</u>	<u>5,817</u>

Changes in present value of obligation

	2017 £000s	2016 £000s
Opening defined benefit obligation	57,011	48,014
Current service cost	1,731	1,593
Interest cost	1,458	1,791
Actuarial (gain) / loss	(744)	7,380
Benefits paid	(1,855)	(1,767)
Closing defined benefit obligation	<u>57,601</u>	<u>57,011</u>

Scheme assets

	2017 £000s	2016 £000s
Opening fair value of scheme assets	33,962	31,214
Interest in scheme assets	880	1,184
Return on assets excluding interest income	1,094	1,562
Employer contributions	1,632	1,769
Benefits paid	(1,855)	(1,767)
Closing fair value of scheme assets	<u>35,713</u>	<u>33,962</u>

The assets of the scheme were:

	2017 £000s	2016 £000s
UK Equities	8,195	8,077
Overseas equities	7,875	7,768
Gilts	981	975
Corporate bonds	2,668	2,670
Property	9,358	10,073
Cash/ other	6,636	4,399
	<u>35,713</u>	<u>33,962</u>

The actual Return on assets over the period was: 1,974 2,746

NOTES TO THE FINANCIAL STATEMENTS

Actuarial assumptions

	2017	2016
Discount rate	2.50%	2.60%
Inflation assumption (RPI)	3.20%	3.40%
Inflation assumption (CPI)	2.00%	2.20%
Future salary increases	1.85%	2.00%
Future pension increases		
Benefits accrued prior to 6 April 1997 (nil increases)	0.00%	0.00%
Benefits accrued post 6 April 1997 and prior to 6 April 2005 (CPI max 5% increases)	2.05%	2.20%
Benefits accrued post 6 April 2005 (CPI max 2.5% increases)	1.70%	1.80%

Assumed life expectancies on retirement at age 65 are:

	2017	2016
Males retiring immediately	86.5	86.9
Females retiring immediately	88.5	88.9
Males retiring in 20 years time	87.2	87.8
Females retiring in 20 years time	89.4	90.0

Historical disclosures

	2017 £000s	2016 £000s	2015 £000s	2014 £000s
	£	£	£	£
Defined benefit obligation	(57,601)	(57,011)	(48,014)	(49,868)
Scheme assets	35,713	33,962	31,214	30,862
Deficit	(21,888)	(23,049)	(16,800)	(19,006)

23. Post balance sheet event

The compensation claim, arising from the collapse of the building frame during construction of the new premises for the Ilford church, has been settled post year end with payment of a gross sum of £2.6m.