

Financial Statements

For the year ended 30 June 2005

Agapé Ministries Limited

**(Limited by guarantee and not
having a share capital)**



AGAPÉ MINISTRIES LIMITED

CONTENTS

	<u>PAGE</u>
COMPANY INFORMATION	1
REPORT OF THE COUNCIL OF MANAGEMENT	2 to 10
REPORT OF THE AUDITORS	11
STATEMENT OF FINANCIAL ACTIVITIES	12
BALANCE SHEET	13
NOTES TO THE FINANCIAL STATEMENTS	14 to 21
INCOME AND EXPENDITURE ACCOUNT	22

AGAPÉ MINISTRIES LIMITED

COMPANY INFORMATION

COUNCIL OF MANAGEMENT

Rev M Happonen
R Stone
A Williamson
Rev N Wynne-Jones
A Johnson
M Franks

SECRETARY

M Hayes

REGISTERED OFFICE

Fairgate House
Kings Road
Tyseley
Birmingham
B11 2AA

AUDITORS

Mazars LLP
The Broadway
Dudley
West Midlands
DY1 4PY

BANKERS

Barclays Bank Plc
15 Colmore Row
Birmingham
B3 2EP

SOLICITORS

Anthony Collins Solicitors
St Philips Gate
5 Waterloo Street
Birmingham
B2 5PG

COMPANY NUMBER

949989

CHARITY NUMBER

258421

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES

The Trustees present their report and the financial statements for the year ended 30 June 2005.

Responsibilities of the Council of Management

Company law requires the directors (who are the Trustees and members of the Council of Management) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Council of Management are required to

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * comply with applicable accounting standards 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 company will continue in business.

The Council of Management is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategy planning and alignment

During the year we convened a number of strategy discussions with key players in the organisation to seek more streamlining in our work towards a common goal. The outcome of these discussions was that our student work is the driving force, the determinative influence and the best potential generator of people-resources.

The discussions of the past couple of years have been brought down to the concept of:

The campus ministry, as the engine room, is building movements among university students, leading to doing the same in the workplace and in the community, city by city, across the UK.

Agapé Student Ministry - Andy and Tiffany Atkins

Continuing expansion surfaced some management issues so plans were developed to include more women at all leadership levels, as well as having senior staff in each of the teams rather than concentrating them in one central national team. The main driving force behind this is to bring more experience into each team as well as being able to provide better training for the staff. The current plans are that Chip and Diane Cowles will move to Newcastle and Beth Norris to London in September this year.

The National Student Conference was held over the 1st weekend in February with 160 students attending.

International projects went to Berlin, St Petersburg, Krasnoyarsk, Namibia, Dartmouth (USA), and the Middle East. Fifty-eight students were involved.

Good partnership building has continued as staff have joined with CU's in many universities to give additional manpower for missions. Brian Weaver had who worked as leader for the London campus team (1999-2001) was appointed as the new UCCF London team leader.

During the year the work with athletes, under the leadership of Alan and Tanya Nixon, was brought into the student ministry for better supervision. A very successful project was held to the Ivory Coast – five players attended and had matches against some high profile teams. Alan conducted training for coaches including those who work for the national side – he was able to share his faith openly. Over 1000 children attended the soccer camps that ran throughout the summer months in Ireland.

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

Agapé Student Ministry - Andy and Tiffany Atkins (Continued)

The plans for next year are to train up leaders who can begin the ministry in one or two additional campuses. The summer projects are seen as a great time of encouraging additional commitment from the students and so the goal for number of projects and students attending will be increased. We also plan to send a further Short Term International Team (STINT) to a location in the Middle East.

Discovery – Martin and Fran Russell

The Intern staff were incorporated into the Gloucester and Countesthorpe teams and their training went well.

However, for a number of years Discovery has struggled to keep or recruit new staff. Various strategies have been tried with little lasting success. From October there were three small units (not large enough to be considered normal teams) working in three locations. It was thought best to ask them to move to Birmingham. However, after much prayer and discussion Matt and Gemma Brown and Michelle Garland believed that it was not right for them to move – they felt their primary calling is to their locality.

It was decided to stop Discovery in its present form and look to a different format of this kind of work coming out of the student work in due time.

Agapé Community Initiatives - John and Kate Arkell

During the year this team re-focussed on emphasising a personal ministry, while continuing to provide for churches a package of measures designed to help them reach out into their most immediate community. Towards the end of the year John Arkell began a sabbatical to allow time to change the gear of his own work. Tony and Ruth Brown took over the running of the Community Initiatives team.

The main focus was on providing training to churches for the J John Just 10 mission which was held in Birmingham from April to June (part of the Anglican Centenary celebrations).

The main emphasis for the team during the course of next year will be on developing personal ministries of evangelism and discipleship. There will also be time devoted to marketing the "Mind the Gap" materials through a series of promotional events for church leaders in various locations around the UK.

"FamilyLife" held a weekend conference at the end of February (preceded by a speaker training). Seventy people attended the main conference – the evaluations received at the end were very positive with one husband praying to receive Christ, twelve praying to be filled by the Holy Spirit and two couples claiming that their marriages had been saved from divorce.

Workplace Initiative – Ed and Candice Holtz, Phil and Jane Jackman

Small groups for young disciples in the business and professional world were launched in central London. Ed and Jon Horne represented this work in some European forums as a result of which they are planning a convention on this subject in London in later 2005.

Antony Elliott, who first invited Agapé to give evangelism training in his place of work (Abbey National at that time) since left the bank to research more moral guidelines on the lending of money. His report was published in the spring and featured in the Financial Times, Channel 4 news, BBC Moneybox, BBC 2 and the Guardian.

In Birmingham the Jackmans took steps to give the city work a centre of gravity by making many contacts in the business district in the city centre as part of a wider Birmingham team.

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

Diplomats – Katherine Grainger

Katherine spent a good part of this year battling leukaemia. In this serious physical situation she continued to trust Christ, bear humble witness and be an example to believers in the diplomatic corp.

Refugees – Reza and Rima Sotoudeh

The work with (mainly) Iranian refugees grew again this year. Those affected now number around 200. This work is centred in Birmingham but also provides spiritual help to Iranians elsewhere especially across the Midlands.

International - Larry and Eea Platner

A visit was made by the Platners to the UK staff in East Asia and the welfare of other UK staff overseas was monitored. Much of the new international focus was through the campus ministry. Larry and his team gave time to training out-going staff and students in cross-cultural issues

UK staff are heavily involved in Russia where quite a number of new appointments have just been made. Elaine Walker has become the National Woman's Co-ordinator there. She is also part of the new national campus leadership team which is now led by Rod Powell. Dave Whitman has taken over responsibility for all the campus ministry between the Urals and Vladivostok.

The London Bridges teams (composed of a majority of U.S. students but also friends and supporters of the ministry) gave away 15,000 copies of the Jesus film on CD and an Arabic New Testament to visiting Middle-easterners in July/August.

A team from the US Bridges Team are planning to have a major project based in the Birmingham area during May / June 06.

City coordination – David and Pam Wilson

The Wilsons continued in this role in London. The staff in Birmingham are developing in the direction of operating as a city team and will look towards appointing a city coordinator when that is appropriate.

Biblical Studies – Charles Le Page

A specific part of Agapé training is in Biblical studies. It was decided to broaden this out to a series of directed study days, delivered five times in the year, at city level. This was directed and presented this year by Charles Le Page and Phil Jackman. The course was New Testament Survey. There was a wide degree of staff buy-in and, after initial hiccoughs, a reasonable amount of homework was completed. Plans were made to use the same system to study the Old Testament in the coming year.

Fund-raising - Phil Jackman & Graham Dickson

As always the basis of our finance is personally raised support. Support refresher days (led by Myles Wilson) were held in all the regions. Other funds were given by generous well-wishers and through direct mail. As the strategic planning became more streamlined it was decided to write a case statement that could be presented to major donors. Visits were also made to thank donors at various stages throughout the year

A case statement is being produced which will be used to present our ministry plans to potential strategic donors.

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

Communications – Danielle Wilson

Danielle revamped the house-style, the magazine, the exhibition stands and the website. Response has been very positive

Rt Rev Wallace Benn has agreed to join the Panel of Reference.

Office management – Mary Hayes

Mary Hayes took on the work of office manager. John Glass took over Robert Myles' work in accounts. Rod Carter resigned from computing. Part of his work is being done by Phil Edwards and a person is being sought to do the rest.

Due to changing ministry requirements it is planned to downsize the office during the course of the coming year with the possibility of relocating (within Birmingham) at some stage thereafter.

Crisis Management – Evan Winter, Henri Duncan

Evan has been a prime mover, with Henri in keeping the European and UK crisis management arrangements up to date and in synchronisation.

Property

The Council considered the need to find property solutions to help solve the pressure on staff housing and other field facilities. A report on the need and possible solutions was presented by the national director after interviews with four property consultants.

It was considered worthwhile to increase the lease on the Whitfield St flat for 35 years for £3,500, plus fees of £450, plus VAT. A final decision as to whether to proceed will depend on our overall property strategy review.

The Tyseley office lease (to rent) came up for review and it was decided to downsize and ask for an extension for a short period (one year) at this time with a view to perhaps finding a place nearer the university.

Succession planning

During the year various talks were held to assist in planning for smooth transition to a new national director in the future.

Ministry audit

In October the UK ministry invited Roger Randall, Campus Crusade Vice President for Europe (and his assistant Ken Heckmann) to examine the work here and make recommendations. This was in order to receive a useful overall appraisal which was geographically outside but organisationally inside. Roger's report was used to good profit especially by the campus ministry.

External involvements

Beyond the specific International *department* there are quite a lot of contributions made to European and international work. These include:

Youth ministries – Paul Duncan

Paul provides guidance for the developing youth ministries in all the W. European countries.

Leadership Development – Paul and Henri Duncan

For the past couple of years there has been a leadership development track running at the European level for the benefit of any European staff proposed by national directors. Paul and Henri are involved at the continental level in the design team and in the UK as coaches.

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

Human Resources – Paul Cheesman

Paul acts as consultant to Maggie Morgan, the European HR director (she is also British). In addition Paul works on the Global HR forum, conserving and developing best practice worldwide.

Coverage – Roger Vann

The distribution of the Jesus film in all formats and other coverage work owes much to Roger's advisory role in many European countries.

European Leadership Team – David Wilson

This past year David Wilson has participated in a small continental team which looked after the transition to a new European Director.

European finance – Graham Dickson/Evan Winter

Graham and Evan have been working with the European HQ finance team this year (including a HQ visit) to help that team express their accounts in a more easily readable way.

European All Staff Conference 2006

This conference will return to Nottingham next year and although the UK ministry is not responsible for running it, various staff, especially Evan Winter, are helping by consulting on this venture.

Campus – Paul Duncan and Andy Atkins

Paul and Andy sit on the European campus leadership team. Andy is also working on the design team for an international student conference in Korea in 2007.

European Movement

During the year Javier and Gema Garcia were appointed to take over leadership of the European movement as from 2006. They invited David and Pam Wilson (along with Hans and Delja Pruis of the Netherlands) to help them in this task as Associate European Directors. The Wilsons agreed to this. The role involves oversight of the work among students, in cities, and also the geographical responsibility for the UK, Ireland and Iceland. Javier's preferred method is that leaders in Agape Europe should have a personal ministry in a local team as part of a national movement. It is not planned that the Wilsons would make a geographical move.

After a year of discussion with the European Leadership it was decided to re-instate the UK contribution to Europe of 3% of all incomes (as distinct from a capped amount). This was as a result of being satisfied with the new presentation of accounts and the new budgeting measures set up.

Membership of the Association

The Council decided that full-time, self-funded, staff of two years tenure could be invited to become members of the organisation. Council also agreed that termination of membership would be synchronous with ceasing employment. Continued membership would be a matter of a decision of Council.

London Property

On the basis of recent communications with an estate agent the Trustees believe that the current market value of the flat at 15 Irvine Court is in excess of £575,000.

Campus Crusade for Christ

Agapé UK is a legally independent organisation that has relationship with Campus Crusade for Christ International through the sharing of strategies, planning, and methods of operation, particularly with other countries in W. Europe. There are sister organisations in approximately 190 countries throughout the world.

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

Financial Report

Summary

A surplus of £78k on the income and expenditure account is reported.

£54k of the surplus is for restricted funds , primarily summer overseas projects.

Included in the surplus is a donation of £47k from an US donor received in June with whom discussions are taking place as to where it is to be used.

Funds deposited with Agape by staff (see next paragraph) declined from £390k at June 2004 to £359k at June 2005, a reduction of £31k (note 14 in the accounts).

Staff income and expenditure

Agape's largest source of income is that raised by 82 staff (referred to as supported staff) which provides for their salaries, their expenses in carrying out their Christian ministry and a 12.5% levy towards central operating costs. The total raised in the year to June 2005 was £1,541k with a further £300k from the Inland Revenue for recovery of gift aid tax. Each staff member has their own account with Agape through which donations are processed (mainly through standing orders from supporters) and from which their salaries and expenses are taken. The total of these staff balances was £359k at June 2005(note 14 in the accounts), a decrease in the year of £31k.

The income raised by staff was 7% higher than the previous year (when there were 78staff) as against their total salary and expenses being 11% higher. The latter being adversely affected by a decision to charge staff participating in the summer projects the total cost in the 2004/05 accounts (previously apportioned between financial years). Income and expenditure data is taken from the Income and Expenditure Account.

Other donation sources

£370k was raised in the year (including gift aid tax recovered from the Inland Revenue of £33k). The majority is received through appeal letters for specific projects with other sources being from individuals and churches who give for individual ministries (such as the Jesus Video Project) or towards general funds. Points to note are:-

£47k has been received in June from a donor based in the USA. Discussions are taking place to determine where it is to be used.

A total of £98k was raised for projects overseas (of which £64k was for China). A further £68k was given from general funds to Agape Europe for their development and coordination of national ministries in Europe and their related expenses. The £98k is shown as restricted funds on the statement of financial activities.

No income has been received from legacies in recent years.

On most donation income received from UK sources, a deduction of 15% is made for central operating costs.

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

Conferences and Projects

Agape organises conferences and overseas projects for both Agape staff and other individuals. Overseas projects are planned to fully cover their costs. Staff fund their participation in these from their Agape account.

The total income in the accounts is £162k and includes £95k for overseas projects in summer 2005 and £20k for overseas projects earlier in the financial year.

The separate reference above to projects in summer 2005 is because these projects are either happening at the year end or their accounts have not been completed. Previously included in designated funds using accounting principles common to other incomes and expenditure, these are now included as restricted funds. Income (£95k) is shown as received and expenditure (£37k) as paid.

Sales of Agape products – videos and literature

Total sales were £121k (down from £133k in the previous year) mainly due to a decline in the number of JESUS videos being sold. Directly identifiable costs were £102k leaving a small margin for investment in the development of new products.

Administration staff funded from general funds.

The full time equivalent headcount for staff in the year to June 2005 who do not raise their own funds was 6 at a total cost of £117k (including employer's national insurance). This compares to 7 staff costing £119k in the previous year. The cost of these staff represents 8.0% of the total staff costs and is a continuation of a declining percentage year on year (previous year, 8.9%, 2002/03, 11.7%).

Agape has not been able to fill all administrative staff posts from supported staff and expertise in finance and IT has been bought in by employing salaried staff. The Trustees' objective is to keep the numbers employed on this basis to a minimum.

Resources expended (ref. Statement of Financial Activities)

- Cost of generating funds

Includes all corporate communication costs with donors such as Move Magazine.

Costs were £86k in 2004/05, an increase from £55k in 2003/04. Move Magazine which replaced Agape News is more expensive to produce as is its postage. Mailing of fund raising letters to potential donors increased with results which justified this action.

- Direct charitable expenditure (see note 3 of the accounts)

Agape Community Initiatives ministry costs of £172k include £22k for product development costs associated with the new Mind The Gap video (a training resource for use by churches) and the new children's video called Jesus Quest. Product development costs in 2003/04 were £47k.

Youth and Student Ministry Discipleship (Discovery and Student Ministries) expenses of £138k compare to £109k for 2003/04. This increase reflects the situation that the Student Ministry is expanding in the numbers of staff and locations covered and that the overseas projects have increased in number.

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

The International ministry costs of £172k include £97k raised for projects overseas and £69k for Agape Europe from general funds. The numbers for 2003/04 being £158k, £90k and £64k respectively.

Income and Expenditure Account

The analysis of expenditure is predominately by type, rather than the activity it is spent on. Major changes between 2004/05 and 2003/04 are:-

- Support of staff members – a 11% increase against a 5.5% increase in staff numbers.
- Rent and utilities – a 10.6% increase. Accommodation used is unchanged but significant increases have occurred, partly due to change of landlord at the Tyseley Office where retrospective charges have occurred not provided for in the previous accounts.
- Fund raising expenses – see comments against cost of generating funds under the Resources expended paragraph.

Balance Sheet

Net assets at June 2005 were £782k. The largest asset is the leasehold property in London in the books at £273k. The Trustees have not recently sought an external open market valuation on the property as there are no plans for disposal as it remains an integral part of Agape's ministry in London. However, the Trustees believe that the current market value of the flat at 15 Irvine Court is in excess of £575,000.

Stocks and debtors at £315k exceed creditors of £74k. Bank deposits total £261k.

Debtors at £260k include £47k from the US donor and £64k for loans to project leaders to fund major expenses whilst in the overseas countries for the summer projects.

Trade creditors at £32k are well below those at the previous year end. Late receipt of invoices from the landlord for the Tyseley office in June 2004 was the largest contributor, others include expenses paid to individual staff members being paid earlier in June 2005 and creditors for stock purchases in 2004.

The net assets are represented by staff funds of £359k, ministries £180k, restricted funds of £175k (the leasehold property and overseas summer projects where accounts are not complete) and general funds of £68k.

The Trustees' Reserve Policy

The Trustees have put financial controls in place to ensure that expenditure is not incurred without income being identified to the reason for the expenditure. However there are committed costs (e.g. salaries of non supported staff, rent, rates, utility costs) which are funded from a number of sources and are not necessarily matching expenditure in the same time period. The largest cost element is the salaries of supported staff and expenses they incur on their personal ministry. Staff cannot draw a salary or reimburse expenses unless there are sufficient funds in their account; they are encouraged to maintain a balance of 2 months salary.

The payment from general funds to Agape Europe results from an agreement to tithe 3% of gross income on an annual basis.

AGAPÉ MINISTRIES LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

The current level of unrestricted general funds is £68k (£23k at June 2004). The reserves policy is to build these funds to a level of £120k by the 2008/09 financial year.

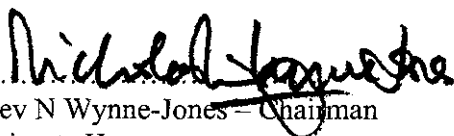
Risk Management

The Trustees have reviewed the major risks to which the charity is exposed and have taken steps to mitigate those risks.

Auditors

On 1 September 2004, Mazars became a Limited Liability Partnership. A resolution to appoint them as auditors will be proposed at the forthcoming annual general meeting.

Approved by the Board on 10 Oct 05

.....


Rev N Wynne-Jones – Chairman

Fairgate House
Kings Road
Tyseley
Birmingham
B11 2AA

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

We have audited the financial statements for the year ended 30 June 2005 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30 June 2005 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars LLP

MAZARS LLP
CHARTERED ACCOUNTANTS and
Registered Auditors
The Broadway
Dudley
West Midlands
DY1 4PY

12 October 2005

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 30 JUNE 2005

	<u>Notes</u>	Unrestricted funds £	Restricted funds £	2005 Total funds £	2004 Total funds £
INCOMING RESOURCES					
Donations and gifts		2,112,646	97,494	2,210,140	2,110,943
Sale of literature and videos		121,002	-	121,002	132,716
Conference and project income		66,873	94,725	161,598	82,789
Interest received		10,141	-	10,141	4,847
Miscellaneous income		14,359	9,000	23,359	27,438
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOMING RESOURCES	2	2,325,021	201,219	2,526,240	2,358,733
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Cost of Generating Funds		(86,170)	(-)	(86,170)	(54,685)
Direct charitable expenditure	3	(2,002,520)	(134,383)	(2,136,903)	(1,964,264)
Support costs		(179,439)	(12,664)	(192,103)	(179,907)
Management and administration		(34,601)	(-)	(34,601)	(36,305)
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		(2,302,730)	(147,047)	(2,449,777)	(2,235,161)
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING RESOURCES FOR THE YEAR	4	22,291	54,172	76,463	123,572
REALISED GAIN ON INVESTMENT ASSET		1,300	-	1,300	-
UNREALISED LOSS ON INVESTMENT ASSET		-	-	-	(440)
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		23,591	54,172	77,763	123,132
FUND BALANCES AT BEGINNING OF YEAR		583,810	120,149	703,959	580,827
		<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES AT END OF YEAR	14/15	607,401	174,321	781,722	703,959
		<hr/>	<hr/>	<hr/>	<hr/>

The company's income and expenditure all relate to continuing operations.

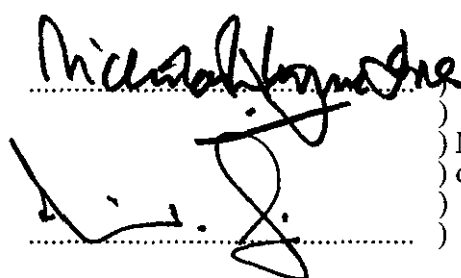
There were no recognised gains or losses other than the surplus for the year as stated above.

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

BALANCE SHEET AT 30 JUNE 2005

	<u>Notes</u>	2005 £	2004 £
FIXED ASSETS			
Tangible assets	8	279,021	288,158
CURRENT ASSETS			
Investments	9	-	1,900
Stocks	10	55,420	51,269
Debtors	11	259,821	185,227
Cash at bank and in hand		261,107	314,838
		576,348	553,234
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(73,647)	(137,433)
NET CURRENT ASSETS		502,701	415,801
NET ASSETS		781,722	703,959
Unrestricted funds	13	607,401	583,810
Restricted funds	15	174,321	120,149
		781,722	703,959

Approved by the Board on 10 Dec 05



) Members of the Council
) of Management

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

1 ACCOUNTING POLICIES

Basis of accounting:

The financial statements have been prepared under the historical cost convention (modified to include the revaluation of investments) and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal policies adopted in the preparation of the financial statements are as follows:

Income:

Income includes the amounts invoiced, excluding recoverable value added tax, in respect of the sale of literature and the sale and hire of videos, tapes and films. It also includes conference income, project income, and donations.

Donations:

Donations include all amounts receivable by the company in respect of donations to support field workers and for other purposes.

Fixed Assets:

Items of a capital nature costing in excess of £500 are included as fixed assets. Fixed assets are shown at cost. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Leasehold property	2%	per annum
Computer equipment	33 1/3%	per annum
Office equipment	20%	per annum

Depreciation:

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over a period of 3 or 5 years as appropriate, 50 years for the leasehold property.

Operating leases:

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Stocks and work in progress:

Stocks and work in progress are stated at lower of cost and net realisable value.

Tax refunds on gift aid income:

Credit is taken in the Statement of Financial Activities for tax refunds receivable in the current accounting period.

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

1 ACCOUNTING POLICIES (Continued)

Capital grants and capital donations:

Where donations and grants are received as finance for a capital project, they are accumulated as Restricted Funds and amortised over the expected life of the related assets. The balance represents the unamortised portion of donations and grants received.

Investments:

Current asset investments are stated at market value at the balance sheet date. Unrealised gains or losses are shown in the Statement of Financial Activities.

Designated funds:

The nature and purpose of such funds are as follows:

Staff ledger: Monies received that are applied to fund all staff related expenses including salaries and business/ministry expenses.

Youth and students discipleship fund: Donations designated for activities intended to further the Christian discipleship of teenagers and students.

Overseas and other projects: Donations applied to fund specific overseas projects. Surpluses from discipleship projects are also set aside in this fund for future project expenses.

Jesus Video development: Funds to develop evangelistic versions of the Jesus video including complementary resources for the purposes of promoting their use in community projects.

Restricted funds:

These include overseas projects which are in progress at the year end (30th June) or where the accounting for an individual project is not complete. Income and expenses are accounted for on an 'as received' or 'as paid' basis.

2 INCOME

The income and result for the year are attributable to the principal activities as set out in the report of the Council of Management. The majority of the income is derived from the UK, however, some donations are received via Agapé Europe amounting to £55,338 (2004 £45,551), and via Campus Crusade for Christ International amounting to £244,304 (2004 £177,398).

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	Unrestricted funds £	Restricted funds £	Total funds 2005 £	2004 £
3 DIRECT CHARITABLE EXPENDITURE				
Agape Community Initiatives (inc J V P and Family Life)	172,237	-	172,237	193,681
Literature sales	17,927	-	17,927	19,537
Youth and Student Ministry				
Discipleship	101,354	36,889	138,243	108,855
International	74,716	97,494	172,210	157,974
Other UK ministries	4,197	-	4,197	6,690
Staff	1,611,460	-	1,611,460	1,477,527
	<u>2,002,520</u>	<u>134,383</u>	<u>2,136,903</u>	<u>1,964,264</u>

The Jesus video project as part of the Community Initiative Ministry is an activity integrated with working with churches on tools/ways of evangelising. Literature sales includes any products in our catalogue not directly related to JVP above. Youth covers Ministries - Discovery (working in and with schools), Athletes in Action (working in communities in Ireland), Throwstar (working with artists and through art). The Student Ministry is working in universities and with academics. International includes staff working overseas and links with Agape organisations internationally. Other UK ministries consist of the new city based ministries in London and Birmingham. Staff is the self - funded staff working in the above activities.

	2005 £	2004 £
4 NET INCOMING RESOURCES FOR THE YEAR		
The surplus is stated after charging:		
Staff costs (note 6)	1,469,432	1,341,800
Depreciation of tangible fixed assets	13,448	15,229
Hire of equipment - operating leases	4,711	5,391
Rent of property	29,265	28,148
Auditors' remuneration	<u>4,810</u>	<u>4,300</u>

5 COUNCIL OF MANAGEMENT

Travel expenses were reimbursed to the following members of the Council of Management. They received no other remuneration from the company in the year to 30 June 2005. A Williamson £342 (2004 £358).

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	Salaries from designated funds		Salaries from general funds		Total	
	2005	2004	2005	2004	2005	2004
	£	£	£	£	£	£
6 STAFF COSTS						
Wages and salaries	1,352,582	1,222,674	108,274	110,156	1,460,856	1,332,830
Social security costs	-	-	8,576	8,970	8,576	8,970
	<u>1,352,582</u>	<u>1,222,674</u>	<u>116,850</u>	<u>119,126</u>	<u>1,469,432</u>	<u>1,341,800</u>

The average full time equivalent number of persons employed by the company during the year was as follows:

	2005 Number	2004 Number
SUPPORTED STAFF		
Management	8	9
Administration	2	3
Field	58	53
Overseas	14	13
	<u>82</u>	<u>78</u>
SALARIED FROM GENERAL FUNDS		
Administration	6	7
	<u>88</u>	<u>85</u>
Foreign staff working in UK	<u>14</u>	<u>13</u>
TOTAL EMPLOYEES	<u>102</u>	<u>98</u>

No employee received emoluments in excess of £50,000.

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

7 TAXATION

The company is a registered charity (number 258421) and was not liable to corporation tax in the year to 30 June 2005 or the year to 30 June 2004.

8 TANGIBLE FIXED ASSETS	Leasehold property £	Fixtures, fittings & equipment £	Total £
COST			
At 1 July 2004	310,358	143,749	454,107
Additions	-	4,311	4,311
Disposals	-	(106,038)	(106,038)
	<hr/>	<hr/>	<hr/>
At 30 June 2005	310,358	42,022	352,380
	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION			
At 1 July 2004	31,033	134,916	165,949
Charge for the year	6,204	7,244	13,448
Disposals	-	(106,038)	(106,038)
	<hr/>	<hr/>	<hr/>
At 30 June 2005	37,237	36,122	73,359
	<hr/>	<hr/>	<hr/>
NET BOOK VALUES			
At 30 June 2005	273,121	5,900	279,021
	<hr/>	<hr/>	<hr/>
At 30 June 2004	279,325	8,833	288,158
	<hr/>	<hr/>	<hr/>
Depreciation rates	50 years SL	20%/16.7%/33.33%	

The Trustees believe that the current market value of the leasehold property is in excess of £575,000.

9 CURRENT ASSET INVESTMENT	2005 £	2004 £
Quoted investments	1,900	2,340
Sale of investments	(3,200)	-
Realised investment gain	1,300	-
Unrealised investment loss	-	(440)
	<hr/>	<hr/>
Market value	Nil	1,900
	<hr/>	<hr/>
Historical cost	Nil	6,600
	<hr/>	<hr/>
10 STOCKS		
Goods for resale	55,420	51,269
	<hr/>	<hr/>

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

11 DEBTORS	2005	2004
	£	£
DUE WITHIN ONE YEAR:		
Trade debtors	20,154	24,817
VAT recoverable	2,521	7,517
Tax due on Gift Aid	69,005	53,874
Debtors – overseas projects	64,232	25,123
Other debtors	26,849	32,594
Prepayments	51,180	6,953
Accrued income	24,880	24,349
	<hr/>	<hr/>
DUE AFTER ONE YEAR:	258,821	175,227
Other debtors	1,000	10,000
	<hr/>	<hr/>
TOTAL DEBTORS	259,821	185,227
	<hr/> <hr/>	<hr/> <hr/>

12 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	32,320	86,007
Other taxation and social security costs	15,547	16,274
Accruals	14,592	27,970
Deferred income	-	22
Amounts owing to other Agapé offices	11,188	7,160
	<hr/>	<hr/>
	73,647	137,433
	<hr/> <hr/>	<hr/> <hr/>

13 ANALYSIS OF FUNDS

	Unrestricted funds		Restricted funds	Total
	General funds	Designated funds	funds	
	£	£	£	£
Balances at 1 July 2004	22,982	560,828	120,149	703,959
Surplus for the year	45,133	(21,542)	54,172	77,763
Unrealised loss	<hr/>	<hr/>	<hr/>	<hr/>
 Balances at 30 June 2005	 68,115	 539,286	 174,321	 781,722
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005 £	2004 £
14 DESIGNATED FUNDS		
Balance at 1 July 2004	560,828	435,350
Transfer from general fund	(21,542)	125,478
	<u>539,286</u>	<u>560,828</u>
Balance at 30 June 2005	<u>539,286</u>	<u>560,828</u>
Staff ledger	<u>358,480</u>	<u>389,520</u>
Development funds:		
Youth and students discipleship	12,863	33,766
Overseas	10,389	12,957
Community initiatives	103,348	109,006
Other UK ministries	7,206	15,579
American donor (fund designation to be agreed)	47,000	-
	<u>180,806</u>	<u>171,308</u>
	<u>539,286</u>	<u>560,828</u>

15 RESTRICTED FUNDS

	Leasehold property £	Overseas projects £	2005 total funds £	2004 total funds £
Balance at 1 July 2004	120,149	-	120,149	123,324
Net movement in funds	(3,664)	57,836	54,172	(2,995)
	<u>116,485</u>	<u>57,836</u>	<u>174,321</u>	<u>120,149</u>
Balance at 1 July 2005	<u>116,485</u>	<u>57,836</u>	<u>174,321</u>	<u>120,149</u>

The leasehold property is situated at 15 Irvine Court, 100 Whitfield Street, London.

Agape organises overseas projects in June – August each year involving students and staff. The funds received and the expenses paid on the current year projects as at 30 June are shown as restricted funds. In previous accounts these projects have been included in designated funds.

AGAPÉ MINISTRIES LIMITED
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

16 OTHER FINANCIAL COMMITMENTS

	2005 £	Land and buildings 2004 £	2005 £	Other 2004 £
As at 30 June 2005, the charity had annual commitments under non-cancellable operating lease agreements as set out below:				
Amounts payable on leases which expire:				
Within one year	6,438	-	493	290
Within two to five years	-	12,875	3,048	4,232
	<u>6,438</u>	<u>12,875</u>	<u>3,541</u>	<u>4,522</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds £	Unrestricted funds Designated funds £	Restricted funds £	Total £
Fund balances at 30 June 2005 are represented by:				
Fixed assets	162,536	-	116,485	279,021
Other Current Assets	(94,421)	539,286	57,836	502,701
	<u>68,115</u>	<u>539,286</u>	<u>174,321</u>	<u>781,722</u>
Balances at 30 June 2005	<u>68,115</u>	<u>539,286</u>	<u>174,321</u>	<u>781,722</u>

AGAPÉ MINISTRIES LIMITED**(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)****INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2005**

	2005 £	2004 £
INCOME		
Donations - staff	1,540,815	1,440,709
Tax recoverable on Gift Aid - staff	299,666	274,011
Donations - general	369,659	396,223
Sale of literature and videos	121,002	132,716
Conference and Project income	161,598	82,789
Deposit account interest	10,141	4,847
Miscellaneous income	23,359	27,438
	<u>2,526,240</u>	<u>2,358,733</u>
EXPENDITURE		
Support of staff members	1,611,421	1,452,048
Overseas projects	165,846	153,904
Office salaries	102,654	105,334
Redundancy costs	-	-
Conference and Project expenditure	92,188	80,524
General supplies and equipment	28,012	28,974
Mass media and advertising	47,486	57,528
Purchase of literature and videos	84,499	93,761
Travel and motor expenses	62,703	54,702
Telephone and telex	11,859	11,220
Postage and carriage	21,484	24,429
Rent and utilities	53,677	48,529
Bank charges	6,235	6,384
Bad debts	223	139
Audit and accountancy	4,810	4,300
Professional fees	600	1,200
Insurance	13,672	10,805
Irrecoverable VAT	11,314	7,624
Fund raising expenses	86,137	52,619
Miscellaneous expenses	28,515	23,991
Publicity expenses	2,994	1,650
Depreciation	13,448	15,229
Property maintenance	-	266
	<u>2,449,777</u>	<u>2,235,160</u>
Surplus for the year	76,463	123,573
Gain/(loss) on investment	1,300	(440)
Accumulated surplus brought forward	<u>703,959</u>	<u>580,827</u>
Accumulated surplus carried forward	<u>781,722</u>	<u>703,960</u>