

# **Report and Financial Statements**

**For the year ended 31 December 2002**

**Church Society**  
(A company limited by guarantee)

**Skingle Helps & Co  
28 Southway  
Carshalton Beeches  
Surrey  
SM5 4HW**



**Company No 213142**  
**Charity Registration No 249574**

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**Report and  
Financial Statements**

**For the year ended 31 December  
2002**

**Church Society**  
**(A company limited by guarantee)**

# Church Society

## Financial statements for the year ended 31 December 2002

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<b>Council members</b>	The Revd Dr P Blackham D R L Boyd The Revd T M Chapman The Revd J A Cheeseman The Revd G R Curry (Chairman) W T Foley M J Fothergill P Gore The Revd Dr J B Hall The Revd A F Hogarth (appointed 19 Oct 2002) F A Knaggs V Menon The Revd M J Ovey The Revd A R Price P J Ratcliff The Revd F Robson (appointed 19 Oct 2002) T J P Stevenson Mrs L T Tam (resigned 25 Feb 2002) The Revd Canon M W Walters Mrs R Whitworth (resigned 19 Oct 2002)
Secretary	The Revd D K Phillips
Charity number	249574
Company number	213142
Registered office	Dean Wace House 16 Rosslyn Road Watford WD18 0NY
Auditors	Skingle Helps & Co 28 Southway Carshalton Beeches Surrey SM5 4HW
Principal address	Dean Wace House 16 Rosslyn Road Watford WD18 0NY

# Church Society

## Financial statements for the year ended 31 December 2002

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### Bankers

The Royal Bank of Scotland plc  
London Fleet Street Branch  
1 Fleet Street  
London  
EC4Y 1BD

Barclays Bank plc  
32 Clarendon Road  
Watford  
WD17 1GT

### Investment Managers

CCLA (Central Board of Finance)  
St. Alphage House  
2 Fore Street  
London  
EC2Y 5AQ

### Solicitors

Kidd Rapinet  
14 & 15 Craven Street  
London  
WC2N 5AD



# Church Society

## Trustees' and directors' report For the year ended 31 December 2002

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The directors present their report and the financial statements for the year ended 31 December 2002.

### Charity's objectives

Church Society is a registered charity. Its objectives are set out in the company's Memorandum of Association.

The overall purpose of the Society is to maintain the character of the Church of England as a reformed and national Church. In particular by:

- upholding the supremacy, sufficiency and authority of Scripture;
- contending for the reformed worship and doctrine of the 39 Articles and Book of Common Prayer;
- uniting all Anglicans who share these principles;
- promoting friendship with all churches which accept the supreme authority of God's word written;
- opposing all practices which are contrary to reformed doctrine;
- taking all manner of action, including legal and political, to pursue these objectives.

Church Society is working towards these objectives through publishing, parish support and campaigning. Wherever possible this is done in consultation and co-operation with other groups and organisations.

Through its allied company, Church Society Trust, the Society is involved in the patronage work of the Church of England. They are responsible for 117 Livings, often on a shared basis.

Church Society also manages a number of financial trusts with various objectives including:

- supporting the training and education of ordinands and clergy;
- providing convalescent care or holidays for sick children;
- Christian work in various parishes or locations subject to certain conditions

Through other trusts the Society owns various properties on behalf of others, in particular 3 Proprietary Chapels (one in Germany) and an Independent Evangelical Church. A further trust provides offices for the Society and accommodation for staff.

The operations of Church Society are controlled by a Council of up to 20 people elected annually by the members of the Society. The Churchman Editorial Board and Church Society Trust Directors operate largely as committees of the Council. In addition there is a finance committee. The Council must approve appointments of Church Society Trust members and the membership of certain other charitable trusts.

There were two full time staff employed throughout the year. Volunteers also assist in many areas and their efforts are much appreciated. The Society is an association of members who share a common vision and much of the work is carried forward by members acting together to promote the goals of the Society.

### Activities and achievements

Church Society entered 2002 having overcome the difficulties of the previous year and able to make progress in fulfilling its objectives more thoroughly.

During the course of the year the Society responded to a number of issues within the Church and nation. Of particular concern was the response of Bishops to the teaching of Biblical creationism as a valid alternative to evolution. In addition to public and private rebuttals the Society organised a further fringe meeting at the General Synod addressed by Professor Edgar Andrews. Information on the subject was also circulated both in advance and after the meeting.

In the summer representatives of the Society met with the Archbishop of York and, at his suggestion, with the Archbishops' Appointments Secretary.

# Church Society

## Trustees' and directors' report For the year ended 31 December 2002

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Prior to the selection of a new Archbishop of Canterbury the Society and Trust made representations regarding the qualities biblically required for church leaders. When the appointment of Dr Rowan Williams was announced a meeting was immediately arranged with him and the Society went on to make its opposition public. There was considerable media interest in this, much support and many initiatives and discussions in various contexts. The Council continued to discuss and plan how Christians could be faithful to the biblical injunctions to separate from those who teach error.

Other particular issues where action was taken included opposition to possible women Bishops, employment law, homosexual adoption, revision of the Pastoral Measure, the introduction of statues of the Virgin Mary and other unreformed practices.

The Society continued to maintain an e-mail news list and to publish articles in Cross†Way and Churchman of relevance to current issues. Many of these articles and other resources were made available on the Society's web-site.

Churchman continues to be relevant and very much valued after nearly a century and a quarter of publication. In the last couple of years production schedules had slipped but this was reversed in 2002. By the end of the year, for the first time in many years, a large number of articles were in hand and a schedule was in place whereby each issue would be published in the middle of the quarter rather than the end.

Much of the work in support of parishes is done through Church Society Trust. By the end of 2002 there were a significant number of Trust parishes vacant. In large part the increase is due to the length of time which parishes are being kept vacant. The Trust itself was concerned that it had not been able to find a new minister for the Gloucester Mariners chapel after over two years of vacancy. There continued to be a steady stream of plans for parish mergers as dioceses cope with falling numbers of clergy. In many instances the Trust has objected to proposals, including in one instance appealing to the Privy Council, because of the incipient centralization, the way plans are generated from the top down and because of the threat to faithful bible teaching ministry in the future.

The Society receives enquiries from members and others related to legal and doctrinal issues not least with regards to parish appointments. Wherever possible, help is given or the enquirer is put in touch with someone else.

In 2002 the Society was very much involved in working with other bodies to pursue its aims. This included a further joint Council meeting with Reform and the Fellowship of Word and Spirit. The Society has also been involved in working with or through the Church of England Evangelical Council, the United Protestant Council, the Evangelical Patronage Consultative Council and the Private Patronage Consultative Group.

The Society has fewer staff than in the past but continues to work in a wide range of areas largely due to the efforts of its members particularly the Council, Finance Committee, Trust Directors and Churchman Board. In addition volunteers help in the office with mailings and in processing gift aid donations. Help is also provided in the maintenance of the web-site, the production of the prayer diary and in contact with parishes by the members of Church Society Trust. All these things serve to highlight that the Society is an association of members working together for the glory of Christ.

### Financial Review

The assets under the control of the Society fall into two broad categories: those used directly in facilitating the work of the Society itself and those that are administered by the Society for the benefit of others (managed funds).

There are five funds which relate directly to the Society's own work. The General and Anniversary funds are unrestricted funds, the Beynon and Dean Wace Memorial funds are permanent endowment and the Patronage fund has been classified as restricted.



# Church Society

## Trustees' and directors' report For the year ended 31 December 2002

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The Patronage fund is used to meet the direct and indirect costs of patronage work. The net outflow from the fund was just over £8,000 (see note 14) which includes a loss on investments. Around £5,000 of this was a transfer to the General Fund to meet indirect patronage costs (such as salaries).

The unrestricted funds show a net outgoing of £17,297 (see page 6) which was partly offset by the transfer mentioned above, by the income to the two permanent endowment funds and by a grant from the Amalgamated Ordination and Training Fund. The resulting net outgoing was £5,554. This represents a much better position than had been anticipated. We thank God in particular that the donations to the General Fund were up by over 12% (in 2001 there were also a couple of late gifts to the Anniversary Appeal but even if these were included the level of donations was up). In addition the level of expenditure was kept down.

The ongoing budget suggests a deficit in the order of £25,000. There are liquid reserves of £81,746 in the unrestricted funds (see note 19) and £25,519 in the Patronage Fund (see note 18). Therefore the anticipated deficit can be met for at least four years. However, it is important that we continue to move towards a balance of income against expenditure and there is much more that the Society could and should be doing if the finances were available to facilitate it.

The Society also has some shares in the Southsea Mortgage and Investment Company that were given to the Society about 30 years ago. These are a useful source of income but are listed at a nominal value (of £20,000 – see note 19) but cannot be sold easily. The income from the Dean Wace Memorial Fund is included in the General Fund reserve but has been designated by the Council as a building repairs reserve.

### Managed Funds

Most of the managed funds are subsidiary charities for which the Council acts as Trustees (or sometimes as joint Trustees). In each case a trust deed or scheme sets the parameters within which the fund is to be used. A brief description of each can be found in note 20 to the financial statements. Several funds consist solely of freehold properties including Churches, houses or halls.

The Council has no authority to expend permanent endowment funds but is under an obligation to make attempts to expend the income from those trusts. Other funds contain capital that the Council can spend should they so choose. In most cases the decision has been made not to spend capital unless there is a pressing reason to do so. Wherever income or capital is spent the Council must act within the terms of the Trust. In many instances the trusts were established with very clear terms as to how they should be used. The Council is very aware of the need to honour this in making grants or payments today.

A list of the grants made from funds can be found in note 3 to the financial statements. These will be seen to include such things as paying or contributing to salaries, evangelistic work, literature distribution, student grants, building maintenance and more.

In line with common practice the Society charges an administration cost against managed funds. This is set at present at 1% on the balance of invested funds at the start of the year.

In the mid-1990s the investments from the managed funds were pooled and transferred to Chase Fleming (later JP Morgan). However, a formal pooling scheme was never drawn up and subsequent withdrawals to finance a house purchase (14a Gypsy Lane, Kings Langley) and building work meant that the funds were relatively small for the investment managers. In 2001 the Society decided that rather than apply for a pooling scheme financial transparency would be better achieved by separating out the investments again. After investigation by the Finance Committee the decision was made that the various funds offered by the Central Board of Finance (CBF) were the best available given the need for low risk investments. The switch to the CBF was achieved in May 2002. Because of the volatility of the stock markets the decision was taken to hold most of the funds on deposit. In the event this turned out to be prudent. Within a few weeks the stock market plummeted and by the end of the year had not recovered. In May the stock market had fallen by around 2% from the start of the year. By the end of the year it had fallen by 25%. Allowing for the costs of selling investments and re-investing over the year the capital

# Church Society

## Trustees' and directors' report For the year ended 31 December 2002

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and endowment funds fell by between 5% and 7% over the year. The Society's investments therefore fared much better than many other charitable trusts which incurred heavy losses.

During the year the ownership of two properties, one at Southfields in South London and one in Bolton, have been established and therefore these have been included in the financial statements for the first time.

Financial decisions are the responsibility of the Council but they are advised in this by the Finance Committee which includes considerable experience in a range of financial areas.

### Statement of trustees'/directors' responsibilities

Company law requires the trustees/directors 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 its financial results for the period. The financial statements have also been prepared in accordance with applicable accounting standards and with current charity law in the form of "Accounting by Charities", the Statement of Recommended Practice (SORP). In preparing those financial statements, the trustees/directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow 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 assume that the charity will continue in operation.

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

### Auditors

During the year Mazars Neville Russell resigned from office and Skingle Helps & Co were appointed in their place. Skingle Helps & Co have expressed their willingness to continue as auditors and resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1995, relating to small entities.

Approved by the Trustees  
And signed on their behalf by

The Reverend G R Curry  
**Trustee**

2003

# **Independent auditors' report to the members on the audited financial statements of**

## **Church Society**

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We have audited the financial statements of Church Society for the year ended 31 December 2002 on pages 6 to 21, which have been prepared under the historical cost convention as modified by the revaluation of certain assets and the accounting policies set out on pages 9 and 10.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the 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 auditors' 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 the directors/trustees and auditors**

As described in the statement of trustees/directors responsibilities on page 4 the charitable company's directors/trustees are responsible for the preparation of the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. We also report to you if, in our opinion, the trustees'/directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting reports, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors'/trustees' remuneration and transactions with the charitable company is not disclosed.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 judgments made by the directors/trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 charitable company's affairs as at 31 December 2002 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Skingle Helps & Co  
Chartered Accountants  
And Registered Auditors  
28 Southway  
Carshalton Beeches  
Surrey SM5 4HW

# Church Society

## Statement of financial activities For the year ended 31 December 2002

	Notes	Un- restricted funds £	Restricted funds £	Endow- ment funds £	2002 Total £	2001 Total £
<b>Incoming resources</b>						
Donations		41,550	5,372	-	46,922	40,240
Legacies		-	-	-	-	1,300
Investment income		4,440	32,230	4,265	40,935	29,653
Inter-fund interest		-	-	-	-	11,977
Subscriptions and publications		14,741	-	-	14,741	14,626
Rent receivable		-	176	-	176	1,776
Fee and other income		8,184	642	48	8,874	9,769
Net income from sale of property		-	-	-	-	(876)
<b>Total incoming resources</b>		<b>68,915</b>	<b>38,420</b>	<b>4,313</b>	<b>111,648</b>	<b>108,465</b>
Resources expended						
Fundraising and publicity		555	-	-	555	961
Charitable expenditure		-	-	-	-	-
Distribution and grants	3	-	16,636	-	16,636	59,709
Other costs in furtherance of the charity's objectives		49,585	1,681	-	51,266	57,634
Support costs		21,099	-	-	21,099	20,221
Management and administration of the charity		14,973	9,753	-	24,726	32,528
<b>Total resources expended</b>	4	<b>86,212</b>	<b>28,070</b>	<b>-</b>	<b>114,282</b>	<b>171,053</b>
Net incoming/(outgoing) resources before transfers		(17,297)	10,350	4,313	(2,634)	(62,588)
Transfers between funds		11,743	(6,920)	(4,823)	-	-
Net incoming/(outgoing) resources for the year		(5,554)	3,430	(510)	(2,634)	(62,588)
Other recognised gains and losses						
Investments		-	-	-	-	-
Unrealised losses		(18,400)	(9,747)	(13,231)	(41,378)	(49,563)
Realised losses		(3,042)	(6,280)	(8,446)	(17,768)	(30,553)
Revaluation of land and buildings		-	-	75,000	75,000	-
Net movement in funds		(26,996)	(12,597)	52,813	13,220	(142,704)
Balances at 1 January 2002		134,126	392,013	1,106,283	1,632,422	1,775,126
<b>Balances carried forward at 31 December 2002</b>		<b>107,130</b>	<b>379,416</b>	<b>1,159,096</b>	<b>1,645,642</b>	<b>1,632,422</b>

The notes on pages 9 to 21 form part of these financial statements.

All operations are continuing operations.

## Church Society

### Income and expenditure account For the year ended 31 December 2002

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	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Income		
Total income of continuing operations	107,335	92,752
Expenditure		
Total expenditure of continuing operations	114,282	154,416
Net expenditure for the year before transfers and investment asset disposals	(6,947)	(61,664)
Transfer from endowment fund	4,823	28,335
Net income for the year before investment asset disposals	(2,124)	(33,329)
Loss on disposal of investment assets	(3,041)	(7,645)
Net expenditure for the year	<u>(5,165)</u>	<u>(40,974)</u>

The results for the above financial years as set out have been derived entirely from continuing operations.

All recognised gains and losses during the above financial years have been included in the income and expenditure account.

# Church Society

## Balance sheet As at 31 December 2002

		2002		2001	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		603,384		525,931
Inalienable fixed assets	7		8,000		6,000
Fixed asset investments	8		<u>20,000</u>		<u>40,830</u>
			631,384		572,761
Current assets					
Stocks	9	5,070		4,792	
Debtors	10	7,152		7,541	
Investments	11	164,522		425,745	
Bank and short term deposits		<u>844,860</u>		<u>630,783</u>	
		1,021,604		1,068,861	
Creditors: amounts falling due within one year	12	<u>(7,346)</u>		<u>(9,200)</u>	
Net current assets			<u>1,014,258</u>		<u>1,059,661</u>
Total assets less current liabilities			<u>1,645,642</u>		<u>1,632,422</u>
Funds					
Permanent endowment funds	13,17		1,159,096		1,106,283
Restricted funds	14,18		379,416		392,013
Unrestricted fund	15,19		<u>107,130</u>		<u>134,126</u>
	16		<u>1,645,642</u>		<u>1,632,422</u>

The notes on pages 9 to 20 form part of these financial statements.

The trustees approved the financial statements on

and they were signed on their behalf by

The Reverend G R Curry  
Chairman

Mr D L R Boyd  
Chairman, finance Committee

# Church Society

## Notes to the financial statements For the year ended 31 December 2002

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### 1. Accounting policies

The following accounting policies are considered material in relation to the charitable company's financial statements.

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets), in accordance with applicable United Kingdom Accounting Standards. The provisions of "Accounting by Charities", the Statement of Recommended Practice (SORP), have been adopted in these financial statements.

#### 1.2 Classification of funds

Permanent endowments represents those funds where the capital is required to be retained but the income from those funds can be spent for the benefit of Church Society or others subject in certain cases to specific restrictions contained in the original endowment.

Restricted funds represent the accumulated income of managed funds whose use is restricted to specific purposes according to the terms on which the funds were received.

General fund represents unrestricted income which may be spent generally for furthering the religious and charitable work of Church Society.

#### 1.3 Depreciation of tangible assets

Depreciation is provided on all tangible assets, except freehold property, at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	33% on a straight line basis
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No depreciation is provided on freehold property. It is the policy of the Society to maintain these at least to their current standard and to charge the Statement of Financial Activities the cost of maintenance as incurred. In the opinion of the council, the depreciation charge is not material because the residual value is not materially different from the carrying amount of the asset. The useful economic lives and residual values are reviewed at the end of each year.

In accordance with the SORP, historic assets are not depreciated.

#### 1.4 Valuation of investments

Investment assets are included at market value at the balance sheet date. Gains and losses, whether realised or not, are reported in the statement of financial activities.

#### 1.5 Stocks

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

# Church Society

## Notes to the financial statements For the year ended 31 December 2002

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### 1.6 Incoming resources and resources expended

Income and expenditure is accounted for on the accruals basis. Direct charitable expenditure comprises all expenditure directly relating to the charitable objectives. Fundraising and publicity costs and management and administration costs include a proportion of the salaries of staff engaged in those activities and an apportionment of property costs.

### 1.7 Intangible income

The contribution to the administration of Church Society supplied in the form of voluntary services is acknowledged with gratitude but not recognised in these financial statements.

### 1.8 Pension costs

Defined benefit scheme – Contributions payable are charged to the statement of financial activities so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

Defined contribution scheme – The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

### 1.9 Grants

Grants are included at the amounts paid from the funds during the year.

### 1.10 Allocation of costs

Wherever applicable costs associated with relevant training are charged to the Amalgamated Ordination and Training Fund. Likewise wherever applicable costs associated with patronage work are charged to the Patronage Fund.

## 2. Assets held as trustees

Church Society / Church Society Trust hold as trustee for Christ Church Community e.v., Düsseldorf 100% of the share capital of Kirchengrundstücksgesellschaft mbH, Düsseldorf (incorporated in the Federal Republic of Germany).

Church Society Trust assists in filling vacancies as they arise at the chaplaincy. However, the charity does not exert influence on day-to-day management, nor supply funds. Neither is there any expectation of financial gain from the shareholding.



# Church Society

## Notes to the financial statements For the year ended 31 December 2002

3. Grants paid	2002	
	£	£
<b>Amalgamated Ordination and Training Fund</b>		
Scholarships	2,500	
Book grants	750	
Travel costs	72	
	<hr/>	3,322
<b>Birchington Convalescent Benefit Fund</b>		1,200
Grants (12 individuals)		
<b>Brighton Emmanuel Church</b>		
Grant payments	138	
Literature distribution	642	
	<hr/>	780
<b>Christ Church, Düsseldorf</b>		
Trustees' travel		78
<b>Gloucester Mariners Housing Fund</b>		
Grants re former residence		337
<b>Leamington Christ Church</b>		
Contribution to St Mark's, Leamington	600	
Literature Distribution	10	
	<hr/>	610
<b>Maidstone St Faith Parish Room</b>		
Contribution to St Faith's, Maidstone		2,400
<b>Paddock Wood Parochial Hall Trust</b>		
Contribution to St Andrew's, Paddock Wood	604	
Costs of Aschcroft Road	254	
Travel expenses	71	
	<hr/>	929
<b>Ryde Ecclesiastical Charity</b>		
Contribution to cost of youth worker	1,000	
Donation received and forwarded to St. James	5,200	
	<hr/>	6,200
<b>Walthamstow, Penrhyn Hall</b>		
Expenditure on hall		780
		<hr/>
		<u>16,636</u>
2001 comparative		<u>59,709</u>

## Church Society

### Notes to the financial statements For the year ended 31 December 2002

4. Total resources expended	<i>Distribution and grants</i> £	<i>Staff costs</i> £	<i>Depreciation</i> £	<i>Other costs</i> £	<i>Total 2002</i> £	<i>Total 2001</i> £
Fundraising and publicity	-	-	-	555	555	961
Activities in furtherance of charitable objectives:						
Direct charitable	16,636	30,478	846	41,041	89,001	137,564
Management and administration	-	7,619	212	16,895	24,726	32,528
	<u>16,636</u>	<u>38,097</u>	<u>1,058</u>	<u>58,491</u>	<u>114,282</u>	<u>171,053</u>

#### Other costs

	<i>2002</i> £	<i>2001</i> £
Fundraising and publicity	555	961
Establishment and property	14,097	13,979
Publications	16,694	25,777
Meetings and conferences	5,869	5,369
Other staff costs	1,085	2,884
Professional and management fees	8,189	6,780
Auditors' remuneration – Mazars Neville Russell (re 2001 accounts)	4,113	3,995
Auditors' remuneration – Skingle Helps & Co (re 2002 accounts)	3,000	-
Miscellaneous	4,889	5,055
Inter-fund interest	-	11,977
	<u>58,491</u>	<u>76,777</u>

#### Staff costs

	<i>2002</i> £	<i>2001</i> £
Wages and salaries	31,610	26,341
Social security costs	2,198	1,850
Pension costs	4,289	2,812
	<u>38,097</u>	<u>31,003</u>

The average number of persons employed by the charitable company during the year was 2 (2001: 2). No employee earned more than £40,000.

#### 5. Trustee remuneration and related party transactions

Council members receive no remuneration for their services. Their travelling expenses are reimbursed in respect of expenses incurred on either Church Society or Church Society Trust business. In the year ended 31 December 2002, 14 Council Members claimed reimbursement of travelling expenses totalling £4,145 (2000: £4,164).

# Church Society

## Notes to the financial statements For the year ended 31 December 2002

### 6. Tangible fixed assets

	<i>Freehold property</i>	<i>Fixtures fittings and equipment</i>	<i>Total</i>
	£	£	£
<b>Cost or valuation</b>			
As at 1 January 2002	525,000	26,310	551,310
Additions	-	5,511	5,511
Disposals	-	(11,615)	(11,615)
Revaluation	73,000	-	73,000
	<hr/>	<hr/>	<hr/>
As at 31 December 2002	598,000	20,206	618,206
<b>Accumulated depreciation</b>			
As at 1 January 2002	-	25,379	25,379
Provision for the year	-	1,058	1,058
Eliminated on disposals	-	(11,615)	(11,615)
	<hr/>	<hr/>	<hr/>
As at 31 December 2002	-	14,822	14,822
<b>Net book value</b>			
As at 31 December 2002	<hr/>	<hr/>	<hr/>
	598,000	5,384	603,384
As at 31 December 2001	<hr/>	<hr/>	<hr/>
	525,000	931	525,931

#### Valuations of freehold property

Dean Wace House, Watford – valued in November 1999 by Rumball Sedgwick Chartered Surveyors at a value of £350,000 (historic cost plus cost of improvements £375,892).

29 Mayfield Road, Ryde, IOW – valued at £165,000 on 26 July 2002 by Tolfrey & Associates, Surveyors (historic cost £92,000).

Ashcroft Road, Paddock Wood – valued in 1996 by Ecclesiastical Insurance Group at £80,000 (historic cost £12,561).

Commercial Road, Paddock Wood – valued in November 1995 by Ibbett Mosely Chartered Surveyors at a value of £3,000 (historic cost £nil).

# Church Society

## Notes to the financial statements For the year ended 31 December 2002

### 7. Inalienable and historic assets

2002  
£  
8,000

The following properties have all been shown in the balance sheet at a notional amount of £1,000.

Lightbowne Evangelical Church  
Penryn Hall, Walthamstow  
St James Church, Ryde  
Gloucester Mariners Church  
Gloucester Mariners Hall  
Hollabury Mission Hall, Poughill  
St Andrews, Montserrat  
Southfields Scout Hut

### 8. Fixed assets investments

2002  
£

#### Cost or valuation

Valuation at 1 January 2002

40,830

Revaluation

(20,830)

Market valuation at 31 December 2002

20,000

#### Historic cost

2,430

#### Analysis of investments

2002

£

2001

£

Düsseldorf KGG

-

2,430

Southsea Mortgage and Investment Company Limited

20,000

38,400

20,000

40,830

The shares in the Southsea Mortgage and Investment Company have been re-valued and assigned a value based on income.

### 9. Stocks

2002

£

2001

£

Publications

5,070

4,792

# Church Society

## Notes to the financial statements For the year ended 31 December 2002

<b>10. Debtors</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Amount owed by Church Society Trust	1	1
Other debtors	1,798	2,668
Prepayments	853	372
Other debtors due after more than one year	4,500	4,500
	<u>7,152</u>	<u>7,541</u>

<b>11. Current asset investments</b>	<b>2002</b>
	<b>£</b>
<b>Cost or valuation</b>	
Valuation at 1 January 2002	425,745
Purchases	187,500
Disposals	(425,745)
Revaluation	(22,978)
Market value at 31 December 2002	<u>164,522</u>
<b>Historic cost</b>	
At 31 December 2002	<u>187,500</u>
At 31 December 2001	<u>499,349</u>

### Analysis of investments

As at 31 December 2002, all current asset investments were held by CCLA Investment Management Limited in CBF Church of England Funds. As at 31 December 2001, all current asset investments were listed and were held by J P Morgan. The portfolio also includes £nil (2001: £13,348) shown under bank and short term deposits.

## Church Society

### Notes to the financial statements For the year ended 31 December 2002

12. Creditors: amounts falling due within one year	2002 £	2001 £
Other creditors	898	3,574
Deferred income	3,448	2,076
Accruals	3,000	3,550
	<u>7,346</u>	<u>9,200</u>

13. Permanent endowment funds	<i>Balance</i> <b>1</b> <i>January</i> <b>2002</b> £	<i>Movement in funds</i> <b>Incoming</b> <i>resources</i> £	<i>Gains/</i> <b>(losses)</b> <i>and</i> <b>transfers</b> £	<i>Balance</i> <b>31</b> <i>December</i> <b>2002</b> £
E A Beynon Fund	95,525	3,570	(3,601)	95,494
Brighton Emmanuel	172,289	48	(8,641)	163,696
Düsseldorf Chaplaincy	7,412	-	(368)	7,044
Gloucester Mariners Church	105,510	-	-	105,510
Gloucester Mariners Hall	1,000	-	-	1,000
Hollabury Mission Hall, Poughill, Cornwall	1,000	-	-	1,000
Leamington Spa, St Mark	55,190	-	(4,060)	51,130
Lightbowne Evangelical Church, Manchester	1,000	-	-	1,000
Maidstone, St faith Parish Room	122,821	-	(7,832)	114,989
Paddock Wood Parochial Church Hall Trust	83,000	-	-	83,000
Ryde, St James	93,000	-	73,000	166,000
St Andrews, Montserrat	-	-	1,000	1,000
Southfields Scout Hut	-	-	1,000	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	1,000
	<u>738,747</u>	<u>3,618</u>	<u>50,498</u>	<u>792,863</u>
Dean Wace Memorial	367,536	695	(1,998)	366,233
	<u>1,106,283</u>	<u>4,313</u>	<u>48,500</u>	<u>1,159,096</u>

## Church Society

### Notes to the financial statements For the year ended 31 December 2002

#### 14. Movement on restricted funds

	<i>Balance 1 January 2002 £</i>	<i>Movement in funds</i>		<i>Balance 31 December 2002 £</i>
		<i>Incoming resources £</i>	<i>Gains/ (losses) and transfers £</i>	
Amalgamated Ordination and Training Fund	177,549	7,160	(13,575)	171,134
Birchington Convalescent Benefit Fund	58,298	2,206	(6,056)	54,448
Brighton Emmanuel Trust	12,910	7,144	(2,828)	17,226
Patronage Fund	33,695	1,087	(9,263)	25,519
Düsseldorf	195	224	(130)	289
Gloucester, Mariners Hall	57	3,724	(1,382)	2,399
Hove, Holy Trinity	4,146	148	(169)	4,125
Leamington Spa, St Mark	41,996	3,976	(2,899)	43,073
Maidstone, St Faith Parish Room	763	5,318	(3,636)	2,445
Paddock Wood Parochial Church Hall Trust	21,946	917	(1,942)	20,921
Walthamstow, Penrhyn Hall Trust	5,113	177	(1,025)	4,265
Walthamstow, St John	10,453	204	(217)	10,440
Ryde Ecclesiastical Charity	24,892	6,135	(7,895)	23,132
	<u>392,013</u>	<u>38,420</u>	<u>(51,017)</u>	<u>379,416</u>

#### 15. Movement on unrestricted funds

	<i>Balance 1 January 2002 £</i>	<i>Movement in funds</i>		<i>Balance 31 December 2002 £</i>
		<i>Incoming resources £</i>	<i>Gains/ (losses) and transfers £</i>	
General fund	69,591	66,913	(76,172)	60,332
Anniversary fund	64,535	2,002	(19,739)	46,798
	<u>134,126</u>	<u>68,915</u>	<u>(95,911)</u>	<u>107,130</u>

# Church Society

## Notes to the financial statements For the year ended 31 December 2002

### 16. Net assets held by funds

	<i>Un- restricted funds</i>	<i>Restricted funds</i>	<i>Permanent endowment funds</i>	<i>Total funds</i>
	£	£	£	£
Tangible fixed assets	5,384	-	606,000	611,384
Fixed asset investments	20,000	-	-	20,000
Current asset investments	-	62,254	102,268	164,522
Other current assets	89,092	317,162	450,828	857,082
Current liabilities	(7,346)	-	-	(7,346)
	<u>107,130</u>	<u>379,416</u>	<u>1,159,096</u>	<u>1,645,642</u>

### 17. Net assets held by permanent endowment funds

	<i>Fixed assets</i>	<i>Invest- ments</i>	<i>Other net current assets</i>	<i>Total</i>
	£	£	£	£
E A Beynon Fund	-	-	95,494	95,494
Brighton Emmanuel	-	48,876	114,820	163,696
Düsseldorf Chaplaincy	-	793	6,251	7,044
Gloucester Mariners Church	1,000	-	104,511	105,511
Gloucester Mariners Hall	1,000	-	-	1,000
Hollabury Mission Hall, Poughill, Cornwall	1,000	-	-	1,000
Leamington Spa, St Mark	-	8,719	42,411	51,130
Lightbowne Evangelical Church, Manchester	1,000	-	-	1,000
Maidstone, St faith Parish Room	-	41,126	73,863	114,989
Paddock Wood Parochial Church Hall Trust	83,000	-	-	83,000
Ryde, St James	166,000	-	-	166,000
St Andrews	1,000	-	-	1,000
Southfield	1,000	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	1,000
	<u>256,000</u>	<u>99,514</u>	<u>437,350</u>	<u>792,864</u>
Dean Wace Memorial	<u>350,000</u>	<u>2,754</u>	<u>13,478</u>	<u>366,232</u>
	<u>606,000</u>	<u>102,268</u>	<u>450,828</u>	<u>1,159,096</u>



## Church Society

### Notes to the financial statements For the year ended 31 December 2002

#### 18. Net assets held by restricted funds

	<i>Invest- ments</i>	<i>Other net current assets</i>	<i>Total</i>
	£	£	£
Amalgamated Ordination and Training Fund	48,878	122,256	171,134
Birchington Convalescent Benefit Fund	9,442	45,006	54,448
Brighton Emmanuel Trust	-	17,226	17,226
Patronage Fund	-	25,519	25,519
Düsseldorf	-	289	289
Gloucester, Mariners Hall	-	2,399	2,399
Hove, Holy Trinity	-	4,124	4,124
Leamington Spa, St Mark	-	43,073	43,073
Maidstone, St Faith Parish Room	-	2,445	2,445
Paddock Wood Parochial Church Hall Trust	-	20,922	20,922
Walthamstow, Penrhyn Hall Trust	-	4,265	4,265
Walthamstow, St John	-	10,440	10,440
Ryde Ecclesiastical Charity	3,934	19,198	23,132
	<u>62,254</u>	<u>317,162</u>	<u>379,416</u>

#### 19. Net assets held by unrestricted funds

	<i>Fixed assets</i>	<i>Invest- ments</i>	<i>Other net current assets</i>	<i>Total</i>
	£	£	£	£
General fund	5,384	20,000	34,948	60,332
Anniversary fund	-	-	46,798	46,798
	<u>5,384</u>	<u>20,000</u>	<u>81,746</u>	<u>107,130</u>

## Church Society

### Notes to the financial statements For the year ended 31 December 2002

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#### 20. Purpose of funds

Amalgamated Ordination and Training Fund	To assist with and promote the educational and training needs of those persons who are, or are training to become, ministers in the established Church of England who subscribe to the conservative, evangelical tradition.
E A Beynon Fund	For the general purposes of the National Church League which in 1950 merged with Church Association to become Church Society.
Birchington Convalescent Benefit Fund	To make grants to enable poor children and in default of poor children other poor persons to obtain convalescent treatment after illness.
Brighton, Emmanuel Church	To maintain Christian and missionary work on Scriptural Protestant and Evangelical lines so far as practicable in the Brighton and Hove area and Subject thereto elsewhere.
Patronage Fund	To pay for work in relation to Church Society's patronage activities (in particular those of Church Society Trust).
Dean Wace Memorial Fund	To provide land and buildings for Church Society and money for the Society's general purposes.
Düsseldorf Chaplaincy	To pay for the expenses of Christ Church, Düsseldorf in relation to both the upkeep of buildings and the employment of staff.
Gloucester Mariners Church	To provide a residence for the chaplain of the Mariner's Chapel.
Hove, Holy Trinity	To promote the Christian religion by such means as the Trustees shall decide, in particular to make payments for the maintenance, of the buildings and fabric of Holy Trinity, Hove and subject thereto for the promotion of Christian religion through other churches practising an evangelical and Protestant belief.
Leamington Spa, Christ Church	For the augmentation of the stipend of the Incumbent of St Mark's, Leamington Spa, so long as the doctrine and worship in the parish of St Mark's are evangelical in character.

## Church Society

### Notes to the financial statements For the year ended 31 December 2002

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#### 20. Purpose of funds (continued)

Maidstone, St Faith Parish Room	To provide funds for the Vicar of St. Faith's for the purposes of the parish.
Paddock Wood Parochial Church Hall Trust	To provide funds for evangelical purposes in or in connection with the parish of St. Andrew's Paddock Wood.
Ryde Ecclesiastical Charity	To further the religious and other charitable work of the Church of England in the Ecclesiastical Parish of Ryde.
Ryde, St James	To provide for maintenance and propagation of the Protestant and Evangelical principles of the Church of England through St. James' Chapel Ryde, the Isle of Wight.
Walthamstow, Penryn Hall Trust	To permit the Penrhyn Hall to be used under the direction and control of the vicar of St. John's Walthamstow so long as it is used consistently with evangelical principles.
Walthamstow, St John	To support any work within the parish of St. John's Walthamstow, either being part of church activities or in support of charities operating within the parish.
Freeholds held on behalf of Churches or other charities	Lightbowne Evangelical Church, Manchester Gloucester Mariners Hall, Hollabury Mission Hall, Poughill, Cornwall, St Andrews, Montserrat, Southfields Scout Hut.

#### 21. Pension Schemes

The Church Society participates in the Church of England Funded Pensions Scheme. The Church of England Funded Pensions Scheme is a defined benefit scheme but the Church Society is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. The first valuation of the scheme was carried out as at 31 December 2000, and the Church Society contribution rate will increase from 21.9% to 29.1% of pensionable stipends with effect from 1 April 2002, increasing to 29.5% from 1 January 2003.

During the year, a new accounting standard Financial Reporting Standard 17: 'Retirement Benefits' was introduced. For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the Church Society to account for pension costs on the basis of contributions actually payable to the Scheme in the year. For the year ended 31 December 2002, the Church Society continued to pay contributions at reduced rates, resulting in defined benefit contributions of £3,628 (2001: £2,250) on behalf of 1 employee (2001: 1).

Additionally, during the year defined contribution pension costs of £661 (2001: £450) were paid on behalf of 1 (2001: 1) employee to the Church of England Defined Contribution Scheme section of the Church Workers Pension Fund.

#### 22. Capital commitments and contingent liabilities

The charitable company had no material capital commitments nor contingent liabilities at 31 December 2002 (2001: £nil).

