

# **Report and Financial Statements**

**For the year ended 31 December 2004**

**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  
2004**

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

## Church Society

### Financial statements for the year ended 31 December 2004

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<b>Council members</b>	D R L Boyd The Revd T M Chapman The Revd J A Cheeseman The Revd G R Curry (Chairman) M J Fothergill P Gore The Revd Dr J B Hall The Revd S J Hanna (resigned 19 June 2004) The Revd A F Hogarth F A Knaggs V Menon The Revd M J Ovey P J Ratcliff The Revd Canon G T Rideout (resigned 19 June 2004) The Revd F Robson T J P Stevenson N J C Tucker The Revd Canon M W Walters The Revd S J Walton (appointed 19 June 2004) The Revd G L Warren (appointed 19 June 2004)
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 2004

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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

Trowers & Hamlins  
Sceptre Court  
40 Tower Hill  
London  
EC3N 4DX



# Church Society

## Trustees' and directors' report For the year ended 31 December 2004

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The directors present their report and the financial statements for the year ended 31 December 2004.

### 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 112 Livings, many of which are 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 members do much of the work of the Society.

### Activities and achievements

In pursuing its objectives of upholding the reformed character of the Church of England during 2004 Church Society engaged particularly with two major reports which could vitally affect the nature of the Church in years to come. At the domestic level the report 'Women Bishops in the Church of England' was released signalling the beginning of the process which may well culminate in the consecration of women Bishops. The Society continued through statements, press work and publications to assert that God's Word provides that presbyteral ministry in the Church is to be exercised by men and that therefore women should not be Priests nor Bishops in the Church of England. On the international level the Windsor report was published addressing the impending collapse of the Anglican Communion following the decisions of the Episcopal Church of the United States to consecrate as Bishop an actively homosexual man, and the decision of the Diocese of New Westminster, Canada, to authorise the blessing of same sex unions. The Society responded robustly to the Windsor report stating that it was entirely inadequate and if implemented would not only fail to deal with the presenting problems but would shift the Anglican Communion from being a federation of provinces to a papal Church.

# Church Society

## Trustees' and directors' report For the year ended 31 December 2004

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The impact of radical liberalism and its desire to undo biblical ethics concerning sexual relations was also felt closer to home. One of the leading advocates of same sex unions, and an unrepentant homosexual himself, was appointed as Dean of St. Albans' Cathedral. The Society's offices are located in the Diocese and because the General Secretary is himself a Proctor in Convocation for the Diocese he became particularly involved with other evangelicals in opposing this move.

The Chairman, or failing him, the General Secretary, attended meetings of Anglican Mainstream, a new network established to oppose liberalism in the Anglican Communion, though the Society is not formally represented in this. The Chairman attended various gatherings of Anglicans from around the world and the General Secretary was part of a delegation to see the Prime Minister's Appointments Secretary.

The Society has consistently, and unpopularity, argued that the acceptance of the presbyteral ministry of women paved the way for the pressure to accept homosexual practice. It notes particularly that there are very few evangelicals in the Anglican churches of the USA or Canada who hold a biblical view on women's ministry.

The General Secretary, Chairman and other members of the Council also responded to a large number of media enquiries and gave many interviews for television, radio and newspapers including foreign media.

The Society is extremely grateful to other organizations who campaign on moral issues affecting national life from a Biblical perspective and seeks where possible to support and engage with them in this. In particular the Society was represented at meetings convened by the Christian Institute concerning employment rights and by the Barnabas Fund on incitement to religious hatred. At the close of the year we were particularly fearful of the impact this latter issue could have on preaching and teaching in the future.

The Society is also active in working with others both formally and informally. At the beginning of the year we held a further joint Council meeting with Reform and the Fellowship of Word and Spirit and the General Secretary attends the Council meetings of both those groups. The Society is also formally represented on the Church of England Evangelical Council, the Patrons Consultative Group, the Evangelical Patronage Consultative Council and the United Protestant Council.

For the first time in several years the Society held a residential conference in May on the theme 'A Faithful Ministry'. Those who attended appreciated the teaching and fellowship. God willing this will be a regular event and we hope to see gradual increase in attendance.

Church Society has had a long involvement with education. In the past it owned both a teacher training college and a school, now Luckley-Oakfield School. The school became a separate trust thirty years ago with the Society appointing Trustees. Members of the Council visited the school during the year and our Chairman is now a Governor. At the General Synod in July the Society used its customary fringe meeting to draw attention to education issues. We were delighted that Jonathan Winch, the Principal of Emmanuel College, Gateshead, spoke on the subject of 'Christianity across the Curriculum'. This was well received both dispelling some of the myths about the college and challenging people to think biblically about education. One or two were clearly disturbed by the idea of gaining insights for education from the Word of God!

At the beginning of February the Society launched the third version of its website ([www.churchsociety.org](http://www.churchsociety.org)) which has attracted much positive comment. The site is designed to organise information much more systematically with 'sub-sites' for Churchman and Church Society Trust. The intention was to make the site much easier to add material to without becoming too complicated for people to find relevant information. The aim is to add material to the site every week and since February over 150 new pages or documents have been added. We are also now selling more titles through the site and we have therefore increased substantially the number of titles available for sale with a particular focus on reformed works both new and old.

A number of publication projects are being pursued; some with assistance from the Publications Fund. First to come to fruition were three booklets, two regarding finance and the third an analysis of the Windsor report. Our e-mail service, EVNEWS, continues to be appreciated and towards the end of the year we began work on revamping



# Church Society

## Trustees' and directors' report For the year ended 31 December 2004

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this and integrating it more into our second website, [www.evangelicals.org](http://www.evangelicals.org).

All issues of Churchman were published within the relevant quarter and the supply of articles was kept up. There was a small drop in readership during the year due to a drop in the number of Society members taking subscriptions. We did see an increase again in overseas readers. Issues to do with publicity and circulation are considered on a regular basis by the Editorial Board.

The parish support work of the Society is undertaken largely by the Directors and Members of Church Society Trust. After a long vacancy we were pleased when Michael Swain was appointed as part-time lay chaplain to the Gloucester Mariners Chapel. The Trust continued to struggle to find clear evangelicals to apply for posts. It is also keeping up to date on possible developments due to women Bishops, the removal of freehold and the transfer of benefice property, all of which are on the agenda for the Church of England. There is a steady drift to transform the Church of England into a much more centralised, hierarchical structure away from the devolved basis, which has been its health and strength for so long.

The Society frequently 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.

As ever a large part of the work of the Society is done by members of the Council, the Finance Committee, Church Society Trust and the Churchman Editorial Board who give their time and energy to serving Christ through pursuing the various objectives of the Society. Other volunteers assist in such things as gift aid processing, mailings and the compilation of the prayer diary.

During the year the Society's Solicitor moved to a different firm and it was decided that because of his knowledge of the affairs of the Society we would likewise transfer to the new firm of Trowers and Hamlin. Legal documents relating to properties and funds are kept by the Solicitor although all deeds relating to advowsons (patronage) are kept securely in Dean Wace House. For several years we have had an ongoing project to sort through the archives as time allows in order to economise on space and systematise how and where documents are stored after the move to Watford in 1991 and the rebuilding work of 1999. This exercise has led to several interesting discoveries some of which have necessitated further work.

### 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.

Overall we saw a significant increase in income against budget and were once again able to keep expenditure lower than anticipated. The increase in income was primarily due to four legacies received totalling £11,200 and we thank God especially for these gifts. However, the general income from members and churches fell slightly on the previous year, despite the fact that there was again a gentle rise in the number of members. Whilst we anticipated a deficit of close to £30,000 the actual net outgoing (see page 7) was £3,990. Whilst the reduction in the deficit has been an encouragement we are still running a deficit and with reserves of around £90,000 we continue to pray for God's gracious provision either in terms of increased regular or exceptional income to continue the present level of work.

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 9) 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.

# Church Society

## Trustees' and directors' report For the year ended 31 December 2004

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### 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 on pages 21 and 22 of the accounts. Several funds consist solely of freehold properties including Churches, houses or halls. Because many of these are long-standing funds there are often issues that arise and the Society has been undertaking a gradual programme of clarifying the precise nature of each trust. There have been some significant matters that have come to light as a result of this which have taken time and expense to resolve. The General Secretary made visits to some of the properties during the year to check on their condition.

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 on page 12. 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.

At the start of the year a large portion of the investments were still held on deposit because of uncertainties regarding equities. During the year more funds were switched to equities although we continue to be wary of them. The CBF Property Fund, which we invested in near its inception, has proved a very satisfactory investment for those funds with suitable levels of capital to invest. The investment spread was reviewed at regular intervals during the year and in line with the recommended practice of charities we exercise a very cautious investment strategy. The capital value of the main funds rose by 2.4-5.6%.

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 with reasonable

## **Church Society**

### **Trustees' and directors' report For the year ended 31 December 2004**

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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**

Skingle Helps & Co have expressed their willingness to continue as auditors and a 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 1985, relating to small entities.

Approved by the Trustees  
And signed on their behalf by

The Reverend G R Curry  
**Trustee**

2005

# **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 2004 on pages 7 to 22, 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 10 and 11.

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 directors'/trustees' 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 records, 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 2004 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 Beches  
Surrey SM5 4HW

# Church Society

## Statement of financial activities For the year ended 31 December 2004

	Notes	Un- restricted funds £	Restricted funds £	Endow- ment funds £	2004 Total £	2003 Total £
<b>Incoming resources</b>						
Donations		42,893	424	-	43,317	47,847
Legacies		11,200	-	-	11,200	-
Investment income		4,226	35,658	3,969	43,853	39,028
Subscriptions and publications		14,573	-	-	14,573	13,352
Rent receivable		-	200	-	200	200
Grant income		-	-	-	-	7,000
Fee and other income		11,459	309	-	11,768	8,212
<b>Total incoming resources</b>		<b>84,351</b>	<b>36,591</b>	<b>3,969</b>	<b>124,911</b>	<b>115,639</b>
<b>Resources expended</b>						
Fundraising and publicity		571	-	-	571	1,188
Charitable expenditure		-	-	-	-	-
Distribution and grants	3	-	19,555	-	19,555	27,114
Other costs in furtherance of the charity's objectives		60,305	-	-	60,305	53,644
Support costs		22,262	2,200	-	24,462	23,898
Management and administration of the charity		12,448	10,500	-	22,948	21,751
<b>Total resources expended</b>	4	<b>95,586</b>	<b>32,255</b>	<b>-</b>	<b>127,841</b>	<b>127,595</b>
Net incoming/(outgoing) resources before transfers		(11,235)	4,336	3,969	(2,930)	(11,956)
Transfers between funds		7,245	(2,099)	(5,146)	-	-
Net incoming/(outgoing) resources for the year		(3,990)	2,237	(1,177)	(2,930)	(11,956)
Other recognised gains and losses						
Investments						
Unrealised gains		-	9,625	23,961	33,586	19,301
Realised gains		-	-	-	-	-
Revaluation of land and buildings		-	-	412,000	412,000	-
Net movement in funds		(3,990)	11,862	434,784	442,656	7,345
Balances at 1 January 2004 as originally stated		94,227	329,455	1,229,305	1,652,987	1,645,642
Prior year adjustment	6	-	5,061	(5,061)	-	-
Balance at 1 January 2004 as restated		94,227	334,516	1,224,244	1,652,987	1,645,642
Net movement in funds		(3,990)	11,862	434,784	442,656	7,345
<b>Balances carried forward at 31 December 2004</b>		<b>90,237</b>	<b>346,378</b>	<b>1,659,028</b>	<b>2,095,643</b>	<b>1,652,987</b>

The notes on pages 10 to 22 form part of these financial statements.

All operations are continuing operations.

## Church Society

### Income and expenditure account For the year ended 31 December 2004

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	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Income		
Total income of continuing operations	111,009	106,083
Expenditure		
Total expenditure of continuing operations	124,041	123,869
Net expenditure for the year before transfers and investment asset disposals	(13,032)	(17,786)
Transfer from endowment fund	10,102	5,830
Net income for the year before investment asset disposals	(2,930)	(11,956)
Loss on disposal of investment assets	-	-
Net expenditure for the year	(2,930)	(11,956)

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 2004

		2004		2003	
		£	£	£	£
Fixed assets					
Tangible fixed assets	7		1,013,325		604,212
Inalienable fixed assets	8		8,000		8,000
Fixed asset investments	9		<u>20,000</u>		<u>20,000</u>
			1,041,325		632,212
Current assets					
Stocks	10	5,324		4,183	
Debtors	11	7,009		8,044	
Investments	12	601,708		291,822	
Bank and short term deposits		<u>448,930</u>		<u>727,358</u>	
		1,062,971		1,031,407	
Creditors: amounts falling due within one year	13	<u>(8,653)</u>		<u>(10,632)</u>	
Net current assets			<u>1,054,318</u>		<u>1,020,775</u>
Total assets less current liabilities			<u>2,095,643</u>		<u>1,652,987</u>
Funds					
Endowment funds	14,18		1,659,028		1,224,244
Restricted funds	15,19		346,378		324,516
Unrestricted fund	16,20		<u>90,237</u>		<u>94,227</u>
	17		<u>2,095,643</u>		<u>1,652,987</u>

The notes on pages 10 to 21 form part of these financial statements.

The trustees approved the financial statements on

2005 and they were signed on their behalf by

The Reverend G R Curry  
Chairman

Mr D R L Boyd  
Chairman, finance Committee

# Church Society

## Notes to the financial statements For the year ended 31 December 2004

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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 2004

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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 2004

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3. Grants paid	2004	
	£	£
<b>Amalgamated Ordination and Training Fund</b>		
Scholarships	3,500	
Book grants	388	
Conference subsidy	500	
	<hr/>	4,388
<b>Birchington Convalescent Benefit Fund</b>		
Grants (12 individuals)	1,200	
Books	90	
	<hr/>	1,290
<b>Brighton Emmanuel Church</b>		
Grants to churches	1,135	
Grants to individuals	1,000	
Other grants	3,237	
	<hr/>	5,372
<b>Gloucester Mariners Housing Fund</b>		
Expenditure relating to Mariners Chapel	128	
Payments to chaplain	750	
	<hr/>	878
<b>Leamington Spa, Christ Church</b>		
Contribution to St Mark's, Leamington		600
<b>Maidstone St Faith Parish Room</b>		
Contribution to St Faith's, Maidstone		4,600
<b>Paddock Wood Parochial Hall Trust</b>		
Costs of Aschcroft Road		281
<b>Publications Fund</b>		
Publications		305
<b>Ryde Ecclesiastical Charity</b>		
Payments on behalf of St James Trust		349
		<hr/>
		18,063
		<hr/>
2003 comparative		27,114
		<hr/>

## Church Society

### Notes to the financial statements For the year ended 31 December 2004

4. Total resources expended	<i>Distribution and grants</i> £	<i>Staff costs</i> £	<i>Depreciation</i> £	<i>Other costs</i> £	<i>Total 2004</i> £	<i>Total 2003</i> £
Fundraising and publicity	-	-	-	571	571	1,188
Activities in furtherance of charitable objectives:						
Direct charitable	18,063	33,606	2,310	50,343	104,322	104,656
Management and administration	-	8,402	577	13,969	22,948	21,751
	<u>18,063</u>	<u>42,008</u>	<u>2,887</u>	<u>64,883</u>	<u>127,841</u>	<u>127,595</u>

#### Other costs

	<i>2004</i> £	<i>2003</i> £
Fundraising and publicity	571	1,188
Establishment and property	16,013	15,207
Publications	15,971	18,047
Meetings and conferences	10,688	6,206
Other staff costs	2,150	1,492
Professional and management fees	8,262	8,006
Auditors' remuneration	3,175	3,100
Miscellaneous	8,053	5,465
	<u>64,883</u>	<u>58,711</u>

#### Staff costs

	<i>2004</i> £	<i>2003</i> £
Wages and salaries	33,684	32,875
Social security costs	2,596	2,463
Pension costs	5,728	5,553
	<u>42,008</u>	<u>40,891</u>

The average number of persons employed by the charitable company during the year was 2 (2003: 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 2004, 17 Council Members claimed reimbursement of travelling expenses totalling £8,622 (2003: £5,440).

#### 6. Prior year adjustment

The prior year adjustment reflects the disclosure of the income element of the Birchington Convalescent Benefit Fund, the Dean Wace Memorial Fund and the Gloucester Mariners Residence Fund as separate restricted funds, and not as part of the endowment funds.

# Church Society

## Notes to the financial statements For the year ended 31 December 2004

### 7. 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 2004	598,000	21,913	619,913
Additions	-	-	-
Disposals	-	-	-
Revaluation	412,000	-	412,000
As at 31 December 2004	1,010,000	21,913	1,031,913
<b>Accumulated depreciation</b>			
As at 1 January 2004	-	15,701	15,701
Provision for the year	-	2,887	2,887
Eliminated on disposals	-	-	-
As at 31 December 2004	-	18,588	18,588
<b>Net book value</b>			
As at 31 December 2004	1,010,000	3,325	1,013,325
As at 31 December 2003	598,000	6,212	604,212

### 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). Value updated as at 31 December 2004 by the directors to £550,000.

29 Mayfield Road, Ryde, IOW – valued at £165,000 on 26 July 2002 by Tolfrey & Associates, Surveyors (historic cost £92,000). Value updated as at 31 December 2004 by the directors to £200,000.

Ashcroft Road, Paddock Wood – valued in 1996 by Ecclesiastical Insurance Group at £80,000 (historic cost £12,561). Value updated as at 31 December 2004 by the directors to £235,000.

Commercial Road, Paddock Wood – valued in November 1995 by Ibbett Mosely Chartered Surveyors at a value of £3,000 (historic cost £nil). Value updated as at 31 December 2004 by the directors to £25,000.

# Church Society

## Notes to the financial statements For the year ended 31 December 2004

### 8. Inalienable and historic assets

2004  
£  
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

### 9. Fixed assets investments

2004  
£

#### Cost or valuation

Valuation at 1 January 2004

20,000

Revaluation

-

Market valuation at 31 December 2004

20,000

#### Historic cost

2,430

#### Analysis of investments

2004  
£

2003  
£

Düsseldorf KGG

-

Southsea Mortgage and Investment Company Limited

20,000

20,000

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

### 10. Stocks

2004  
£

2003  
£

Publications

5,324

4,183

## Church Society

### Notes to the financial statements For the year ended 31 December 2004

<b>11. Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Amount owed by Church Society Trust	1	1
Other debtors	3,861	3,731
Prepayments	647	312
Other debtors due after more than one year	2,500	4,000
	<u>7,009</u>	<u>8,044</u>

<b>12. Current asset investments</b>	<b>2004</b>
	<b>£</b>
<b>Cost or valuation</b>	
Valuation at 1 January 2004	291,822
Purchases	276,300
Disposals	-
Revaluation	33,586
Market value at 31 December 2004	<u>601,708</u>
<b>Historic cost</b>	
At 31 December 2004	<u>295,500</u>
At 31 December 2003	<u>571,800</u>

#### **Analysis of investments**

As at 31 December 2004, all current asset investments were held by CCLA Investment Management Limited in CBF Church of England Funds.

# Church Society

## Notes to the financial statements For the year ended 31 December 2004

13. Creditors: amounts falling due within one year	2004	2003
	£	£
Other creditors	3,498	5,476
Deferred income	2,030	2,030
Accruals	3,125	3,126
	<u>8,653</u>	<u>10,632</u>

14. Endowment funds	<i>Movement in funds</i>			
	<i>Balance</i>	<i>Incoming</i>	<i>Gains/</i>	<i>Balance</i>
	<i>1</i>	<i>resources</i>	<i>(losses)</i>	<i>31</i>
	<i>January</i>		<i>and</i>	<i>December</i>
	<i>2004</i>		<i>transfers</i>	<i>2004</i>
	£	£	£	£
<b>Permanent endowment funds</b>				
E A Beynon Fund	95,494	3,969	(1,956)	97,507
Birchington Convalescent Benefit Fund	54,763	-	2,173	56,936
Brighton Emmanuel	169,110	-	8,664	177,774
Gloucester Mariners Church	1,000	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	1,000
Hollabury Mission Hall, Poughill, Cornwall	1,000	-	-	1,000
Leamington Spa, Christchurch	52,654	-	2,094	54,748
Lightbowne Evangelical Church, Manchester	1,000	-	-	1,000
Maidstone, St Faith Parish Room	119,016	-	6,652	125,668
Ryde, St James	166,000	-	35,000	201,000
St Andrews, Montserrat	1,000	-	-	1,000
Southfields Scout Hut	1,000	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	1,000
	<u>664,037</u>	<u>3,969</u>	<u>52,627</u>	<u>720,633</u>
Dean Wace Memorial	365,460	-	201,918	567,378
	<u>1,029,497</u>	<u>3,969</u>	<u>254,545</u>	<u>1,288,011</u>
<b>Expendable endowment funds</b>				
Düsseldorf Chaplaincy	7,186	-	(2,255)	4,931
Gloucester Mariners Residence Fund	104,561	-	1,525	106,086
Paddock Wood Parochial Church Hall Trust	83,000	-	177,000	260,000
	<u>1,224,244</u>	<u>3,969</u>	<u>430,815</u>	<u>1,659,028</u>

## Church Society

### Notes to the financial statements For the year ended 31 December 2004

#### 15. Movement on restricted funds

	<i>Balance 1 January 2004 £</i>	<i>Movement in funds</i>		<i>Balance 31 December 2004 £</i>
		<i>Incoming resources £</i>	<i>Gains/ (losses) and transfers £</i>	
Amalgamated Ordination and Training Fund	174,825	7,537	(1,319)	181,043
Birchington Convalescent Benefit Fund	825	2,211	(1,842)	1,194
Brighton Emmanuel Trust	7,316	7,547	(7,136)	7,727
Dean Wace Memorial	1,902	760	-	2,662
Düsseldorf	416	199	(48)	567
Gloucester, Mariners Hall	2,479	(2,161)	-	318
Gloucester Mariners Residence Fund	2,334	6,962	(1,958)	7,338
Hove, Holy Trinity	4,229	175	(37)	4,367
Leamington Spa, Christchurch	44,902	3,978	(1,572)	47,308
Maidstone, St Faith Parish Room	3,611	5,328	(5,824)	3,115
Paddock Wood Parochial Church Hall Trust	21,366	1,078	(485)	21,959
Patronage Fund	22,735	871	(4,908)	18,698
Publications	8,752	731	195	9,678
Ryde Ecclesiastical Charity	23,751	1,051	1,036	25,838
Walthamstow, Penrhyn Hall Trust	3,857	117	(23)	3,951
Walthamstow, St John	11,216	207	(808)	10,615
	<b>334,516</b>	<b>36,591</b>	<b>(24,729)</b>	<b>346,378</b>

#### 16. Movement on unrestricted funds

	<i>Balance 1 January 2004 £</i>	<i>Movement in funds</i>		<i>Balance 31 December 2004 £</i>
		<i>Incoming resources £</i>	<i>Gains/ (losses) and transfers £</i>	
General fund	57,008	83,122	(76,683)	63,447
Anniversary fund	37,219	1,229	(11,658)	26,790
	<b>94,227</b>	<b>84,351</b>	<b>(88,341)</b>	<b>90,237</b>



# Church Society

## Notes to the financial statements For the year ended 31 December 2004

### 17. Net assets held by funds

	<i>Un- restricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds</i>
	£	£	£	£
Tangible fixed assets	3,325	-	1,018,000	1,021,325
Fixed asset investments	20,000	-	-	20,000
Current asset investments	-	143,741	457,967	601,708
Other current assets	75,565	202,637	183,061	461,263
Current liabilities	(8,653)	-	-	(8,653)
	<u>90,237</u>	<u>346,378</u>	<u>1,659,028</u>	<u>2,095,643</u>

### 18. Net assets held by endowment funds

	<i>Fixed assets</i>	<i>Invest- ments</i>	<i>Other net current assets</i>	<i>Total</i>
	£	£	£	£
<b>Permanent endowment funds</b>				
E A Beynon Fund	-	77,013	20,494	97,507
Birchington Convalescent Benefit Fund	-	40,525	16,411	56,936
Brighton Emmanuel	-	125,755	52,019	177,774
Gloucester Mariners Church	1,000	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	1,000
Hollabury Mission Hall, Poughill, Cornwall	1,000	-	-	1,000
Leamington Spa, Christchurch	-	39,036	15,712	54,748
Lightbowne Evangelical Church, Manchester	1,000	-	-	1,000
Maidstone, St Faith Parish Room	-	88,704	36,964	125,668
Ryde, St James	201,000	-	-	201,000
St Andrews, Montserrat	1,000	-	-	1,000
Southfields Scout Hut	1,000	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	1,000
	<u>208,000</u>	<u>371,033</u>	<u>141,600</u>	<u>720,633</u>
Dean Wace Memorial	<u>550,000</u>	<u>12,401</u>	<u>4,977</u>	<u>567,378</u>
	<u>758,000</u>	<u>383,434</u>	<u>146,577</u>	<u>1,288,011</u>
<b>Expendable endowment funds</b>				
Düsseldorf Chaplaincy	-	3,009	1,922	4,931
Gloucester Mariners Residence Fund	-	71,524	34,562	106,086
Paddock Wood Parochial Church Hall Trust	260,000	-	-	260,000
	<u>1,018,000</u>	<u>457,967</u>	<u>183,061</u>	<u>1,659,028</u>

## Church Society

### Notes to the financial statements For the year ended 31 December 2004

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

	<i>Invest- ments</i>	<i>Other net current assets</i>	<i>Total</i>
	£	£	£
Amalgamated Ordination and Training Fund	126,384	54,659	181,043
Birchington Convalescent Benefit Fund	-	1,194	1,194
Brighton Emmanuel Trust	-	7,727	7,727
Dean Wace Memorial	-	2,662	2,662
Düsseldorf	-	567	567
Gloucester, Mariners Hall	-	318	318
Gloucester Mariners Residence Fund	-	7,338	7,338
Hove, Holy Trinity	-	4,367	4,367
Leamington Spa, Christchurch	-	47,308	47,308
Maidstone, St Faith Parish Room	-	3,115	3,115
Paddock Wood Parochial Church Hall Trust	-	21,959	21,959
Patronage Fund	-	18,698	18,698
Publications	-	9,678	9,678
Walthamstow, Penrhyn Hall Trust	-	3,951	3,951
Walthamstow, St John	-	10,615	10,615
Ryde Ecclesiastical Charity	17,357	8,481	25,838
	<u>143,741</u>	<u>202,637</u>	<u>346,378</u>

#### 20. 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	3,325	20,000	40,122	63,447
Anniversary fund	-	-	26,790	26,790
	<u>3,325</u>	<u>20,000</u>	<u>66,912</u>	<u>90,237</u>

## Church Society

### Notes to the financial statements For the year ended 31 December 2004

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#### 21. 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.
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.

## Church Society

### Notes to the financial statements For the year ended 31 December 2004

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

Publications Fund	Established in 2003 to further the publishing work of Church Society including the production, marketing and distribution of material for sale or free distribution.
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.

#### 22. 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.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of accounting standard Financial Reporting Standard 17: 'Retirement Benefits' 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 2004, the Church Society continued to pay contributions at reduced rates, resulting in defined benefit contributions of £4,984 (2003: £4,837) on behalf of 1 employee (2003: 1).

Additionally, during the year defined contribution pension costs of £744 (2003: £716) were paid on behalf of 1 (2003: 1) employee to the Church of England Defined Contribution Scheme section of the Church Workers Pension Fund.

#### 23. Capital commitments and contingent liabilities

The charitable company had no material capital commitments nor contingent liabilities at 31 December 2004 (2003: £nil).