

**STATUTORY ACCOUNTS**

COMPANY NO: 247772  
CHARITY REGISTRATION NUMBER: 232670

# Community of the Resurrection Mirfield

(A Company limited by guarantee and not having a  
share capital)

Report and Financial Statements

Year ended 30 April 2004



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## Company Information

Trustees	Peter George Allan Zachary Russell Dunbar Brammer Jonathan James McKenna Critchley Roy France Vincent Francis Richard Girling Antony Richard Charles Grant Benedict Humphrey Christian Green * John Gibson Gribben * George Paul Alfred Guiver Steven Hawes Simon Jack Crawford Holden Aidan Anthony Mayoss Thomas Christopher John Seville Eric Simmons Nicolas Michael Stebbing Aelred Anthony Richard Peter Stubbs Dominic Robert Edward Whitnall Harry Abbott Williams * David Wilson  * Ex officio Members of Finance Committee
Secretary	David Wilson
Registered office	The House of the Resurrection Mirfield West Yorkshire WF14 0BN
Company number	247772
Charity registration number	232670
Auditors	RSM Robson Rhodes LLP St George House 40 Great George Street Leeds LS1 3DQ
Bankers	HSBC Bank plc Market Place Dewsbury West Yorkshire  Central Board of Finance of the Church of England St Alphage House 2 Fore Street London EC2Y 5AQ
Investment brokers	Brewin Dolphin Bell Lawrie Limited 5 Giltspur Street London EC1A 9BD

## Report of the Trustees

### Objectives and Principal Activities

Founded in 1892, the objective of the company is to act as an Association of Christians who desire to combine together to spread the Kingdom of God on earth by endeavouring to reproduce the life of the first Christians.

The principal activity of the company is that of a religious community, the Community of the Resurrection [CR], whose members follow a daily routine of prayer and worship. The Community additionally undertakes various charitable works at home and abroad, including pastoral, evangelistic, literary, educational and other charitable works for the advancement of religion. It also makes grants and gives support to others engaged in similar activity. The Community also has an organisation of non-monastic affiliates called the Fraternity of the Resurrection.

The work of the Community takes place in a number of venues. Some – the Mirfield site and St Francis House in Hemingford Grey, Cambridgeshire – are wholly owned by the Community. Others are used by the Community on an outreach basis, sometimes in partnership with others. Links have been in place since 1902 with South Africa, initially through mission and educational work but now through the Community's Priory in West Turffontein, Johannesburg.

### Governance and Administration

The Community is a non-profit making organisation, being a registered charity and incorporated as a company limited by guarantee: the Memorandum and Articles of Association of the company were incorporated on 1 May 1930 and amended by special resolution dated 30 December 1969; the Community was entered onto the Charity Commission's Register of Charities on 21 October 1964. Article 25 of the Memorandum and Articles of Association stipulates that the Trustees are the individuals responsible for managing the affairs and business of the Community. As such the Trustees are the charity's trustees. The Trustees at the date of this report are set out on page 1 held office throughout the year.

The charity is administered by a General Chapter, (comprising the Trustees), which meets twice a year to consider all matters. A long-established committee system is also in operation designed to oversee all aspects of the charity's objectives, (including grants and scholarships), subject to the approval of General Chapter and the Board of Trustees. Lay staff assist Brethren in the running of the charity.

### Financial Control

The Trustees maintain a system of proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. These are now mainly computerised on accredited financial software. They also have processes in place for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities. Each year two members of the Community's Brethren are elected as Scrutineers; in this role they analyse the accounts (clarifying issues as necessary) and attach a report of their findings to the accounts presented at the Annual General Meeting. The Community is also subject to quinquennial Visitation by the Community Visitor, a Church of England Bishop. This results in a Visitation report covering all aspects of the Community's activities, including financial procedures.

The Community has professional advisors in accountancy, architectural matters, building and electrical services, investments, legal and other related matters as well as employing staff with expertise in specific organisational functions of the charity. Mechanisms are in place by which the Trustees are able to keep up to date with legislative changes affecting the charity. As well as updates from Church bodies and Internet sources, the Community receives information specifically relevant to the financial management of religious communities by virtue of its membership of the Association of Provincial Bursars.

With regard to investments, the Community has an Investment Committee in London, organised by its stockbrokers: meetings are held every two months to determine investment policy and assess portfolio performance. Membership includes individuals with relevant experience and qualifications. The Trustees require, every six months, valuation of the Company's investments, a report on the performance of the portfolio, together with a review of the markets and outlook for national, international and global economies.

The charity has a close relationship with the College of the Resurrection, (registered charity number 529320), a separate legal entity being a company limited by guarantee and not having a share capital. Its principal activity is training clergy for the Church of England and some of the Brethren are involved in its teaching. The Trustees of the Community are also Trustees and shareholders by guarantee of the College. The Community permits the College to use designated buildings on part of the Mirfield site rent and rates free. Other expenditure on buildings, maintenance, fuel and staffing are recharged at cost and not specifically identified within the published accounts.

## Report of the Trustees (continued)

CR also has links with the Northern Ordination Course (registered charity 1067982), which has as its objectives the advancement of Christian religion by the promotion of theological education and training. Some of this charity's work is done at and in partnership with the Community's Mirfield Centre. Income and expenditure in respect of these activities are not separately identified within the accounts.

### Key Policies

#### *Reserves policy*

In order to achieve its charitable objectives, the Community maintains a number of reserves. These are set out in notes 12 and 13 to the financial statements. The policy in respect of these reserves is to maintain the capital of each fund in order to generate income, which is used to support the objectives of the Community.

Restricted funds and endowment funds have increased during the year from £352,991 to £368,633. The reason for this is an increase in the market value of investments held.

#### *Investment policy*

The capital held in the Community's reserves are mainly held as investments in either quoted investments, treasury stocks or bank accounts. The long-term objective of the Trustees is to protect the real value of the Community's endowed capital and the income arising, without undue risk. The short-term objective is to achieve this without undue fluctuation in the income arising from investments. Overall, the Trustees seeks a medium risk profile with no set limits pertaining to the proportion of the portfolio which could be held in cash, UK Government securities (or similar), fixed interest securities and equity-based investments – with the exception that no one direct equity holding in a company shall exceed 5% of the value of the total portfolios.

#### *Fixed asset policy*

The Trustees have not capitalised all the freehold land and buildings of the Community because of their unique historic nature. Further details are provided in note 6 to the financial statements.

#### *Risk management*

From time to time the Trustees review the position of the Community and the risks it faces. As part of this review the Trustees put in place contingency plans to mitigate those risks should they arise. Risks in key areas were identified in 2003 and recorded in a risk register: a risk management and disaster recovery plan was also developed.

#### *Policy for making donations and grants*

In line with the objectives of the Community to undertake charitable work, the Community receives requests for charitable donations, as well as individual Brethren suggesting projects or organisations worthy of and needing financial support. These are considered on their merits and where appropriate and affordable the Community makes a donation or grant, which supports the overall aims of the Community to promote religious or charitable work. During the year the Community made charitable donations and grants amounting to £53,707 (2003: £81,266). This was because the majority of the charity's expenditure went towards keeping the religious community and maintaining its buildings. Apart from small ecumenical scholarships, no grants are made to individuals and in practice grants are awarded for medical or educational activities.

### Brothers' Capital and Income

When Brethren join the Community, the capital which they possess is given to the Community to hold on trust on their behalf. Any such capital is invested in either quoted investments or treasury stocks in the name of the Brother. Any income generated from these investments is given by the Brethren to the Community to use as the Community sees fit. At the year end the Community held, on behalf of Brethren, investments with a book value of £1,035,448 (2003: £1,138,956) and a market value of £2,551,059 (2003: £2,446,288). In addition to this it held £49,917 (2003: £49,917) of cash, which has still to be invested.

### Staffing

A significant proportion of the running of the charity is, performed by the Trustees and other Brethren who do not receive any remuneration. Employees have been consulted on issues of concern to them by means of consultative and staff meetings and have been kept informed on specific matters directly. The charity has implemented a number of documented processes in relation to Health and Safety at Work and personnel matters in the light of recent legislation. Reviews of support salaries have been implemented to ensure that remuneration remains comparable with other sectors of the local economy. No employee received more than £50,000 per annum, (2003: nil).

## Report of the Trustees (continued)

### Financial Review

In preparing this Annual Report and audited Financial Statements for the year ended 30 April 2004, the Trustees of the charity have adopted the provisions of the *Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities'*, issued in October 2000. The Statement of Financial Activities (including income and expenditure account) for the year is set out on page 7.

The charity's income for the year increased from £761,068 to £1,678,059. This is largely due to the profit recognised on the sale of the London House of £822,514. The proceeds received from the sale of the London House have been invested in the stock market and future income from these investments will be used to further the charity's objectives.

The overall expenditure of the charity remains at a similar level as in 2003. The slight decrease reflects the completion of a refurbishment programme, the majority of which was undertaken in 2003.

The Community's investment portfolio has performed well during the year, allowing for cash movements, and has outperformed markets on a weighted average basis during that time. This has resulted in an unrecognised gain of £192,820. The Community consider this portfolio performance to be satisfactory and in line with its strategic objectives.

The movement in fixed assets during the year are set out in note 6 to the financial statements. The Trustees' opinion of the value of the freehold land and buildings is set out in note 6 to the financial statements.

During the year, a decision was made to sell Hall Cottage, part of the Community's uncapitalised land and buildings. This has resulted in the building being recognised in current assets at its net realisable value of £295,000 and as an unrealised gain in the Statement of Financial Activities.

### Current and Future Developments

Overall, the Community continues to make satisfactory progress towards the achievement of its objectives. The House of Resurrection at Mirfield continues to attract visitors seeking an individual or group retreat. The sales and stock of Mirfield Publications – which publishes and sells a range of religious books, compact discs and other materials – are in line with last year's figures. The Mirfield Centre has established itself, particularly in West Yorkshire, as a local adult theological education resource for a wide range of bodies. The Community's Retreat House at Hemingford Grey, (St Francis House) also runs an all-year retreat programme. Members of the Brethren regularly contribute to outreach mission and pastoral activities at home and abroad.

During the financial year, (22 September 2003), a Review Visit was conducted to the Community of the Resurrection by the Charity Commission as part of its statutory obligation to oversee all charities. A Report of that Visit, published on 28 November 2003 stated:

*"It was clear from the Review that the Community of the Resurrection was a well established religious community with a history of assisting others through retreats, missions, conferences and visits to parishes and schools. Its close link with the College of the Resurrection meant that over the years it had also played a significant part in the training of candidates for the priesthood".*

In accordance with its standard practice, the Charity Commission made a number of recommendations in respect of legal requirements and good practice with regard to governance structures, relationship with subsidiary charities, delegation of authority, financial reporting, terms of reference for committees, written criteria for grant assessments and the formalising of existing financial controls into documented form. These were considered by the Superior and Council and an Action Plan drawn up to implement them at or by the July 2004 meeting of General Chapter. The Community welcomed the positive report by the Charity Commission and looked forward to its follow-up visit later in 2004.

Further work on policies of investments, reserves and risk-taking is being undertaken as part of the Community's continued policy of good practice. The Memorandum and Articles of Association will be reviewed by the Board on 25 July 2004.

## Report of the Trustees (continued)

### Statement of Trustees' responsibilities for the financial statements

Company law in the United Kingdom requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the net income or expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the 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 and other irregularities.

### Auditors

The auditors, RSM Robson Rhodes LLP, are willing to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The report of the Trustees was approved by the Board on 7 July 2004 and signed on its behalf by:



George Paul Alfred Guiver  
Director

## Independent Auditors' Report to the Members of the Community of the Resurrection

We have audited the financial statements on pages 7 to 18.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

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' Annual 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' 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 audit 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 judgements made by the 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 state of affairs as at 30 April 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.



RSM Robson Rhodes LLP  
Chartered Accountants and Registered Auditors

Leeds, England  
7 July 2004



**Statement of Financial Activities**  
**(including income and expenditure account)**  
for the year ended 30 April 2004

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2004 £	Total 2003 £
<b>Income and expenditure</b>						
<b>Incoming resources</b>						
Donations		70,566	-	-	70,566	38,659
Legacies		187,720	-	-	187,720	95,088
<i>Activities in furtherance of the charities objectives:</i>						
Guest income		126,003	-	-	126,003	119,457
Carrying out religious activities		16,906	-	-	16,906	11,140
Supply of adult religious education		26,096	-	-	26,096	9,922
Sale of religious literature		25,645	-	-	25,645	25,180
Royalties of hymns and books		2,624	-	-	2,624	2,230
<i>Activities for generating funds:</i>						
Income tax recoverable		2,085	224	-	2,309	27,848
Interest receivable		2,091	1,968	-	4,059	9,835
Income from investments		97,071	9,122	-	106,193	122,471
Dividend income from Brethren's investments		106,974	-	-	106,974	102,908
Brethren's pensions		180,450	-	-	180,450	179,199
Net gain on disposal of fixed assets		822,514	-	-	822,514	-
Other income		-	-	-	-	17,131
<b>Total incoming resources</b>		<b>1,666,745</b>	<b>11,314</b>	<b>-</b>	<b>1,678,059</b>	<b>761,068</b>
<b>Resources expended</b>						
<b>Charitable expenditure:</b>						
Grants payable	2	42,898	10,809	-	53,707	81,266
<i>Costs of activities in furtherance of the charity's objectives:</i>						
Supply of adult religious education		51,884	-	-	51,884	30,989
Running costs of Mirfield Publications		21,610	-	-	21,610	31,449
Support costs	3	629,318	-	-	629,318	681,456
Management and administration	4	54,415	12	-	54,427	37,530
<b>Total resources expended</b>		<b>800,125</b>	<b>10,821</b>	<b>-</b>	<b>810,946</b>	<b>862,690</b>
<b>Net incoming resources/ (resources expended) - net income/(expenditure) in the year</b>		<b>866,620</b>	<b>493</b>	<b>-</b>	<b>867,113</b>	<b>(101,622)</b>
<b>Other recognised gains and losses</b>						
Net realised gains/(losses) on sale of investments		18,072	-	-	18,072	(75,205)
Net unrealised gains/(losses) on investment assets		177,671	14,500	649	192,820	(329,894)
Net unrealised gains on fixed assets		295,000	-	-	295,000	-
<b>Net movement in funds</b>		<b>1,357,363</b>	<b>14,993</b>	<b>649</b>	<b>1,373,005</b>	<b>(506,721)</b>
Balance at 1 May 2003	12	3,752,801	327,995	24,996	4,105,792	4,612,513
<b>Balance at 30 April 2004</b>	<b>12</b>	<b>5,110,164</b>	<b>342,988</b>	<b>25,645</b>	<b>5,478,797</b>	<b>4,105,792</b>

There were no recognised gains or losses other than those reported above.

All incoming resources and resources expended derive from continuing activities.

**Balance Sheet**

at 30 April 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible fixed assets	6	1,307,897	1,799,805
Investments	7	<u>3,533,998</u>	<u>1,969,160</u>
		<u>4,841,895</u>	<u>3,768,965</u>
<b>Current assets</b>			
Assets held for resale	8	295,000	-
Stock	9	11,387	11,668
Debtors	10	108,861	6,971
Cash at bank and in hand		<u>242,819</u>	<u>368,215</u>
		<u>658,067</u>	<u>386,854</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(21,165)</u>	<u>(50,027)</u>
<b>Net current assets</b>		<u>636,902</u>	<u>336,827</u>
<b>Total assets less current liabilities</b>		<u>5,478,797</u>	<u>4,105,792</u>
<b>Represented by:</b>			
<b>Reserves</b>	12		
<b>Unrestricted funds:</b>			
General funds (includes revaluation reserve of £295,000, 2003: £nil)		3,099,674	1,825,948
Designated funds		2,010,490	1,926,854
<b>Restricted funds</b>		342,988	327,994
Endowed fund		<u>25,645</u>	<u>24,996</u>
	13	<u>5,478,797</u>	<u>4,105,792</u>

These financial statements were approved by the Board on 7 July 2004 and signed on its behalf by:



George Paul Alfred Guiver  
Director

## Notes to the Financial Statements

for the year ended 30 APRIL 2004

### 1 ACCOUNTING POLICIES

#### Basis of accounting

The financial statements are prepared in accordance with The Charities (Accounts and Reports) Regulations 2000 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000 ("SORP") and with applicable Accounting Standards. These financial statements are prepared in accordance with the historical cost convention except as modified for the revaluation of investments (see below).

#### Tangible fixed assets

Tangible fixed assets are capitalised based on invoice cost. The Community has not capitalised certain of its freehold land and buildings, which it has owned for several years and which are held purely to enable the objectives of the Community to be achieved. Further details are provided in Note 6.

#### Depreciation

Depreciation is provided on the cost of tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The rates adopted for the depreciation are as follows:

Freehold buildings	2% (straight line on cost)
Long leasehold buildings	2% (straight line on cost)
Fixtures and fittings	5% to 20% (straight line on cost)

A full year of depreciation is provided in the year of purchase and no depreciation is provided in the year of disposal.

#### Incoming resources

All incoming resources are included within the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

#### Investments

Investments are stated at the market value as required by The Statement of Recommended Practice Accounting by Charities. Realised and unrealised gains on investments are accounted for separately in the Statement of Financial Activities.

#### Stocks

Stock is valued at the lower of cost and estimated net realisable value. Cost is determined by reference to retail selling price. Net realisable value is based on the estimated sales price after allowing for all further costs of disposal.

#### Taxation

The company is exempt from taxation.

#### Pensions

The Community provides discretionary pensions for certain of its employees who have been employed for 20 years or more. Such pensions are non contributory. A fund has been set aside within the Joint Fund to cover future pension obligations. In the event of this fund being insufficient to meet such obligations amounts would be made available from other funds to cover any liabilities.

In addition the Community provides contributions for certain members of staff for a defined contribution pension scheme. These contributions are accounted for on a paid basis.

## Notes to the Financial Statements

for the year ended 30 APRIL 2004

### 1 ACCOUNTING POLICIES (continued)

#### **Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT, which cannot be recovered. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include the running costs of all the premises and the welfare of the Brethren. Management and administration costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

#### *Grants payable*

The Community makes discretionary grants, which are accounted for on a paid basis.

#### *Operating leases*

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

# Notes to the Financial Statements

for the year ended 30 APRIL 2004

## 2 GRANTS PAYABLE

	2004 £	2004 £	2003 £	2003 £
The amount payable in the year comprises:				
<b>Advancement of religion</b>				
Grants to support the general work of the following:				
Community of the Resurrection West Turffontein	38,344		24,793	
Ikhaya Lokullhaha Convent	-		10,000	
Goldthorpe Parish Church	-		5,000	
St Andrews Trust	-		3,000	
Chikwa Community	115		-	
		38,459		42,793
<b>Other charitable donations</b>				
CARA	-		5,000	
Oxfam	-		2,000	
Milo Hospital, Tanzania	6,000		-	
Ibumi, Tanzania	2,500		-	
Manicaland, Zimbabwe	1,800		-	
		10,300		7,000
<b>Total institutional grants</b>		48,759		49,793
<b>Individual grants</b>				
Sponsoring overseas students	4,439		7,564	
Grants to 2 individuals (2003 – 2)				
Grants to support missionaries overseas	509		2,000	
(Grant to 1 individual – 2003 – 1 individual)				
		4,948		9,564
<b>Other grants less than £1,000</b>		-		21,909
		53,707		81,266

# Notes to the Financial Statements

for the year ended 30 APRIL 2004

## 3 SUPPORT COSTS

	2004 £	2003 £
Staff costs	244,715	225,174
Operating expenses	348,244	411,476
Depreciation	36,359	44,806
	<u>629,318</u>	<u>681,456</u>

## 4 MANAGEMENT AND ADMINISTRATION

	2004 £	2003 £
Staff costs	23,679	14,595
Auditors' fees	16,097	7,990
Operating expenses	14,651	14,945
	<u>54,427</u>	<u>37,530</u>

A significant proportion of the running of the charity is performed by the brethren who do not receive any remuneration.

## 5 EMPLOYEES

The average monthly number of full time equivalent employees (including Trustees) employed by the company:

	2004 Number	2003 Number
Brethren all of whom are directors	20	20
Administration and domestic support staff	18	17
	<u>38</u>	<u>37</u>

Costs in respect of administration and domestic support staff were:

	2004 £	2003 £
Wages and salaries	261,168	238,801
Pensions	7,366	5,587
Social Security costs	18,724	13,523
	<u>287,258</u>	<u>257,911</u>

None of the directors received any emoluments from the company.

No employee received more than £50,000 per annum (2003: none).

# Notes to the Financial Statements

for the year ended 30 APRIL 2004

## 6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long leasehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 May 2003	1,405,724	597,337	149,628	2,152,689
Additions	-	-	29,385	29,385
Disposals	-	(597,337)	-	(597,337)
At 30 April 2004	1,405,724	-	179,013	1,584,737
<b>Depreciation</b>				
At 1 May 2003	136,124	112,403	104,357	352,884
Charge for year	28,114	-	8,245	36,359
Disposals	-	(112,403)	-	(112,403)
At 30 April 2004	164,238	-	112,602	276,840
<b>Net book values</b>				
At 30 April 2004	1,241,486	-	66,411	1,307,897
At 30 April 2003	1,269,600	484,934	45,271	1,799,805

It is the policy of the company to capitalise all expenditure on fixed assets at purchase cost or at probate value if the fixed asset was received by way of a legacy. When this policy was adopted the following freehold land and buildings were not capitalised:

(a) **House of the Resurrection, Hall Croft Estate, Mirfield**

This property, which was acquired in 1902 comprises the House of the Resurrection, staff house, retreat house, chapel, college buildings, two lodges, a quarry and approximately 19 acres of freehold land.

(b) **St Francis House, Hemingford Grey**

This property was given as a gift to the Community in 1950 and comprises a retreat house, staff buildings and approximately two acres of freehold land.

These uncapitalised fixed assets are historic assets and the Trustees have not obtained a market value for them. These uncapitalised fixed assets are, in the opinion of the directors, of a unique composition for which there is no readily available continuing use market value. There is no intention by the directors to dispose of any part of these uncapitalised fixed assets as they are owned to enable the Community to achieve its religious and charitable objectives.

The directors consider the market value of the capitalised freehold land and buildings to be comparable to the book value.

As stated above a market value for the uncapitalised freehold land and buildings has not been obtained. However, the directors have insured the freehold buildings for the following amounts, which they consider provides an indication of the value of the properties. A valuation for the freehold land is not available.

	£
The House of the Resurrection	7,139,423
The Church of the House of the Resurrection	5,657,910
The College buildings at the House of the Resurrection	4,169,445
St Francis House	1,394,006
	<u>18,360,784</u>

# Notes to the Financial Statements

for the year ended 30 APRIL 2004

## 7 INVESTMENTS

	Quoted investments £	Other investments £	Total £
Market value at 1 May 2003	1,969,023	137	1,969,160
Additions	1,450,341	-	1,450,341
Disposals	(78,323)	-	(78,323)
Net unrealised investment gain	192,820	-	192,820
Market value at 30 April 2004	3,533,861	137	3,533,998
Historical cost	3,486,490	137	3,486,627
<b>Sector analysis:</b>		<b>2004 £</b>	<b>2003 £</b>
Fixed interest		1,319,896	952,110
Listed equities		2,213,965	1,016,913
Other investments		137	137
		<u>3,533,998</u>	<u>1,969,160</u>

All investments are listed UK securities.

### Investments held on trust

When Brethren join the Community, the capital, which they possess is given to the Community to hold on trust on their behalf. Any such capital is invested in either quoted investments or treasury stocks in the name of the Brother. Any income generated from these investments is given by the Brethren to the Community to use as the Community sees fit. At the year end the Community held, on behalf of Brethren, investments with a book value of £1,035,448 (2003: £1,138,956) and a market value of £2,551,059 (2003: £2,446,288). In addition to this it held £49,917 (2003: £49,917) of cash, which has still to be invested.

## 8 ASSETS HELD FOR RESALE

	2004 £	2003 £
Hall Cottage	<u>295,000</u>	<u>-</u>

During the year, the decision was made to sell Hall Cottage, part of the Community's uncapitalised land and buildings, as it was surplus to requirements.

In accordance with the SORP, this building has been included within the financial statements at its net realisable value, which is the same as its market value.

The recognition of this asset has created a revaluation reserve, which has been included as part of unrestricted funds.

## 9 STOCK

	2004 £	2003 £
Goods for resale	<u>11,387</u>	<u>11,668</u>

The replacement cost of the above stocks would not be significantly different from the values stated.



# Notes to the Financial Statements

for the year ended 30 APRIL 2004

## 10 DEBTORS

	2004 £	2003 £
Amounts due from associated companies	11,125	-
Legacies receivable	93,027	-
Other debtors and repayments	4,709	6,971
	<u>108,861</u>	<u>6,971</u>

## 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amounts owed to associated companies	383	-
Other taxes and social security	4,856	-
Other creditors	15,926	50,027
	<u>21,165</u>	<u>50,027</u>

# Notes to the Financial Statements

for the year ended 30 APRIL 2004

## 12 RESERVES

	At 1 May 2003 £	Income £	Expenditure £	Other gains £	Transfers £	At 30 April 2004 £
<b>Unrestricted funds</b>						
Grants fund	1,825,948	1,093,098	117,449	116,077	(113,000)	2,804,674
Revaluation reserve	-	-	-	295,000	-	295,000
<b>Designated funds:</b>						
Staff pensions	200,000	-	-	-	-	200,000
Maintenance	650,000	-	-	-	-	650,000
Church improvements	69,553	-	-	-	-	69,553
Computers	8,578	-	-	-	-	8,578
<b>Joint fund</b>	<b>2,754,079</b>	<b>1,093,098</b>	<b>117,449</b>	<b>411,077</b>	<b>(113,000)</b>	<b>4,027,805</b>
<b>General fund</b>	<b>11,468</b>	<b>389,133</b>	<b>482,697</b>	<b>-</b>	<b>80,000</b>	<b>(2,096)</b>
Capital fund	231,001	-	-	44,939	87,172	363,112
Maintenance fund	50,658	27,536	32,725	-	-	45,469
<b>Hemingford Grey Capital Fund</b>	<b>281,659</b>	<b>27,536</b>	<b>32,725</b>	<b>44,939</b>	<b>87,172</b>	<b>408,581</b>
<b>Hemingford Grey Household Fund</b>	<b>13,184</b>	<b>87,655</b>	<b>75,557</b>	<b>-</b>	<b>-</b>	<b>25,282</b>
<b>Mirfield Publications</b>	<b>18,005</b>	<b>25,742</b>	<b>21,610</b>	<b>-</b>	<b>-</b>	<b>22,137</b>
Grants fund	43,942	11,864	1,154	-	-	54,652
Capital fund	316,744	-	-	34,727	(87,172)	264,299
<b>SAFE fund</b>	<b>360,686</b>	<b>11,864</b>	<b>1,154</b>	<b>34,727</b>	<b>(87,172)</b>	<b>318,951</b>
<b>Designated fund for grant allotments</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>
<b>Mirfield Centre</b>	<b>12,609</b>	<b>26,235</b>	<b>51,884</b>	<b>-</b>	<b>20,000</b>	<b>6,960</b>
<b>London Priory</b>	<b>1,111</b>	<b>5,482</b>	<b>17,049</b>	<b>-</b>	<b>13,000</b>	<b>2,544</b>
<b>Restricted funds:</b>						
<b>I S Farmer Bequest</b>	<b>101,552</b>	<b>-</b>	<b>521</b>	<b>-</b>	<b>-</b>	<b>101,031</b>
Capital account	84,102	-	-	7,167	-	91,269
Accumulations account	142,341	11,314	10,300	7,333	-	150,688
<b>Archdeacon F W Goodman Scholarship Fund</b>	<b>226,443</b>	<b>11,314</b>	<b>10,300</b>	<b>14,500</b>	<b>-</b>	<b>241,957</b>
<b>Endowment funds:</b>						
<b>Archdeacon F W Goodman Bequest Fund</b>	<b>24,996</b>	<b>-</b>	<b>-</b>	<b>649</b>	<b>-</b>	<b>25,645</b>
<b>Total funds</b>	<b>4,105,792</b>	<b>1,678,059</b>	<b>810,946</b>	<b>505,892</b>	<b>-</b>	<b>5,478,797</b>

## Notes to the Financial Statements

for the year ended 30 APRIL 2004

### 13 RESERVES continued

#### Unrestricted Funds

##### *The Joint Fund*

The Joint Fund is the principal fund of the Community. The income produced by the fund is used for charitable grants and donations and to cover capital projects at the House of the Resurrection at Mirfield. It also provides a grant to the General Fund.

#### Designated Funds

##### *The General Fund*

The General Fund is used for the running expenses of the House of the Resurrection at Mirfield. Any deficit on this fund will be covered by future grants from the joint fund.

##### *The Hemingford Grey Funds*

The Capital Fund is maintained for capital projects at the retreat house at Hemingford Grey. The Household Fund is used for the running expenses of the retreat house at Hemingford Grey.

##### *Mirfield Publications*

This fund reflects the operation of the bookstall at Mirfield.

##### *The SAFE Fund*

The income from this fund is used to support the education of disadvantaged South Africans in the United Kingdom and South Africa.

##### *Mirfield Centre*

This fund is to cover the running expenses of a theological centre at Mirfield.

##### *London Priory*

This fund is used for the running expenses of the London House.

#### Restricted Funds:

##### *The Archdeacon Goodman Funds*

The funds are split between restricted funds and endowment funds. The Goodman Bequest fund is an endowment fund and the only income or expenditure is movements in the market value of investments. Any income generated from these investments is restricted and is recognised in the Goodman Scholarship Fund. The Goodman Scholarship Fund is restricted for the use of training doctors to become clergymen or for the training of clergymen to become doctors. If there are no applicants for scholarship the income can be used to support certain overseas ventures. If no applications arise after a given period of time, the fund has to be used to support a canonry in Worcester Cathedral.

##### *The I S Farmer Bequest*

These funds were received during the year ended 2001 by way of a legacy with a further receipt in 2002. The terms of the legacy are that these funds are to be used for educational work in South Africa in which the Community is involved.

# Notes to the Financial Statements

for the year ended 30 APRIL 2004

## 13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds	Designated funds	Restricted funds	Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	1,304,524	3,373	-	-	1,304,524
Investments	1,377,399	1,852,777	278,177	25,645	3,533,998
Current assets	425,917	167,339	64,811	-	658,067
Current liabilities	(8,166)	(12,999)	-	-	(21,165)
	<u>3,099,674</u>	<u>2,010,490</u>	<u>342,988</u>	<u>25,645</u>	<u>5,478,797</u>

## 14 SHARE CAPITAL

The company has no share capital but every member of the Community undertakes to contribute to the assets of the Community in the event of the same being wound up to a limit not exceeding £1.

## 15 FINANCIAL COMMITMENTS

The annual commitment under operating leases is as follows:

	2004 £	2003 £
Leases expiring after five years:		
Long leasehold property ground rent	<u>-</u>	<u>750</u>

## 16 RELATED PARTY TRANSCATIONS

The Trustees of the Community are all shareholders by guarantee. The Trustees are all Brethren of the Community and as such their welfare is funded by the Community. Any capital, which the Brethren possess is held on trust by the Community and the income generated from the capital is given to the Community and included within the General Fund. State and Clergy pensions which the Brethren are entitled to are also given to the Community and included within the general fund. Income received from the Brethren is identified separately on the face of the Statement of Financial Activities. See note 7 for details of Brethrens capital held on trust.

The Trustees of the Community are also trustees and shareholders by guarantee of the College of the Resurrection, a separate legal entity being a company limited by guarantee and not having a share capital. Its principal activity is training clergy for the Church of England and some of the Brethren are involved in its teaching.

The College operates out of buildings owned by the Community. The use of these premises is on a rent free basis. The College meets the day to day running costs of these buildings. Some of the expenditure of College is incurred by the Community and recharged to the College on an arms length basis. Balances due from and to the College at the year end are set out in notes 10 and 11 respectively.