

**The Free Church Federal Council
(Incorporated)**
(Limited by Guarantee)

Directors' report and financial statements

31 March 1995

Registered number 00364987



The Free Church Federal Council (Incorporated)

(Limited by Guarantee)

Directors' report and financial statements

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The Free Church Federal Council (Incorporated)

(Limited by Guarantee)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1995.

Principal activities

The principal activity of the company continues to be evangelistic and religious work among and on behalf of the Free Churches.

Business review

The results for the year are given in the income and expenditure account on page 6.

A restructuring of the company and its subsidiary, Tavistock Court Limited, is planned for the near future. As a consequence of this, the assets of the subsidiary will be transferred to the company following which the subsidiary will be liquidated.

Fixed assets

Information relating to changes in fixed assets is given in notes 7 to 9.

Directors and directors' interests

The directors who held office during the year were as follows:

WG Allen JP, FCA
RJM Caffyn MA, FCA
Rev DS Russell CBE, MA, DD D Litt
Mrs B Swarbrick AIB
Rev WMS West JP, MA, D Theol LLD
Rev D Willie MA
Rev JA Newton MA, PhD, D Litt
Rev J Johansen-Berg MA, BD
Mrs KM Short
Dr J Biggs MA, CChem, FRSC

The Free Church Federal Council (Incorporated)
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Directors' report *(continued)*

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'Rev D Staple', written in a cursive style.

Rev D Staple OBE, MA, BD
Secretary

27 Tavistock Square
London
WC1H 9HH

1 November 1995

The Free Church Federal Council (Incorporated)

(Limited by Guarantee)

Statement of Directors' Responsibilities

Company law requires the 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 the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Auditors' report to the members of The Free Church Federal Council (Incorporated)

We have audited the financial statements on pages 6 to 15.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, of those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
*Chartered Accountants
Registered Auditors*

1 November 1995



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

**Report of the auditors to the members of The Free Church Federal Council
(Incorporated) pursuant to Section 248 of the Companies Act 1985**

We have examined the financial statements of The Free Church Federal Council (Incorporated) on pages 6 to 15 and of its subsidiary undertaking (detailed in note 8) for the year ended 31 March 1995. The scope of our work for the purpose of this report was limited to confirming that The Free Church Federal Council (Incorporated) is entitled to the exemption from the requirement to prepare group accounts.

In our opinion, the group consisting of The Free Church Federal Council (Incorporated) and its subsidiary undertaking is a small group in respect of the year ended 31 March 1995 and The Free Church Federal Council (Incorporated) is therefore entitled to the exemption from the requirement to prepare group accounts under Section 248 of the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

1 November 1995

The Free Church Federal Council (Incorporated) (Limited by Guarantee)

Income and expenditure account for the year ended 31 March 1995

	Note	1995 £	£	1994 £	£
General Fund					
Income	3	337,152		320,669	
Expenditure	4	(291,953)		(285,011)	
		<u>45,199</u>		<u>35,658</u>	
Profit on sale of fixed assets	3	-		3,532	
		<u>45,199</u>		<u>39,190</u>	
Surplus before transfers		6,290		5,870	
Transfer from Regents Park Fund		(36,754)		(43,464)	
Transfer to repairs and chaplaincy reserves					
General Fund surplus for year			14,735		1,596
Regents Park Fund					
Income	3	6,294		5,894	
Expenditure (transfer to general fund)		(6,290)		(5,870)	
		<u>4</u>		<u>24</u>	
Profit on sale of fixed assets	3	3,632		20,753	
Regents Park Fund surplus for year			3,636		20,777
Repairs reserve					
Income (transfer from general fund)		10,000		8,000	
Expenditure		(1,118)		(4,123)	
			8,882		3,877
Chaplaincy reserve					
Income:					
Grants receivable		9,297		9,045	
Transfer from general fund		26,754		35,464	
		<u>36,051</u>		<u>44,509</u>	
Expenditure		(29,551)		(35,509)	
			6,500		9,000
Total surplus for year			33,753		35,250

There are no recognised gains and losses other than those accounted for in the income and expenditure account above. All income and expenditure is derived from continuing operations.

The Free Church Federal Council (Incorporated)
(Limited by Guarantee)

Reconciliation of movements in net assets
for the year ended 31 March 1995

	Adjusted net assets at 1 April 1993 £	Surplus* for year £	Net assets at 31 March 1994 £	Surplus* for year £	Net assets at 31 March 1995 £
Capital and reserves					
Capital reserve	316,594	-	316,594	-	316,594
Repairs reserve	18,893	3,877	22,770	8,882	31,652
Chaplaincy reserve	29,750	9,000	38,750	6,500	45,250
General revenue account	259,702	1,596	261,298	14,735	276,033
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Dispersal fund	624,939	14,473	639,412	30,117	669,529
Regents Park	71,285	20,777	92,062	3,636	95,698
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	696,224	35,250	731,474	33,753	765,227
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

* Surplus for year is stated after transfers between funds.

The Free Church Federal Council (Incorporated)

(Limited by Guarantee)

Balance sheet
at 31 March 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	7		131,424		132,824
Subsidiary undertaking	8		30,250		30,250
Investments	9		344,721		242,906
			<u>506,395</u>		<u>405,980</u>
Current assets					
Debtors (including £14,833 (1994: £16,833) due after more than one year)	10	133,571		137,051	
Cash at bank and in hand	11	218,185		279,289	
		<u>351,756</u>		<u>416,340</u>	
Creditors: amounts falling due within one year	12	<u>(92,924)</u>		<u>(90,846)</u>	
Net current assets			<u>258,832</u>		<u>325,494</u>
Net assets			<u>765,227</u>		<u>731,474</u>
Capital and reserves					
Capital reserve			316,594		316,594
Repairs reserve			31,652		22,770
Chaplaincy reserve			45,250		38,750
General revenue account			276,033		261,298
			<u>669,529</u>		<u>639,412</u>
Dispersal fund					
Regents Park			<u>95,698</u>		<u>92,062</u>
			<u>765,227</u>		<u>731,474</u>

These financial statements were approved by the board of directors on 1 November 1995 and were signed on its behalf by:



WG Allen
Director

The Free Church Federal Council (Incorporated)

(Limited by Guarantee)

Notes

(forming part of the financial statements)

1 Status of the company

The Free Church Federal Council is a company limited by guarantee and has no share capital. On a winding up, each member at the date of winding up, or former member who ceased to be a member during the year prior to that date, is liable to contribute a sum not exceeding £1 towards the assets of that company.

At 31 March 1995, the company had 93 members (1994: 104 members).

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The financial statements as presented are not fully in compliance with the recommendations of Statement of Recommended Practice No.2 - Accounting by Charities ("SORP 2"). SORP 2 is currently being revised, with a final version expected to be issued later in 1995. Following its publication, the directors will consider compliance with the recommendation of the revised SORP 2 for the company's financial statements for the year ending 31 March 1996.

The company is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group accounts.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2% per annum
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No depreciation is provided on freehold land.

Listed investments

Listed investments are stated at cost and any diminution in value on a portfolio basis is recognised to the extent that it is considered permanent.

Income

Donations, legacies and interest income are accounted for when received.

Dispersal funds

The Liverpool Dispersal Fund is held on trust for the Merseyside Free Church Federal Council and does not form a part of these accounts (see note 16).

The Free Church Federal Council (Incorporated)

(Limited by Guarantee)

Notes (continued)

3 Income

	1995		1994	
	General Fund	Regents Park Fund	General Fund	Regents Park Fund
	£	£	£	£
Income received from subsidiary undertaking (note 8)	218,451	-	217,038	-
Heath Care Chaplaincy Services Grant	73,000	-	59,000	-
Donations and other income	20,541	-	19,516	-
Income from listed investments	11,864	6,118	6,446	5,761
Other interest income	13,296	176	18,669	133
	<u>337,152</u>	<u>6,294</u>	<u>320,669</u>	<u>5,894</u>
Profit on sale of fixed assets	-	3,632	3,532	20,753
	<u>337,152</u>	<u>9,926</u>	<u>324,201</u>	<u>26,647</u>

4 Expenditure

	1995	1994
	£	£
Wages and salaries	171,045	163,436
Social security costs	13,236	14,921
Other pension costs	6,804	6,697
	<u>191,085</u>	<u>185,054</u>
Total staff costs	191,085	185,054
Depreciation	1,400	1,400
Audit	4,817	4,817
Grants to outside organisations	5,118	5,751
Other administration costs	89,533	87,989
	<u>291,953</u>	<u>285,011</u>

The Free Church Federal Council (Incorporated) (Limited by Guarantee)

Notes (continued)

5 Directors' emoluments

Directors' emoluments in 1995 amounted to £nil (1994: £18,174) and comprised the following:

	1995 £	1994
General secretary's emoluments for services rendered as director:		
Remuneration	-	16,420
Benefits in kind	-	330
Pension contribution	-	1,424
	<hr/>	<hr/>
	-	18,174
	<hr/>	<hr/>

None of the other directors received emoluments for their services as directors.

6 Staff numbers

The average number of persons employed by the company during the year was 11 (1994: 11). All employees were involved in the administration of the company.

The aggregate payroll costs of these persons are shown in note 4.

7 Tangible fixed assets

	Freehold land and buildings £
<i>Cost</i>	
At beginning and end of year	136,441
	<hr/>
<i>Depreciation</i>	
At beginning of year	3,617
Charge for year	1,400
	<hr/>
At end of year	5,017
	<hr/>
<i>Net book value</i>	
At 31 March 1995	131,424
	<hr/>
At 31 March 1994	132,824
	<hr/>

The residual value of freehold land has been estimated to be £66,441.

The Free Church Federal Council (Incorporated) (Limited by Guarantee)

Notes (continued)

8 Subsidiary undertaking

	1995 £	1994 £
Tavistock Court Limited (a property company incorporated in Great Britain and registered in England)		
Issued capital consists of 29,904 ordinary shares of £1 each, fully paid, 100% held at a cost of	<u>30,250</u>	<u>30,250</u>

The financial statements of the subsidiary company have been prepared for the year ended 31 March 1995. The following figures have been taken from the profit and loss account and balance sheet:

	1995 £	1994 £
Profit for the year ended 31 March	263,803	239,165
Deed of covenant payable to holding company	<u>(212,270)</u>	<u>(217,038)</u>
Profit on ordinary activities before taxation	51,533	22,127
Taxation	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation	51,533	22,127
Dividend paid	<u>(6,181)</u>	<u>-</u>
	<u>45,352</u>	<u>22,127</u>
Capital and reserves		
Called up share capital	29,904	29,904
Revaluation reserve	417,280	439,857
Profit and loss account	<u>920,913</u>	<u>852,984</u>
	<u>1,368,097</u>	<u>1,322,745</u>

The Free Church Federal Council (Incorporated) (Limited by Guarantee)

Notes (continued)

8 Subsidiary undertaking (continued)

Income receivable from Tavistock Court Limited

	1995 £	1994 £
Receivable under deed of covenant	212,270	217,038
Dividend receivable	6,181	-
	<u>218,451</u>	<u>217,038</u>

9 Investments

	Regents Park £	General £	Total £
<i>Cost:</i>			
At 1 April 1994	85,360	157,546	242,906
Additions	5,947	99,406	105,353
Disposals	(3,538)	-	(3,538)
	<u>87,769</u>	<u>256,952</u>	<u>344,721</u>
At 31 March 1995	87,769	256,952	344,721
Market value	<u>142,814</u>	<u>257,283</u>	<u>400,097</u>

10 Debtors

	1995 £	1994 £
Amounts owed by National Free Church Women's Council	1,600	1,400
Other debtors	121,640	126,051
Prepayments and accrued income	10,331	9,600
	<u>133,571</u>	<u>137,051</u>

Of other debtors, £128 (1994: £14,478) relates to the Regent Park Fund. Other debtors include £14,833 (1994: £16,833) due after one year.

The Free Church Federal Council (Incorporated) (Limited by Guarantee)

Notes (continued)

11 Cash at bank and in hand

	1995 £	1994 £
General Fund	210,384	272,883
Regents Park Fund	7,801	6,406
	<u>218,185</u>	<u>279,289</u>

12 Creditors: amounts falling due within one year

	1995 £	1994 £
Amounts owed to subsidiary undertaking	69,560	49,365
Other creditors including taxation and social security	11,403	24,848
Accruals and deferred income	11,961	16,633
	<u>92,924</u>	<u>90,846</u>

Of other creditors, £nil (1994: £14,182) relates to the Regent Park Fund.

13 Capital reserve

Following an amendment to the constitution of the company passed at a previous annual general meeting, the council considers that no further transfers to the capital reserve are required.

14 Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

The Free Church Federal Council (Incorporated) (Limited by Guarantee)

Notes (continued)

15 Commitments

The Free Church Federal Council (Incorporated) had entered into the following commitments at 31 March 1995:

	1995 £	1994 £
Expenditure authorised but not contracted	-	5,000
Expenditure contracted	<u>1,632</u>	<u>-</u>

16 Funds held on trust

The Free Church Federal Council (Incorporated) holds certain assets on trust, applying amounts to causes specified on the inception of these funds. These funds do not form part of these accounts.

The most significant of these funds is the Liverpool dispersal fund which is held on trust for the Merseyside Free Church Federal Council. The assets of the Liverpool dispersal fund, which would revert to the Free Church Federal Council (Incorporated) should the Merseyside Free Church Federal Council cease to exist, were as follows at the balance sheet date:

	1995 £	1994 £
Investments	136,549	128,146
Debtors	452	261
Cash	<u>135,659</u>	<u>124,881</u>
	<u>272,660</u>	<u>253,288</u>

Of the total income of £31,372 (1994: £21,999) arising from the above assets, £12,000 (1994: £12,000) was paid over to the Merseyside Free Church Federal Council during the year.