

# Report and Accounts

for the year ended  
30 April 2005



CHURCH PASTORAL AID SOCIETY  
Athena Drive, Tachbrook Park, Warwick CV34 6NG

*A company limited by guarantee  
Registered office at the above address*

*Registered in England no 2673220  
Registered charity no 1007820*

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## Report of the Trustees

### CHURCH PASTORAL AID SOCIETY (CPAS)

**Registered office** Athena Drive Tachbrook Park Warwick CV34 6NG

**Registered company no** 2673220 **Registered charity no** 1007820

**Patron:** Her Most Gracious Majesty The Queen

**President:** The Rt Rev James Jones

#### **Vice-presidents**

The Rt Rev George Cassidy  
The Rt Rev Graham Cray  
The Rt Rev Michael Hill

#### **Vice-presidents emeriti**

The Rev Dr J R W Stott  
The Rt Rev M A P Wood

#### **Vice-patrons**

The Archbishop of York  
The Archbishop of Armagh  
Lord MacKay of Clashfern  
The Most Rev Alwyn Rice Jones

#### **Trustees as at 30 April 2005 and 1 July 2005**

Mrs Iona Birchall	The Ven Peter Hancock <i>Chair</i>
Miss Joan Botterill	Ms Elizabeth Langmead
The Rev Steve Davies	Mr Harry Marsh
The Rev John Ellison <i>Treasurer</i>	The Rev Canon John Moore

The Rev Preb David Perryman *Vice-Chair*  
The Rev Mike Talbot  
The Rev Dr Richard Turnbull

#### **Trustees serving during the year but not at 30 April 2005**

The Rev Ian Ballentine (until 12/10/04)	The Rev Andrea Irvine (until 12/10/04)	The Rev Andrew Petit (until 12/10/04)
Mr Peter Caldwell (until 12/10/04)	Mr Richard King (until 12/10/04)	Mrs Susan Richardson (until 12/10/04)
Mr Nigel Chetwood (until 12/10/04)	Dr John Ledger (until 12/10/04)	The Rev Janet Roberts (until 12/10/04)
Mr Peter Francis (until 2/6/04)	The Ven Hugh McCurdy (until 12/10/04)	Mr Ian Smith (until 12/10/04)
The Rev Canon Kenneth Gordon (until 12/10/04)	The Rev Preb John Mapson (until 12/10/04)	Mr Trevor Stevenson (until 12/10/04)
The Rev Michael Goss (until 12/10/04)	Mr Gerry O'Brien (until 12/10/04)	Mr Rod Street (until 12/10/04)
The Rev David Holloway (until 12/10/04)	Mr Richard Owen (until 17/3/05)	Mr Christopher Whitmey (until 12/10/04)
	The Rev Brian Parfitt (until 12/10/04)	

#### **Council of Reference as at 16 June 2005**

The Rev Moira Astin	The Rev Jonathan Jee	The Rev Andrew Petit
The Rev Ian Ballentine	Mrs Mary Judkins	The Rev Gary Piper
The Rev Preb Richard Bewes OBE	The Ven Daniel Kajumba	The Rt Rev Gavin Reid <i>Chair</i>
Mr Peter Caldwell	The Ven Hugh McCurdy	Mrs Sue Richardson
Mr Nigel Chetwood	The Ven Alistair Magowan	The Rev Janet Roberts
Miss Mavis Gibbons	The Rt Rev James Newcome	Mr Dennis Sadler
The Rev Canon Ken Gordon	The Rev Mark Norris	Mr Ian Smith
The Rev Mike Goss	The Rev Brian Parfitt	The Rev William Stuart-White
Mrs Elizabeth Grier	The Rev David Parrott	The Rev Rod Thomas
The Rev David Holloway	The Rev Paul Perkin	The Rev Andrew Watson

#### **General Director**

The Rev Canon Robert Key

#### **Secretary**

Miss Ruth Buckley

#### **Professional Advisers**

##### **Bankers**

The Royal Bank of Scotland plc London City Office 62/63 Threadneedle Street London EC2R 8LA

##### **Auditors**

Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

##### **Solicitors**

Anthony Collins St Philip's Gate 5 Waterloo Street Birmingham B2 5PG

##### **Investment Advisers**

CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ

## Structure, Governance and Management

### Constitution and Governance

CPAS was founded as an unincorporated charity in 1836 and was incorporated on 19 December 1991 as a company limited by guarantee, having no share capital. The company took over the operations of the Society on 1 April 1992, the assets being transferred by a Charity Commission scheme dated 25 March 1993. On a winding-up, each member is liable to contribute a sum not exceeding £10 towards the assets of the Society.

CPAS's governing document is its Memorandum and Articles of Association. The Articles effective until 12 October 2004 provided for the Society to be governed by a Council comprising the President, Treasurer, up to fifteen clergy and fifteen lay elected members and up to four co-opted members. At an Extraordinary General Meeting of the Society on 6 July 2004 it was agreed that the Articles be abrogated in their entirety and replaced with new Articles of Association, effective from 12 October 2004. Under these Articles CPAS is governed by twelve Trustees, appointed on the basis of their skills and experience, on the recommendation of a recruitment group established for the purpose of identifying suitable candidates. Under the provisions of the Companies Act 1985 the Trustees are the directors.

The Articles also provide for a Council of Reference, representative of the Anglican parishes and churches that the Society is established to serve pursuant to its object, to advise the Trustees as to the needs of the beneficiaries of the Society. The first meeting of the Council of Reference was held on 16 June 2005.

The Articles state that as soon as practicable after 12 October 2004 the Society's membership should comprise the Trustees, the President and up to six Vice-Presidents. An Extraordinary General Meeting is planned for autumn 2005, to consider proposed amendments to the Articles. If the changes are agreed, the Council of Reference will also become members and form part of the electorate for new Trustees. As at 30 April 2005 there were 274 members. Following this EGM those not continuing under the provisions of the Articles will be invited to resign their membership.

### Operational Structure

- *General Director* – giving overall leadership to the work of the Society and responsible to the Trustees
- *Management team* – responsible for the internal management of CPAS
- *Ministry team* consisting of those responsible for external delivery of ministry, comprising:
  - o *ministry consultants* – located across the United Kingdom, working with churches in their evangelistic, teaching and pastoral work to enable them to become more effective good-news communities for all ages, and maintaining and increasing prayer and financial support for CPAS
  - o *specialists in:*
    - evangelism* – assisting local-church leaders develop evangelistic attitudes and actions in their churches and giving direct help in the leading of evangelistic initiatives
    - youth and children* – helping churches start, maintain and develop work which enables children and young people to come to and grow in Christian faith
    - leadership* – fulfilling the Society's responsibilities in respect of the 500 or more parishes for which it is either sole Patron or shares the patronage with others, encouraging recruitment for ordained and accredited roles, offering support for in-service clergy, and providing in-depth training for leaders and potential leaders
- *Publications team* – producing regular publications and other resources to further the Society's vision
- *Administrative support group* – providing administrative backup to the Ministry team
- *Supporter relations* – promoting CPAS and fostering prayer and financial support by developing and maintaining mutually supportive partnerships with churches and individuals
- *Finance and services* – overseeing and controlling financial matters, central administration and information technology systems, and ensuring CPAS's charity and legal requirements are met.

### Connected Organisations

**CYFA Pathfinder Ventures Ltd** (registered company number 1184850, registered charity number 271391)

CYFA Pathfinder Ventures Ltd ('CPV' or 'CPV Ltd') became a wholly owned subsidiary of the Church Pastoral Aid Trust (CPAT) (see below) in June 1994. The rules of CPV, as adopted in January 2004, allow CPAS Trustees to become members of CPV for the duration of their service as Trustees. Each member, including CPAT, has one vote. CPAT retains beneficial ownership of all the share capital of CPV. As at 30 April 2005, all CPAS Trustees had exercised this option (2004: 26 Council members).

The principal activity of CPV is the provision of Christian education for young people through houseparties and camps. A series of residential activities known as Falcon Camps is designed primarily for children and young people from deprived or disadvantaged areas. CPV's operations are conducted independently but in close co-operation with those of CPAS. The members of its Board as at 30 April 2005 were:

Mrs Jenny Bray	Mr Geoff Harley-Mason <i>Chair</i>	The Rev Philip Mounstephen	Mrs Jill Ridgewell
The Rev Tim Crook	Mr Richard King	The Rev Andrew Porter	The Rev Mike Talbot

**Church Pastoral Aid Trust** (registered company number 41145)

The Church Pastoral Aid Trust (CPAT) was incorporated on 12 May 1894. It acts solely for or under the direction of the Church Pastoral Aid Society. Certain non-operational properties of the Society remain registered in the name of the Trust. The Directors are appointed by the Trustees of CPAS and as at 30 April 2005 were:

Miss Joan Botterill	The Ven Peter Hancock <i>Chair</i>	The Rev Preb John Skinner	<i>Secretary:</i> Miss Ruth Buckley
The Rev John Ellison	The Rev Canon Robert Key	The Rev Canon David Wheaton	

**Church Pastoral Aid Society Patronage Trust** (registered company number 906861)

The Church Pastoral Aid Society Patronage Trust is an Association incorporated on 24 May 1967. Its object is to hold and administer the patronage of benefices, including in particular the appointment of clergy. The trustees as at 30 April 2005 were:

The Rev Canon Steve Allen	The Rev Jackie Cray	Mrs Gill Morrison	The Rev Canon Timothy Watson
The Rev David Banting	The Rev Andrew Dow <i>Chair</i>	The Rev Lesley Riley	Mr Simon Webley
The Rev Helen Chantrey	The Rev Preb Nick McKinnel	Mr John Truscott	<i>Secretary:</i> The Rev Andrew Piggott
			<i>Asst Secretary:</i> Miss Marion Powell

## Objectives and Activities

CPAS is an evangelical Anglican mission agency working mainly with local Anglican churches across the United Kingdom and Republic of Ireland. Its purpose and powers are outlined in the following extracts from its Memorandum:

'The object for which the Society is established is:

To advance the Christian Gospel by providing human and material resources to Anglican parishes and churches throughout the world and in particular in England, Wales, Scotland and Ireland, in order to encourage and increase their effectiveness as worshipping communities committed to nurture, training, evangelism, growth and service and seeking to glorify God working under the supreme authority of Scripture and in accordance with the Protestant and Evangelical doctrines and principles of the Church of England as set forth in the Book of Common Prayer and the Thirty-nine Articles of Religion read in conjunction with the Society's Basis of Faith dated 27 February 1990.'

The object includes the following investment powers:

'To invest the monies of the Society not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.'

The following core values govern CPAS's ministry:

- *Bible* God's Word written, our supreme authority
- *Excellence* God's standards as our standards in all we do
- *Relevance* God's answers to today's questions
- *Prayer* God's power energising every ministry
- *Community* God's grace made real in our relationships
- *Prophetic* God's future for his Church.

CPAS's vision is to inspire, encourage and challenge churches to be good news for all by:

- building worshipping communities for all ages
- equipping ministry for all ages
- enabling outreach for all ages

in the context of transforming the inherited church and nurturing the emerging church. The principal objectives for the two years to 30 April 2006, set out in the Society's corporate strategy 2004/06, are to communicate this vision and listen to feedback, to develop and maintain mutually supportive partnerships to equip and train churches, and to this end to identify, develop and provide dynamic, enabling resources.

The implementation of these objectives includes:

- a major conference for church leaders, followed by a programme of partnering churches in developing all-age vision
- envisioning emerging-church leaders for ministry in the all-age church, and partnering such churches as they develop
- equipping and enabling churches to engage in evangelism for all ages in a manner appropriate to the twenty-first century
- *promoting specialist youth and children's ministry as an essential foundation for building a church of all ages*
- building on existing patronage, leadership and vocations work as benchmark resources for the church
- use of consultancy, and of the Internet, as key vehicles for the effective delivery of ministry to church leaders
- a clear marketing policy, and a three- to five-year supporter relations strategy.

## Achievements and Performance

In September 2004 *body beautiful?*, a major conference offering radical challenges to the traditional attitudes of the Church, attracted around 250 delegates. The wide-ranging programme addressed key issues of worship, ministry and outreach for local churches developing as communities of all ages. An ongoing programme of follow-up to the conference includes consultancy and training over an eighteen-month period involving partnerships between members of CPAS's ministry team and churches seeking to implement the principles outlined at the conference.

*The Shape of Things to Come*, a series of one-day events held during autumn 2004, was designed to help church leaders consider issues of today's 'emerging-church' scene. The tour was held in conjunction with acknowledged experts in Church growth. It provided both informed briefing and practical guidance, and made an impact on many churches. Members of CPAS's ministry team are working on an ongoing basis with churches planning and implementing change to meet today's challenges.

Throughout the year consultancy and training in outreach and evangelism as well as leadership and strategic planning has been offered to churches. In addition, members of the ministry team have worked alongside several churches in planning and running missions and other outreach programmes. *Essence*, *Lost for Words* and *Start!* continue to be key evangelistic resources.

Ventures and Falcon Camps proved yet again to be of immense significance, with over 5,000 children and young people and 3,500 volunteer leaders and helpers participating during the year. Of these it is estimated that around 600 made a first commitment to Christ whilst attending a camp or houseparty. The year-round support offered by CPAS's specialists to leaders of youth and children in their week-by-week ministry in local churches is vital for the consolidation of the work of Ventures and Falcon Camps and for the ongoing encouragement and nurture of children and young people in their journey of faith. During the year the regular resources offered to churches in their discipling of children and young people have been reviewed and a major new web-based resource, *The Hub*, has been planned (see *Plans for the year to 30 April 2006* below). The launch of *The Hub* will coincide with the final edition of the long-running bi-monthly magazine, *CY*.

The *Children's Evangelism Initiative* continued to complement the work at local-church level by fostering amongst church leaders and others in positions of influence an increasing awareness of issues relating to children in the context of the all-age church. A new video-based resource, *Christian Life & Children*, and a workbook, *Whole in One – Reaching children in and around today's all-age church*, were produced, and were backed up by an extensive *Whole in One* tour in the spring of 2005. Ongoing funding for this project from the Jerusalem Trust is gratefully acknowledged.

The Society has responsibility for more than five hundred Church of England benefices. In addition to the important role of the patron in the appointment of clergy to its parishes, CPAS offers support and advice on a personal basis to clergy considering moving to a new post. Complementing the patronage work, the ongoing programme of vocations conferences continues to help many people considering the implications of God's call on their lives. The *Arrow Leadership Programme* offers high quality in-depth training, focusing over an eighteen-month period on skills in leadership and evangelism as well as the underlying areas of character and call. The sixth such programme commenced in the spring of 2005.

During the year the Society's capacity to offer support to churches was strengthened by the appointment of additional key members to its ministry team. A number of new posts were made possible by funds received during the previous two years from the sale of land bequeathed to the Society. They include specialists in all-age ministry, leadership development (appointment commencing autumn 2005) and 'tweenagers' (nine to thirteen age-range). A specialist in evangelism was appointed to fill an existing vacancy, and the staff team was also strengthened by the strategic appointment of a Head of Operations and Development, bringing management skills and experience in order to maximise the benefits CPAS offers to churches. CPAS's Patronage Secretary, Andy Piggott, has been appointed Archdeacon of Bath and left the Society at the end of April 2005; Andy had previously fulfilled a vital role as Acting General Director prior to the appointment of the Rev Canon Robert Key in May 2001. Jonathan Frank, Director of Ventures and Falcon Camps, resigned as from December 2004. A review of supporter relations, fundraising and marketing was carried out during the year which led to the appointment of outside consultants from May 2005 with responsibility for fundraising and marketing.

CPAS acknowledges with gratitude those whose work in a voluntary capacity has contributed to all that has been achieved during the year, including those who have assisted with training events; those who have written articles for inclusion in publications; all who support the work of the Ministry Consultants; Parish Representatives and others who promote the ministries of CPAS at local-church level; friends who have given of their time in an administrative capacity; and members of advisory committees supporting various aspects of the ministry.

## Financial Review

### Reserves

CPAS holds reserves to fund its working capital and to cover fluctuations in levels of incoming resources needed to maintain the Society's normal operations in the short term. During the year general funds (excluding fixed assets) rose from £4,944,000 to £5,938,000. This figure includes an increase (unrealised) in the value of general fund investments of £150,000. Part of these funds are held on deposit, giving an effective hedge against fluctuations in the stock market.

In March 2004 the then Council of CPAS agreed that a proportion of these funds should be expended over a period of eight to ten years, including funding a budgeted deficit for the years to April 2005 and 2006, and by strategic new staff appointments (see *Achievements and Performance* above and *Plans for the year to 30 April 2006* below).

The Trustees do not believe it is necessary to hold additional reserves for use in the event of serious unforeseen circumstances necessitating curtailment of the Society's operations, as in such circumstances sufficient funds, currently employed in fixed assets and investments, would be released automatically to cover redundancy and other closure costs.

### CPAS

#### All Funds

An overall surplus of £117,000 was achieved (excluding profit on sale of properties), as compared with the surplus in 2003/2004 of £78,000. This encouraging outcome was the result of higher than expected legacy income, as well as savings in expenditure. Additionally, profit on the sale of a staff house (see *Assets* below) no longer required for operational purposes amounted to £74,000. A further welcome sum in respect of the sale of land bequeathed to the Society, amounting to £666,000, was also received during the year. This had not been included in previous years' accounts as there had been no certainty that it would be forthcoming.

Following the year-end, the Trustees agreed to make a grant of £100,000 to CPV to support its reserves, and profit of £39,000 was realised in respect of the sale of a shared equity house. These amounts are not included in the totals for the year to 30 April 2005.

#### Unrestricted Funds

The surplus (excluding profit on sale of properties) was £26,000, as compared with a surplus in 2003/04 of £36,000. Donations from churches were £24,000 less than in 2003/04 from individuals £53,000 less. Receipts from legacies, however, were £14,000 higher than 2003/2004. CPAS continues to rely heavily on the generous voluntary giving of supporters, without which its ministry would not be sustainable, and the Society expresses its gratitude to all who have made donations or included CPAS in their Will during the year. Expenditure was £22,000 less than 2003/2004, as a result of savings in the cost of sales of resources (many products having been written off in previous years), fewer grants to parishes and lower depreciation charges.

**Restricted Funds**

The combined totals for the restricted funds resulted in a surplus of £91,000, as compared with the surplus in 2003/04 of £42,000. A legacy of £210,000, to be used for grants for ordinands together with support for the costs of vocations ministry, contributed to this positive result. Donations were less than in 2003/2004, but the generous grant from the Jerusalem Trust continued to support the Children's Evangelism Initiative. Each of these three funds carried forward surpluses which will support commitments for the respective training and grant-making programmes currently under way.

**CPV**

The overall result for the year was an excess of expenditure over income of £108,000. This comprised a deficit of £85,000 for Ventures and £23,000 for Falcon Camps, as compared with a deficit of £2,000 for Ventures and £6,000 for Falcon Camps in 2003/2004. CPV reimbursed to CPAS £22,000 in respect of office occupancy costs. Income was unchanged from 2003/04 whilst expenditure increased by approximately 6 per cent compared with 2003/04. This reflects the continual increase in accommodation, activity and administration costs. The value of investments arising from the donation of £90,000 by CPAS to CPV in 2001/2002 increased by £5,000 (this increase is unrealised).

Following the year end a grant of £100,000 was made by CPAS to support Ventures reserves (see CPAS – All Funds above).

**Assets**

The Society's assets include the following:

- premises in Warwick housing CPAS's offices and those of CPV
- office and other equipment necessary to fulfil the Society's ministries
- five freehold properties held to house some staff members who have joined CPAS following service in tied accommodation
- a shared equity scheme assisting five staff with housing (four staff from May 2005 – see CPAS: All Funds above)
- two properties housing former members of staff
- land bequeathed to the Society currently held as tenanted farmland
- investments held in Collective Investment Scheme Units of the Central Board of Finance of the Church of England, the income from which is used for the Society's ministries; during the year the market value of the Society's investments increased in line with the movement in the Stock Market.

**Commitments**

Financial projections indicate that the Society's general fund reserves are adequate for it to continue in operation for the foreseeable future. The realisable value of assets is believed to be adequate to meet liabilities in the event of a major curtailment of activities or of liquidation. Information concerning pension contributions and other commitments is contained in notes 1 and 14 (see also CPAS: All Funds above).

**Plans for the year to 30 April 2006**

The implementation of the corporate strategy objectives, as outlined above, will continue throughout the coming year, and during the year the corporate strategy will be reviewed and developed for 2006/07 onwards.

Consultation and training will continue for church leaders seeking to develop patterns of worship and outreach relevant to the present day, and following the success of the first *body beautiful?* conference planning will commence for a second such event in autumn 2006.

Consultancy and training will also continue in outreach and evangelism, and in leadership and vocations. Further programmes are already planned in the context of the *Arrow Leadership Programme*. A new by-product of *Arrow* is also planned for 2006: the *Growing Leaders Course* will be a one-year programme to be used at local-church level to develop a wide range of leaders of all ages, from home-group and youth-work leaders to members of church councils.

*The Hub* (see *Achievements and Performance* above) will be fully operational from autumn 2005 and, in conjunction with a wide network of leading Christian organisations, will provide extensive children's and youth work information, resources and ideas to equip churches as they disciple young people in the Christian faith. A training tour around the United Kingdom will launch this new initiative. The summer 2005 programme of Ventures and Falcon Camps is already in place, and plans are also well advanced for the 2006 season.

A review of publications aims to explore options for collaboration with other organisations specialising in this area of ministry. A structured programme of fundraising and marketing is planned which will feature specific areas of CPAS ministry and foster mutually beneficial relationships with supporters.

Appointments have been made to fill the Patronage Secretary and Director of Ventures and Falcon Camps vacancies from summer 2005. An appointment planned for the coming months will further increase the support offered for children's and young people's ministry; this additional strengthening of the ministry team is made possible by funds received during the previous two years from the sale of land bequeathed to the Society (see also *Achievements and Performance* above).

## Statements of the Directors

### Directors' responsibilities in relation to financial statements

Company law requires the directors (the Trustees of the Society) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society 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 a going-concern basis unless it is inappropriate to presume that the Society will continue in business (see below).

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society 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 Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that these financial statements comply with these requirements.

### Going concern

The Society is almost entirely dependent on voluntary income to finance its continued operations. Financial projections, based on the best judgements of the staff and Trustees in relation to likely income and anticipated changes, indicate that the Society's resources are adequate for it to continue in operation for the foreseeable future. Accordingly the going-concern basis continues to be adopted in preparing financial statements.

### Risk Assessment

During the year to 30 April 2002 the directors carried out an assessment of the major risks that could seriously impair the achievement of the group's aims. This has been reviewed annually and systems have been amended as necessary.

  
Peter Hancock  
Chairman, on behalf of the Directors

1 July 2005

## Independent Auditors' Report to the Members of Church Pastoral Aid Society

We have audited the financial statements of the Church Pastoral Aid Society on pages 9 to 20 for the year ended 30 April 2005 which comprise the Statement of Financial Activities, the Balance Sheets, the group Cash Flow Statement and related notes. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely for 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 Trustees and auditors

The Trustees' (who are also the directors of the Church Pastoral Aid Society for the purposes of company law) responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' 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 Directors' Report is not consistent with the financial statements, if the charity 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 are not required to consider whether the statement in the Directors' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Directors' 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 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 and group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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 affairs of the charitable company and group as at 30 April 2005 and of their incoming resources and application of resources, including their income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
HAZLEWOODS LLP  
Chartered Accountants and Registered Auditors

Staverton, Cheltenham

14 July 2005



## Statement of Financial Activities for the year to 30 April 2005

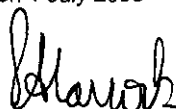
		CPAS 2005			Group 2005			CPAS 2004	Group 2004
	Notes	Unrestricted funds £000	Restricted funds £000	Total £000	Unrestricted funds £000	Restricted funds £000	Total £000	Total £000	Total £000
<b>INCOME &amp; EXPENDITURE ACCOUNT</b>									
<b>INCOMING RESOURCES</b>									
Voluntary income:									
Donations	2	935	17	952	1,439	105	1,544	1,076	1,687
Legacies		138	210	348	138	210	348	124	124
Grants - Mabledon Charity		80	-	80	80	-	80	115	115
- other		2	35	37	4	55	59	52	80
Resourcing activities in furtherance of the Group's objects	3	216	36	252	1,168	64	1,232	241	1,200
Activities for generating funds:									
Investment income and interest	4	234	4	238	245	9	254	176	188
Profit on sale of properties - houses		74	-	74	74	-	74	361	361
- bequest		666	-	666	666	-	666	-	-
<b>Total incoming resources</b>		<b>2,345</b>	<b>302</b>	<b>2,647</b>	<b>3,814</b>	<b>443</b>	<b>4,257</b>	<b>2,145</b>	<b>3,755</b>
<b>RESOURCES EXPENDED</b>									
Costs in furtherance of the Group's objects:	8								
Children and youth		169	65	234	169	65	234	180	180
Evangelism		33	28	61	33	28	61	78	78
Leadership including patronage		115	66	181	115	66	181	161	161
Parish support		249	-	249	249	-	249	242	242
Resourcing activities		278	44	322	1,493	149	1,642	328	1,613
Grants	5	34	8	42	34	8	42	72	72
Support costs		520	-	520	749	47	796	477	713
Management and administration		121	-	121	167	6	173	111	157
Cost of generating funds		60	-	60	124	6	130	57	108
<b>Total resources expended</b>		<b>1,579</b>	<b>211</b>	<b>1,790</b>	<b>3,133</b>	<b>375</b>	<b>3,508</b>	<b>1,706</b>	<b>3,324</b>
<b>NET INCOME</b>									
before revaluations		766	91	857	681	68	749	439	431
Other recognised gains & losses									
Revaluation of investments	10	150	23	173	150	28	178	209	217
<b>NET MOVEMENT IN FUNDS</b>		<b>916</b>	<b>114</b>	<b>1,030</b>	<b>831</b>	<b>96</b>	<b>927</b>	<b>648</b>	<b>648</b>
Fund balances brought forward at 1 May 2004		7,718	553	8,271	7,823	672	8,495	7,623	7,847
<b>FUND BALANCES CARRIED FORWARD at 30 April 2005</b>		<b>8,634</b>	<b>667</b>	<b>9,301</b>	<b>8,654</b>	<b>768</b>	<b>9,422</b>	<b>8,271</b>	<b>8,495</b>

All gains and losses recognised in the year are included above. All the activities of the Group are continuing activities, and there were no acquisitions in the year.

## Consolidated Balance Sheet as at 30 April 2005

	Notes	CPAS 2005 £000	Group 2005 £000	CPAS 2004 £000	Group 2004 £000
<b>Fixed assets</b>	9				
Tangible fixed assets:					
land and buildings		2,669	2,669	2,761	2,761
office and other equipment		<u>27</u>	<u>37</u>	<u>13</u>	<u>33</u>
		2,696	2,706	2,774	2,794
Investments (unlisted)	10	<u>3,109</u>	<u>3,194</u>	<u>2,936</u>	<u>3,016</u>
		<u>5,805</u>	<u>5,900</u>	<u>5,710</u>	<u>5,810</u>
<b>Current assets</b>					
Stocks and work in progress	11	11	11	22	22
Debtors falling due within 1 year:					
trade debtors		4	4	5	5
due from subsidiary		10	-	13	-
other debtors		37	186	81	221
prepayments		33	37	33	46
accrued income		<u>108</u>	<u>108</u>	<u>90</u>	<u>97</u>
		192	335	222	369
Deposits repayable on demand:					
general		3,329	3,359	2,372	2,402
re Ministry Bonds	12	38	38	38	38
Cash at bank and in hand		<u>80</u>	<u>195</u>	<u>50</u>	<u>226</u>
		3,447	3,592	2,460	2,666
		<u>3,650</u>	<u>3,938</u>	<u>2,704</u>	<u>3,057</u>
<b>Liabilities</b>					
Creditors falling due within 1 year					
Supporters' interest-free loans:					
Ministry Bonds	12	38	38	38	38
deposit covenants		-	-	-	-
others		<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
		45	45	45	45
Trade creditors		29	44	24	39
Tax and Social Security		34	34	34	34
Other creditors		8	11	14	14
Accruals		38	70	26	44
Deferred income		-	<u>212</u>	-	<u>196</u>
		154	416	143	372
<b>Net current assets</b>		<u>3,496</u>	<u>3,522</u>	<u>2,561</u>	<u>2,685</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>9,301</u>	<u>9,422</u>	<u>8,271</u>	<u>8,495</u>
<b>Funds</b>	13				
Restricted		544	650	453	582
Restricted revaluation		<u>123</u>	<u>118</u>	<u>100</u>	<u>90</u>
		667	768	553	672
Unrestricted:					
designated		-	9	-	7
general		8,165	8,176	7,399	7,497
general revaluation		<u>469</u>	<u>469</u>	<u>319</u>	<u>319</u>
		8,634	8,654	7,718	7,823
<b>TOTAL FUNDS</b>		<u>9,301</u>	<u>9,422</u>	<u>8,271</u>	<u>8,495</u>

Signed on behalf of the Trustees on 1 July 2005



Peter Hancock: Chairman



John Ellison: Treasurer

## Group Cash Flow Statement for the year to 30 April 2005

Analysis	2005 £000	2004 £000	
<b>RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>			
Net incoming resources	749	431	
Returns on investments a	(239)	(174)	
Profit on sale of properties	(740)	(361)	
Depreciation charges	75	113	
Decrease in stocks	11	31	
Decrease in debtors	34	1,352	
increase / (decrease) in creditors	44	(49)	
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(66)</b>	<b>1,343</b>	
<b>CASH FLOW STATEMENT</b>			
Net cash (outflow) / inflow from operating activities	(66)	1,343	
Returns on investments a	239	174	
Capital expenditure and financial investment b	753	(1,109)	
<b>Increase in cash</b>	<b>926</b>	<b>408</b>	
<b>ANALYSIS OF CASH FLOWS</b>			
<b>a Returns on investments:</b>			
Dividend and interest received	254	188	
Interest paid	(15)	(14)	
<b>Net cash inflow</b>	<b>239</b>	<b>174</b>	
<b>b Capital expenditure and financial investment:</b>			
Purchase of tangible fixed assets	(38)	(39)	
Sale of tangible fixed assets	791	430	
Purchase of investments	-	(1,500)	
<b>Net cash inflow / (outflow)</b>	<b>753</b>	<b>(1,109)</b>	
<b>MOVEMENTS IN CASH DURING THE YEAR ENDED 30 APRIL 2005</b>			
	<b>1 May 2004</b>	<b>Change during year</b>	<b>30 April 2005</b>
	£000	£000	£000
Cash at bank and in hand	226	(31)	195
Cash deposits - general	2,402	957	3,359
- Ministry Bonds	38	-	38
<b>Net movement in cash during the year ended 30 April 2005</b>	<b>2,666</b>	<b>926</b>	<b>3,592</b>
<b>MOVEMENTS IN CASH DURING THE YEAR ENDED 30 APRIL 2004</b>			
	<b>1 May 2003</b>	<b>Change during year</b>	<b>30 April 2004</b>
	£000	£000	£000
Cash at bank and in hand	256	(30)	226
Cash deposits - general	1,964	438	2,402
- Ministry Bonds	38	-	38
<b>Net movement in cash during the year ended 30 April 2004</b>	<b>2,258</b>	<b>408</b>	<b>2,666</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies

#### Basis of preparation

The financial statements are presented in accordance with the requirements of the *Statement of Recommended Practice 2000 – Accounting and Reporting by Charities* (SORP), issued by the Charity Commission in 2000, applicable accounting standards and the Companies Act 1985. In line with the SORP, the CYFA Pathfinder Ventures Ltd results for the year are consolidated with those of CPAS on a line by line basis. A copy of the full Report and Accounts for CPV Ltd is available from its secretary at CPAS's address (see page 3).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments, adopting the policies set out below.

CPAS is a company limited by guarantee and CPV Ltd a company limited by shares. The Trustees of CPAS and Board of CPV are directors for the purposes of the Companies Acts and are trustees of the charity within the meaning of the Charities Acts (see pages 3 and 4 for full lists).

#### Incoming resources

Donations represent amounts received during the year, together with any associated tax refund. Legacies are credited to the statement of financial activities in the year in which they are received or, if earlier, the year in which the Society is notified of its legal entitlement and of the amount due.

Income due from both investments and deposits but not received during the year is included in the statement of financial activities. Investments are stated at market value at the balance sheet date. Monies placed in deposit funds are classified as short term deposits as they are repayable on demand.

Grants receivable for specific purposes are credited to the statement of financial activities in the year to which they relate as soon as conditions for receipt have been met. Unspent balances are carried forward to subsequent years within restricted funds. Grants for immediate financial support, or received against costs previously incurred, are recognised immediately in the statement of financial activities. Voluntary income is shown gross before deduction of fundraising expenditure.

#### Resources expended

All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category. Certain costs which are attributable to more than one activity are apportioned on the basis of numbers of staff employed on those activities.

The Society makes no donations for charitable purposes outside the scope of its own work, neither are any donations made for any political purpose.

#### Assets

**Fixed assets** are capitalised, unless their value is immaterial, and are included at cost.

**Depreciation** is charged to write off the cost less the estimated residual value of fixed assets on a straight line basis over the periods of time shown below, commencing in the year of acquisition:

• freehold property - Tachbrook Park, Warwick:	
land	no depreciation
building	50 years
• staff houses (see below)	no depreciation
• mechanical/electrical equipment and building fixtures	20 years
• furniture etc Tachbrook Park offices	10 years
• computer equipment	3 years
• other equipment	5 years

Depreciation is not provided on staff houses or shared equity. The Trustees consider that the residual value is not materially different from the carrying value shown in the financial statements, and consequently any depreciation charge would be immaterial.

**Investments** are included at market value. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

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

#### Funds

The following types of fund are available for use by the Trustees or Board:

- endowment fund, the income being available for the general purposes of the Society
- other restricted funds, being applied solely for the purpose of the fund
- general funds, available for the general purposes of the Society.

#### Pensions

Ordained clergy staff resident in England are included in the Church of England Funded Pensions Scheme administered by the Church of England Pensions Board. No funding liability arises for the Society in respect of them. Ordained staff resident elsewhere in the UK and some licensed lay workers are also included in this scheme at the Society's expense. Financial Reporting Standard (FRS) 17 paragraph 9(b) requires the employer to account for pension costs on the basis of contributions actually payable to the Scheme during the year.

For other staff the Society operates a funded, defined benefit pension scheme (see note 14 – *pensions*). Variations in regular pension costs, which are identified as a result of actuarial valuations, are amortised over the average expected working lives of employees. Any material differences between the amounts funded and the amounts charged to income and expenditure are treated as either provisions or prepayments in the balance sheet, in accordance with FRS 17.

Any contributions to an employee's personal pension scheme in place of contributions to its own scheme are treated as expenditure when paid (see note 14 – *pensions*).

#### Operating leases

The cost of operating leases is charged in the statement of financial activities on a straight line basis over the lease term.

#### Group accounts

The consolidated financial statements comprise the financial statements of CPAS and its subsidiary made up to 30 April 2005.

## 2 Donations

	CPAS		Group	
	2005	2004	2005	2004
	£000	£000	£000	£000
Donations from churches	660	693	685	716
Donations from individuals	292	383	859	971
	<u>952</u>	<u>1,076</u>	<u>1,544</u>	<u>1,687</u>

## 3 Income from Resourcing Activities in Furtherance of the Group's Objects

	CPAS		Group	
	2005	2004	2005	2004
	£000	£000	£000	£000
Publications	80	110	80	110
Training events	80	43	80	43
Subscriptions and affiliations	47	57	47	57
Ventures and camps (CPV Ltd)	-	-	980	959
Rental income from land and properties	42	31	42	31
Miscellaneous	3	-	3	-
	<u>252</u>	<u>241</u>	<u>1,232</u>	<u>1,200</u>

CPAS aims to make its publications and training events available to as many churches and individuals as possible. Amounts charged for these resources (above) do not, therefore, include staff costs.

#### 4 Investment Income and Interest Received

	CPAS		Group	
	2005	2004	2005	2004
	£000	£000	£000	£000
Central Board of Finance investments (see note 10)	110	88	113	91
Central Board of Finance deposits	121	84	122	85
Bank and other interest receivable	7	4	19	12
	<u>238</u>	<u>176</u>	<u>254</u>	<u>188</u>

#### 5 Grants

	CPAS		Group	
	2005	2004	2005	2004
	£000	£000	£000	£000
Parishes and local projects	34	61	34	61
Ministers in Training	8	11	8	11
	<u>42</u>	<u>72</u>	<u>42</u>	<u>72</u>

Grants were made during the year to parishes and local projects, as follows:

<i>Diocese of BATH &amp; WELLS</i>		<i>Diocese of DOWN and DROMORE</i>		<i>Diocese of MANCHESTER</i>	
Twerton St Michael	2,000	Kilkeel Christ Church	2,000	Harpurhey Christ Church	3,000
<i>Diocese of BIRMINGHAM</i>		<i>Diocese of DURHAM</i>		<i>Diocese of SHEFFIELD</i>	
Burney Lane Christ Church	729	Felling Christ Church	2,500	Brinsworth, Catcliffe & Treeton	2,500
Springfield St Christopher	1,000			Hillsborough Christ Church	667
Summerfield Christ Church	500	<i>Diocese of LEICESTER</i>		<i>Diocese of SOUTHWARK</i>	
<i>Diocese of BLACKBURN</i>		Leicester Martyrs	500	Shooters Hill All Saints	1,000
Blackburn Christ Church	3,000	Leicester St Christopher	2,000	West Norwood St Luke	2,000
Blackburn St Barnabas	1,500	<i>Diocese of LIVERPOOL</i>		<i>Diocese of YORK</i>	
<i>Diocese of BRADFORD</i>		Fairfield St John	1,900	Hull Drypool	600
Bradford St Augustine	875	Litherland Ss John & James	417		
<i>Diocese of CHELMSFORD</i>		Toxteth Ss Gabriel and Cleopas	125		
Dagenham St George	2,000	Toxteth Team	2,000		
Mayflower Family Centre	1,333				

Expected levels of grants, payable in future years but not legally binding:

2005/06	£6,000	2006/06	nil.
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*Ministers in Training grants* are made to individuals and are of amounts not exceeding £500. During the year grants made included £8,000 from restricted funds (see note 13).

*Subsidies* are granted to assist individuals to attend *Ventures* and *Falcon Camps* and to contribute to the general costs of running *Falcon Camps* (CPV Ltd). During the year 507 individual subsidies (2004: 485), totalling £29,000 (2004: £27,000) were granted in respect of *Ventures*, and 169 (2004: 176), totalling £10,000 (2004: £10,000) in respect of *Falcon Camps*, each of the amounts not exceeding £100.

*CPV Ltd*: At a meeting of the Trustees on 11 May 2005 it was agreed that a grant of £100,000 be made to CPV (see note 15). This amount is not included in the financial statements for the year to 30 April 2005.

#### 6 Directors' Emoluments and Transactions

CPAS: No director was interested in any transaction, contract or other arrangement with the Society. Travel expenses totalling £3,000 (2004: £4,000) were reimbursed to 18 (2004: 22) directors.

Group: No director received any payment (2004: nil) in respect of the production of promotional materials supplied to the Company. No other director had an interest in transactions, contracts or other arrangements with the Company. Travelling expenses totalling £4,000 (2004: £5,000) were reimbursed to 23 directors (2004: 28).

7 **Staff Numbers and Costs**

	CPAS		Group	
	2005	2004	2005	2004
<b>Average staff numbers</b> (full time equivalent)				
In furtherance of the Group's objects	21	24	25	28
Support	8	7	9	8
Management and administration	2	2	2	2
Cost of generating funds	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<b><u>32</u></b>	<b><u>34</u></b>	<b><u>37</u></b>	<b><u>39</u></b>
	2005	2004	2005	2004
	£000	£000	£000	£000
<b>Costs of employment of staff</b>				
Salaries	808	762	924	870
National Insurance contributions	66	59	73	65
Pension contributions (see notes 1 and 14 – <i>pensions</i> )	151	139	183	164
Staff housing	16	9	16	9
Other	<u>30</u>	<u>14</u>	<u>30</u>	<u>14</u>
	<b><u>1,071</u></b>	<b><u>983</u></b>	<b><u>1,226</u></b>	<b><u>1,122</u></b>

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

8 **Analysis of Total Resources Expended**

	Staff costs	Other direct costs	Total	Total
	£000	£000	2005	2004
	£000	£000	£000	£000
<b>CPAS</b>				
Costs in furtherance of Group's objects:				
Children and youth	183	51	234	180
Evangelism	48	13	61	78
Leadership including patronage	152	29	181	161
Parish support	195	54	249	242
Resourcing activities	128	194	322	328
Grants paid	-	42	42	72
Support costs – general	299	198	497	459
Support costs – irrecoverable VAT	-	23	23	18
Management and administration:				
Auditors' remuneration	-	12	12	11
Bank charges and interest payable	-	4	4	3
Other costs	50	55	105	97
Cost of generating funds	<u>16</u>	<u>44</u>	<u>60</u>	<u>57</u>
<b>Total resources expended</b>	<b><u>1,071</u></b>	<b><u>719</u></b>	<b><u>1,790</u></b>	<b><u>1,706</u></b>
	Staff costs	Other direct costs	Total	Total
	£000	£000	2005	2004
	£000	£000	£000	£000
<b>Group</b>				
Costs in furtherance of Group's objects:				
Children and youth	183	51	234	180
Evangelism	48	13	61	78
Leadership including patronage	152	29	181	161
Parish support	195	54	249	242
Resourcing activities	128	1,514	1,642	1,613
Grants paid	-	42	42	72
Support costs – general	427	332	759	688
Support costs – operating lease rentals	-	9	9	7
Support costs – irrecoverable VAT	-	28	28	24
Management and administration:				
Auditors' remuneration	-	16	16	13
Bank charges and interest payable	-	15	15	14
Other costs	71	71	142	124
Cost of generating funds	<u>22</u>	<u>108</u>	<u>130</u>	<u>108</u>
<b>Total resources expended</b>	<b><u>1,226</u></b>	<b><u>2,282</u></b>	<b><u>3,508</u></b>	<b><u>3,324</u></b>

## 9 Fixed Assets

	Land and property bequests	Warwick premises land	Warwick premises building	Staff houses freehold	Houses shared equity	Office and other equipment	Total CPAS	Total Group
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>								
At 1 May 2004	91	640	1,420	882	178	551	3,762	3,796
Additions	-	-	-	-	-	38	38	38
Disposals	-	-	-	-	(51)	-	(51)	(51)
<b>At 30 April 2005</b>	<b>91</b>	<b>640</b>	<b>1,420</b>	<b>882</b>	<b>127</b>	<b>589</b>	<b>3,749</b>	<b>3,783</b>
<b>Depreciation</b>								
At 1 May 2004	-	-	450	-	-	538	988	1,002
Charge for year	-	-	41	-	-	24	65	75
<b>At 30 April 2005</b>	<b>-</b>	<b>-</b>	<b>491</b>	<b>-</b>	<b>-</b>	<b>562</b>	<b>1,053</b>	<b>1,077</b>
<b>Written down value</b>								
At 1 May 2004	91	640	970	882	178	13	2,774	2,794
<b>At 30 April 2005</b>	<b>91</b>	<b>640</b>	<b>929</b>	<b>882</b>	<b>127</b>	<b>27</b>	<b>2,696</b>	<b>2,706</b>

**Land and property bequests**

Included within Land and Property Bequests is 22 acres of land in Devon, held as tenanted farmland.

**Warwick premises**

The Society's premises in Warwick are charged to the Society's bankers as security for periodic advances: the amount secured at 30 April 2005 was nil (2004: nil).

Leases of parts of the Warwick premises were granted to J F W Deacon's Mabledon Charity on 20 August 1990 and 2 April 1992, both for 125 years, for premiums totalling £395,000. The premiums were based on independent professional valuations and have been applied to reduce the book value of the property. 'Mabledon' owns the leasehold of the entire conference facilities at Warwick, which are available for the use of evangelical church societies and similar bodies. A lease of a further part of the Warwick premises was granted to the Colonial and Continental Church Society, known as the Intercontinental Church Society (ICS), registered charity no 241111, on 1 March 1998 for a 20 year period for use as its administrative headquarters. No premium was received in respect of this lease; rents received are included in rental income from land and properties (see note 3).

**Shared equity**

A shared equity scheme for assisting staff with housing was approved by the Council (now Trustees) on 15 March 1990. This enables the Society to provide a maximum of half of the price of houses purchased by a limited number of staff members, who then own their houses subject to a legally binding declaration of trust under which the Society will share in the eventual proceeds of sale in the proportion of its contribution in relation to the original total purchase price. No interest is receivable on monies contributed under the scheme, which are included in fixed assets. At 30 April 2005 4 staff members participated in the scheme (2004: 5). During May 2005 one property held under the shared equity scheme was sold, realising a profit in respect of CPAS's share of £39,000. The number of houses held under the scheme reduced accordingly to 3.

**CPV**

CPV fixed assets comprise office and other equipment.

## 10 Investments (unlisted)

	CPAS		Group	
	2005	2004	2005	2004
	£000	£000	£000	£000
Market value at 1 May 2004	2,936	1,227	3,016	1,299
Additions	-	1,500	-	1,500
Net investment gains	173	209	178	217
<b>Market value at 30 April 2005</b>	<b>3,109</b>	<b>2,936</b>	<b>3,194</b>	<b>3,016</b>
<b>Cost at 30 April 2005</b>	<b>2,516</b>	<b>2,516</b>	<b>2,606</b>	<b>2,606</b>

In addition CPAT (see note 15 – Church Pastoral Aid Trust) has beneficial ownership of shares of CPV Ltd on behalf of CPAS. At 30 April 2005 the cost of the shares held by CPAT (89 at £1) was £89 (2004: £74).



11 **Stock**

	<b>CPAS and Group</b>	
	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Finished products and goods for sale	<u>11</u>	<u>22</u>

12 **Ministry Bonds**

Under this scheme a total of £38,000 (2004: £38,000) of unsecured loans from supporters was outstanding. Loans are made for a three year period, but with repayment available on demand if required.

The total is separately invested in the Deposit Fund of the Central Board of Finance of the Church of England. Interest received is applied to support the Society's activities and is included in investment income and interest in the statement of financial activities (see note 1 – *incoming resources*).

13 **Funds**

	<b>Balance 1 May 2004</b>	<b>Investment gains / (losses)</b>	<b>Net transfers</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Balance 30 April 2005</b>	<b>Represented by</b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Invest- ments</b>	<b>Fixed assets</b>	<b>*Net current assets</b>
								<b>£000</b>	<b>£000</b>
<b>CPAS</b>									
<b>Permanent</b>									
<b>Endowment</b>									
<b>fund</b>	271	16	-	-	-	287	287	-	-
<b>Restricted</b>									
<b>funds:</b>									
Augmentation	14	1	-	1	-	16	14	-	2
Ministers in Training	47	-	-	215	(67)	195	-	-	195
Bishop Stratton	15	1	-	-	-	16	16	-	-
LCEAS	101	5	-	-	-	106	101	-	5
Arrow	31	-	-	38	(51)	18	-	-	18
Evangelist	40	-	-	-	(28)	12	-	-	12
Children's									
Evangelism									
Initiative	34	-	-	48	(65)	17	-	-	17
<b>General fund</b>	<u>7,718</u>	<u>150</u>	<u>-</u>	<u>2,345</u>	<u>(1,579)</u>	<u>8,634</u>	<u>2,691</u>	<u>2,696</u>	<u>3,247</u>
<b>Total CPAS funds</b>	<u>8,271</u>	<u>173</u>	<u>-</u>	<u>2,647</u>	<u>(1,790)</u>	<u>9,301</u>	<u>3,109</u>	<u>2,696</u>	<u>3,496</u>
<b>CPV Ltd</b>									
<b>Restricted funds:</b>									
Falcon Camp	119	5	(4)	122	(141)	101	85	-	16
Subsidy									
Falcon									
Development									
worker	-	-	4	19	(23)	-	-	-	-
<b>Designated funds:</b>									
CPV subsidy	7	-	(9)	11	-	9	-	-	9
<b>General fund</b>	<u>98</u>	<u>-</u>	<u>9</u>	<u>1,458</u>	<u>(1,554)</u>	<u>11</u>	<u>-</u>	<u>10</u>	<u>1</u>
<b>Total CPV funds</b>	<u>224</u>	<u>5</u>	<u>-</u>	<u>1,610</u>	<u>(1,718)</u>	<u>121</u>	<u>85</u>	<u>10</u>	<u>26</u>
<b>Total group funds</b>	<u>8,495</u>	<u>178</u>	<u>-</u>	<u>4,257</u>	<u>(3,508)</u>	<u>9,422</u>	<u>3,194</u>	<u>2,706</u>	<u>3,522</u>

\*Net current assets include £3,397,000 of monies invested on short term deposit (2004: £2,440,000).

**CPAS**

**Permanent Endowment fund:** the income from this fund is available for general purposes.

**Restricted funds**

**Augmentation fund:** this exists for the purpose of increasing the value of poor benefices in evangelical patronage (per CPAS's 1926 annual report).

**Ministers in Training fund:** this fund comprises donations and legacies received for the purpose of providing assistance to those in training for the ordained or licensed ministry.

**Bishop Stratton and LCEAS (London Clerical Education Aid Society) funds:** these funds are available for similar purposes to the Ministers in Training fund (see above).

**Arrow:** donations received and not yet expended in respect of the Arrow Leadership Programme, which offers high-quality, in-depth training to younger church leaders and potential leaders.

**Evangelist:** donations received and not yet expended in respect of a youth-orientated evangelist post.

**Children's Evangelism Initiative:** the balance of donations and expenditure for the project, also known as *A Heart for Children*, addressing the decline in children's church attendance.

**General fund:** funds which are not subject to external restrictions or internally determined designations.

**CPV Ltd****Restricted funds**

**Falcon Camp Subsidy:** this assists young people with the costs of attending Falcon Camps and provides funds for the general running costs of the camps; it includes individual donations, the proceeds of sale of property at Pooley Bridge, Cumbria, gifted by CPAS to CPV in accordance with a decision of the Council (now Trustees) on 19 March 2002, and interest received.

**Falcon Development Worker:** this fund was set up during 2001/02; any shortfall is made up from the Falcon Camp Subsidy fund.

**Designated fund**

**CPV Subsidy:** this fund comprises 1.3% (2004: 1%) of the previous year's budgeted turnover together with donations made to the fund; its purpose is to grant subsidies to assist young people with the costs of attending Ventures.

**General fund:** funds which are not subject to external restrictions or internally determined designations.

14 **Commitments****Operating leases** (see note 1 – *operating leases*)

Commitments for payments during the next year in respect of rentals under the terms of operating leases for motor vehicles and office equipment were, at 30 April 2005:

under leases expiring:	within next year	from 1 to 2 years	from 2 to 5 years	in more than 5 years	total
	<u>£1,000</u>	<u>£18,000</u>	<u>£32,000</u>	<u>nil</u>	<u>£51,000</u>

**Capital commitments**

As at 30 April 2005 the Society had not contracted for any other expenditure on fixed assets other than costs shown as already incurred (2004: nil) (see note 9).

**Pensions** (see note 1)

CPAS participates in the Church of England Funded Pensions Scheme. This scheme is a defined benefit scheme but the Society is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as at 31 December 2003 and the employer's contribution rate increased from 29.5% to 33.8% of pensionable stipends with effect from 1 April 2005.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires CPAS to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

The defined benefit scheme operated by the Society for its non-clergy staff is funded by contributions to a managed fund contract issued by Guardian Pensions Management Ltd. The contributions to this scheme are determined with the advice of the scheme actuary (employed by Scottish Equitable Employee Benefits) on the basis of triennial valuations.

The most recent actuarial valuation was conducted as at 1 August 2002 using the following main assumptions: valuation rate of interest 7% per annum (5.7% post retirement), and salary increases 4% per annum. The report was received in September 2003.

Valuation on the statutory Minimum Funding Requirement basis showed the assets representing 93% of the liabilities. The actuarial value of the assets represented 67% of the actuarial liability based on pensionable salaries projected to normal retirement age or the date of earlier withdrawal. The valuation showed that the regular contribution rate required was 26.2% of salaries. Following discussions with the actuary regarding movements since the valuation date, the contribution rate was increased to 32% with effect from 1 December 2003. The contributions payable for the group for the period amounted to £151,000 (2004: £141,000). No further amount (2004: £4,000) was provided during the period.

For the purposes of Financial Reporting Standard 17 (FRS 17) Retirement Benefits, a valuation has been performed as at 30 April 2005 and the disclosure information required by FRS 17 is as follows:

*Main financial assumptions:*

	2005	2004
	%	%
Inflation assumption	2.9	3.0
Rate of salary increase	4.0	4.0
Rate of increase of pensions in payment (accrued between 6/4/1997 and 5/4/2005)	2.7	2.8
Rate of increase of pensions in payment (accrued after 5/4/2005)	1.9	n/a
Rate of increase of pensions in deferment	2.9	3.0
Discount rate	5.1	5.5

*The scheme assets are invested in insurance policies with companies belonging to the AEGON UK group and the analysis of the underlying investments in these policies, together with the assumed rate of return (ROR) for each class of investment, is shown below:*

	2005		2004	
	Asset value	Assumed ROR	Asset value	Assumed ROR
	£000	%	£000	%
Equities	1,492	8.4	1,250	8.9
Bonds	208	5.1	162	5.5
Other	80	4.75	73	4.0
	<u>1,780</u>		<u>1,485</u>	

The value of the Additional Voluntary Contribution (AVC) policies is not included in the above valuations.

	2005	2004
	£000	£000
<i>Fair value of the assets and liabilities of the scheme:</i>		
Value of assets	1,780	1,485
Present value of liabilities	(3,461)	(2,818)
<b>Deficit</b>	<b><u>(1,681)</u></b>	<b><u>(1,333)</u></b>

*Amounts which would be charged to operating profit:*

<b>Current service cost</b> (excluding AVC policies)	<b><u>(118)</u></b>	<b><u>(87)</u></b>
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*Amounts which would be credited to other finance income:*

Interest on pension scheme liabilities	(149)	(119)
Expected return on pension scheme assets	130	108
<b>Net finance cost</b>	<b><u>(19)</u></b>	<b><u>(11)</u></b>

*Amounts which would be recognised in the Statement of Total Recognised Gains and Losses (STRGL):*

Difference between assumed and actual return on assets	17	115
Experience gains and losses arising on liabilities	21	(97)
Changes in assumptions underlying the valuation of the scheme liabilities	(432)	(300)
<b>Total actuarial deficit recognised in STRGL</b>	<b><u>(394)</u></b>	<b><u>(282)</u></b>

	2005	2004	2003
<i>History of experience recognised gains and losses:</i>			
Difference between actual and expected return on scheme assets:			
amount (£000)	17	115	(425)
percentage of scheme assets	1%	7.7%	35.4%
Experience gains and losses on scheme liabilities:			
amount (£000)	21	(97)	(91)
percentage of scheme liabilities	0.6%	3.41%	3.9%
<b>Total actuarial loss which would be recognized in STRGL:</b>			
amount (£000)	(394)	(282)	(775)
percentage of scheme assets	6.4%	10.0%	33.6%

	2005 £000	2004 £000
<i>Movement in deficit during the year:</i>		
Deficit at start of year	(1,333)	(1,103)
Current service cost	(118)	(87)
Contributions made	183	150
Finance cost	(19)	(11)
Actuarial losses	(394)	(282)
<b>Deficit at end of year</b>	<b><u>(1,681)</u></b>	<b><u>(1,333)</u></b>

	CPAS		Group	
	2005 £000	2004 £000	2005 £000	2004 £000
<i>If CPAS had applied FRS 17 in full, which it is not required to do until the year ending 30 April 2006, funds would be as follows:</i>				
Total funds excluding pension liability, as shown in the balance sheet	9,301	8,271	9,422	8,495
Net pension liability as shown above	<u>(1,681)</u>	<u>(1,333)</u>	<u>(1,681)</u>	<u>(1,333)</u>
<b>Total funds including pension liability</b>	<b><u>7,620</u></b>	<b><u>6,938</u></b>	<b><u>7,741</u></b>	<b><u>7,162</u></b>

The FRS 17 valuation assesses scheme liabilities by considering corporate debt yields, whereas the actuarial valuation is based on equity returns. The scheme's liabilities (and the resulting deficit) as stated above should not be taken as an indication of the results of the valuation carried out on behalf of the scheme trustees for funding purposes. The excess of liabilities over assets as included in the balance sheet for CPAS is the same as that for the Group, as above, since no analysis of the respective liabilities of the two organisations is available.

During the year the Society made no contributions to any employee's personal pension scheme (2004: nil) (see note 1 – pensions).

#### Other commitments

The Society had no material legally binding commitments except as shown above and those arising under staff contracts of employment and other obligations in the normal course of business.

The Society has issued a guarantee to the Royal Bank of Scotland for overdraft facilities to enable CPV to meet its outgoings prior to completion of overseas Ventures and the consequent release to it of the monies held by the Society as trustee (see note 15 – CYFA Pathfinder Ventures Ltd).

## 15 Related Parties

#### CYFA Pathfinder Ventures Ltd

Details of the relationship between CPV Ltd and the Society appear in the Report of the Trustees (see page 4). Included within debtors is an amount of £10,000 due from CPAS (2004: £13,000). During the year CPV Ltd reimbursed salary, accommodation and other expenses totalling £219,000 (2004: £205,000) to CPAS.

At a meeting of the Board of CPV held on 9 May 2005 a request was made to the Trustees of CPAS for a cash injection of £100,000 to support CPV's reserves. In response, a grant of £100,000 was awarded to CPV by the Trustees of CPAS on 11 May 2005.

CPAS acts as trustee for customers of CPV Ltd by holding monies in respect of overseas Ventures in accordance with the Package Travel, Package Holidays and Package Tours Regulations 1992. As at 30 April 2005 £1,000 (2004: £1,000) of these monies was separately deposited with the Royal Bank of Scotland and is not included in these financial statements.

#### Church Pastoral Aid Trust

Certain non-operational properties of the Society remain registered in the name of Church Pastoral Aid Trust, a company limited by guarantee, which acts solely for or under the direction of the Church Pastoral Aid Society (see page 4 – Report of the Trustees).

#### J F W Deacon's Mabledon Charity

This charity is administered by Church Pastoral Aid Trust as trustee acting under the direction of the Society. It provides grants and assistance for training, conferences, study leave, rest and special needs to evangelical church societies and to individuals engaged in similar work. Its figures are not consolidated in these financial statements. It made grants to the Society totalling £80,000 in the year to 30 April 2005 (2004: £115,000).

As at 30 April 2005 £12,000 was due to CPAS from J F W Deacon's Mabledon Charity (2004: £60,000).

#### Other trusts

The Society administers a number of separate trusts, purely as trustee without any legal right over their assets or income. Accordingly their figures are not consolidated with those of the Society as to do so would be inappropriate and misleading. Appointments of clergy to Church of England livings on behalf of certain of these trusts are administered by the Society through its Board of Patronage Trust (see page 4 – Report of the Trustees). Administration charges receivable from connected charities amounted to £12,000 in the year to 30 April 2005 (2004: £12,000).