



Report and Accounts

for the year ended
30 April 2004



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*

PATRON: HER MOST GRACIOUS MAJESTY THE QUEEN**PRESIDENT: The Rt Rev James Jones****VICE PATRONS**

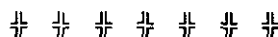
The Archbishop of York
 The Archbishop of Armagh
 Lord MacKay of Clashfern
 The Most Rev Alwyn Rice Jones

VICE PRESIDENTS

The Rt Rev George Cassidy (from 30/10/03)
 The Rt Rev Graham Cray (from 30/10/03)
 The Rt Rev Michael Hill (from 30/10/03)
 The Rt Rev Eric Kemp
 The Rt Rev the Lord Sheppard of Liverpool
 The Rev Dr J R W Stott
 The Rt Rev M A P Wood

TREASURER

Mr John Ellison FCA

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Registered office: Athena Drive, Tachbrook Park, Warwick CV34 6NG
 Registered company number: 2673220; registered charity number: 1007820

Report of the Council

Constitution and Organisation

Church Pastoral Aid Society (CPAS) was founded in 1836 and operated as an unincorporated charity until 31 March 1992. The company was incorporated on 19 December 1991 and took over the operations of the Society on 1 April 1992, the assets being transferred by Charity Commission scheme dated 25 March 1993. The company is limited by guarantee and has no share capital. On a winding-up, each registered member is liable to contribute a sum not exceeding £10 towards the assets of the Society. At 30 April 2004 there were 356 members.

The Society's governing document is its Memorandum and Articles of Association, a copy of which is obtainable from the secretary on request. Under the current Articles, its operations are managed by its Council, comprising the President, Treasurer, a maximum of fifteen clergy and fifteen lay elected members (normally serving for a three year term of office and eligible for re-election at the end of the period), and up to four co-opted members. All members of the Society are entitled to nominate and to vote for candidates, who must already themselves be members of CPAS. Elections are held annually and are conducted under the single transferable vote system. The Council usually meets three times a year. Under the Council byelaws much of the day to day management has been delegated by Council to the Standing Committee, an elected executive committee. The General Director is responsible to the Council for day to day management of the Society, assisted by other staff.

For the purposes of the Companies Act 1985 the directors are the members of the Council. The members of the Council during the year to 30 April 2004 and as at 6 July 2004 were:

The Rt Rev James Jones (1/7/99) *President*

The Rev Ian Ballentine (co-opted 4/7/02, elected 30/10/03)	*Mrs Iona Birchall (3/11/94)
The Rev Steve Davies (7/11/02)	*Miss Joan Botterill (25/2/92)
*The Rev Canon Kenneth Gordon (6/11/97)	Mr Peter Caldwell (4/11/99)
The Rev Michael Goss (2/11/00)	Mr Nigel Chetwood (30/10/03)
*The Ven Peter Hancock (co-opted 4/7/02, elected 7/11/02)	*Mr John Ellison (co-opted 4/7/02, elected 7/11/02) <i>Treasurer 30/10/03</i>
The Rev David Holloway (25/2/92)	Mr Peter Francis (6/11/01, resigned 2/6/04)
The Rev Andrea Irvine (7/11/02)	Mr Richard King (co-opted 3/7/03)
The Rev Gary Jenkins (7/11/96, retired 30/10/03)	Ms Elizabeth Langmead (30/10/03)
*The Rev Preb John Mapson (25/2/92)	Dr John Ledger (3/11/94)
The Rev Hugh McCurdy (co-opted 4/7/02, elected 7/11/02)	Mr Harry Marsh (2/11/95)
The Rev Brian Parfitt (4/11/99)	Mr Gerry O'Brien (5/11/98)
*The Rev Preb David Perryman (3/11/92) <i>Chair</i>	Mr Richard Owen (4/11/99)
The Rev Andrew Petit (2/11/00)	Mrs Susan Richardson (5/11/98)
The Rev Janet Roberts (4/11/93)	Mr Ian Smith (4/11/93)
*The Rev Mike Talbot (4/11/93) <i>Vice-Chair</i>	Mr Trevor Stevenson (2/11/00)
*The Rev Dr Richard Turnbull (4/11/99)	Mr Rod Street (30/10/03)
	Mr Graham Turner (7/11/96, retired 30/10/03) <i>Treasurer to 30/9/03</i>
	Mr David White (co-opted 18/3/03, retired 17/6/03)
	Mr Christopher Whitney (25/2/92)
Dates of first appointment as director are shown in brackets	<i>Secretary: Miss Ruth Buckley</i>
* Member of the Standing Committee as at 30 April 2004	

An Extraordinary General Meeting of the Society was held on 6 July 2004, at which it was agreed that the current Articles be abrogated in their entirety and replaced with new Articles of Association. The provisions of the new Articles will come into effect on or as soon as possible after 12 October 2004. There will be twelve Trustees, appointed on the basis of the skills and experience which they bring to the governance of the Society, and on the recommendation of a group established for the purpose of identifying suitable candidates. Additionally a Council of Reference will be established, which will be representative of the Anglican parishes and churches whom the Society is established to serve pursuant to its object. The principal purpose of the Council of Reference will be to act as a consultative body, in particular to give advice to the Trustees as to the needs of the beneficiaries of the Society. The Society's membership will comprise the Trustees, the President and up to six Vice-Presidents.

Professional Advisers

Bankers

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

Auditors

Hazlewoods
 Staverton Court
 Staverton
 Cheltenham GL51 0UX

Solicitors

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

Investment Advisers

CCLA Investment Management Limited
 80 Cheapside
 London
 EC2V 6DZ

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 November 1998, allow CPAS Council members the option of becoming members of CPV for the duration of their service on Council. Each of the members, including CPAT, has one vote. CPAT retains beneficial ownership of all the share capital of CPV. As at 30 April 2004, 26 Council members had exercised this option (2003: 25).

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 2004 were as follows:

Mrs Jenny Bray
The Rev Tim Crook
Mr Geoff Harley-Mason

Mr Gavin Kibble
Mr Richard King (*Chairman*)
The Rev Philip Mounstephen

The Rev Gary Piper
Mr Len Smith
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 Council of CPAS and as at 30 April 2004 were as follows:

Miss Joan Botterill
Mr John Ellison

The Rev Robert Key
The Rev David Perryman *Chair*

The Rev Preb John Skinner
The Rev Canon David Wheaton
Secretary: Miss Ruth Buckley

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 are appointed by the Council of CPAS and as at 30 April 2004 were as follows:

The Rev Canon Steve Allen
The Rev David Banting
The Rev Helen Chantrey
Mrs Jackie Cray

The Rev Andrew Dow *Chair*
The Rev Preb Nick McKinnel
Mrs Gill Morrison
The Rev Lesley Riley

Mr John Truscott
The Rev Timothy Watson
Mr Simon Webley
Secretary: The Rev Andrew Piggott
Asst Secretary: Miss Marion Powell

Object and Policies

The purpose and powers of the Society are outlined in the following extract 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.'

Investment Powers

The object of CPAS as stated in its Memorandum includes the following 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."

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 £4,216,000 to £4,944,000. This figure includes an increase in the value of general fund investments of £168,000. Part of these funds are held on deposit, giving an effective hedge against current fluctuations in the stock market.

The Council proposes that a proportion of the additional funds received will be expended over a period of eight to ten years, initially by funding a budgeted deficit for the year to April 2005, £208,000, and by strategic new staff appointments (see *Review of Activities – Personnel* below). The Council does 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 automatically released to cover redundancy and other closure costs.

Mission, Values, Vision and Strategy

CPAS is an evangelical Anglican mission agency working mainly with local Anglican churches across the United Kingdom and Republic of Ireland.

Imagine a local church where children, young people and adults are helped to come to faith in Christ: where they are welcomed and loved, taught and trained; where they are confident in sharing their faith and clear about God's call on their lives; where they serve one another and their community; and where gifts are grown and leaders developed – all this through the ministry of God's word and the power of the Holy Spirit. Imagine that being normal in every church. CPAS's mission is to help make this a reality, church by church.

The following core values govern its 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.

CPAS's corporate strategy is to communicate the vision and listen to feedback, develop and maintain mutually supportive partnerships to equip and train God's Church, and identify, develop and provide dynamic and enabling resources. The strategy was expanded during the year, and includes specific actions and plans for ministry for the outworking of its vision.

Organisational Structure

The organisational structure of the Society comprises:

- **General Director** – giving overall leadership to the work of the Society and responsible to the Council
- **Senior Management Team** – responsible for the internal management of CPAS
- **Ministry Team** consisting of those responsible for external delivery of ministry, comprising:
 - **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
 - **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** – developing books, video packs, 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.

Review of Activities

Training and Consultancy

The Ministry Team (see *Organisational Structure* above) offers extensive support and training to clergy and other church leaders across the United Kingdom and the Republic of Ireland. The focus is on evangelism, youth and children, and leadership, with major emphases on encouraging churches to become communities for all ages, and on fresh expressions of church. Ministry during the year included one-to-one consultations, audits and in-depth work with individual churches at their request and subsequent work with them over a period of months, modelling good practice in evangelism, mentoring churches seeking to transition from inherited structures to communities relevant to those around them, and numerous programmes of training.

Churches affiliated to the *CY Network* (which includes CYFA – 14s to 18s, Pathfinders – 11s to 14s, Explorers, Climbers and Scramblers – 3s to 11s) have continued to receive support for leaders of their children's and young people's groups. Members of many of these groups participated in *Ventures* during the year (see *Ventures and Falcon Camps* below).

The *Children's Evangelism Initiative* (known also as *A Heart for Children*), a project born out of the urgent need to reverse the loss of a thousand or more children every week from churches nationally, has continued a wide-ranging programme. The project aims to foster sensitivity to children's issues and contribute towards creating a groundswell that will facilitate evangelism amongst children. *Firestarters* is a national initiative begun in February 2004 with the aim of fostering prayer at local church level for children and childhood. A generous grant from the Jerusalem Trust has ensured that the *Children's Evangelism Initiative* will continue for a further three-year period.

The long-running conference programme *You and Ministry*, for those considering ministry in the Anglican Church, has continued to attract good numbers of attendees at each weekend. The programme has been further developed to include not only residential events but also weekends based in parishes around the country, and day conferences focusing on individual issues relating to vocation. *It's Your Call* is an annual conference for those who have recently moved or about to move to their first post of responsibility following a curacy.

The *Arrow Leadership* programme, for younger leaders and potential leaders, focuses not only on skills in leadership and evangelism but also on the underlying areas of character and call, and comprises high quality in-depth training over a period of eighteen months. In response to high demand, two courses are now running concurrently. Numerous training courses using *Lost for Words* have been run, to help people of all ages to share their faith naturally. A large number of preaching and speaking engagements have also been carried out in churches across the United Kingdom and the Republic of Ireland.

CPAS has responsibility for nominating ministers to over 500 benefices in the Church of England. The ministry team members involved spend much time working collaboratively with the parish, the diocese and, where relevant, other patrons, and their expertise, experience and wisdom are often of help in addressing issues related to future ministry.

Included in the plans for 2004/2005, in addition to much ongoing ministry as mentioned above, are two significant projects: *body beautiful?*, a major conference in September 2004, will address issues involved in making the transition to becoming churches for all ages (see *Mission, Values, Vision and Strategy* above); *the Shape of Things to Come* is a six-venue tour to help church leaders work out the implications of *Mission-Shaped Church*, a major report chaired by Bishop Graham Cray investigating a wide variety of 'fresh expressions of church'.

Publications

The trilogy of evangelism resources: *Start!*, *Lost for Words* and *Essence*: made an exciting impact during the year. A companion to *Essence*, for younger people: *kids@essence*: has also recently been produced.

Growing Leaders is a new book incorporating models from the Arrow Leadership Programme. Two further projects will offer a leadership development course for churches, and a guide for developing a strategic plan enabling local churches to grow. A Grove booklet written by CPAS and addressing issues of all-age church will be available in the autumn of 2004. *Giving in Grace*, an all-age stewardship resource, has been developed in conjunction with the Diocese of Liverpool, initially for use in the diocese.

Lift the Label, produced jointly with Tear Fund a resource for 14s to 18s, addresses issues of trade and justice. *Dead End?*, also for 14s to 18s, is the final title in the Bible-based *Resources for Youth Groups* series. *Under construction*, the teaching resource for the 3s to 14s age group, will continue to be available until the summer of 2004; thereafter CPAS will be endorsing *Light*, a new resource from Scripture Union with some editorial oversight from CPAS.

Church Leadership, available three times a year on subscription and containing informative articles, practical ideas and resources and available on subscription, continues to be widely used and appreciated. Group leaders of all churches affiliated to the CY network receive CY magazine, which addresses topics of interest and help to leaders of children's and youth groups.

Grants

CPAS continues to help parishes in areas of particular need, in both urban and rural locations, with grants towards the provision of an additional member of staff. A moratorium on any such new grants was agreed in November 2002, and alternative means of offering support to churches in disadvantaged areas are being developed in the context of the corporate strategy (see *Mission, Values, Vision and Strategy* above). Grants to ordinands in financial need have continued from the Ministers in Training Fund.

CPV assists young people with the cost of attending Ventures and Falcon Camps (see *Ventures and Falcon Camps* below) through subsidy funds specifically for this purpose. The Group makes no donations or grants for charitable purposes outside the scope of its own work, nor any donations for any political purpose.

Ventures and Falcon Camps

Almost 9,000 children, young people and leaders were involved in the Christian residential activities led by CPV. The figure is a decrease of approximately 150 compared with 2002/2003, which had in turn seen an increase of 500 over the previous year. Ventures seek to complement the week-by-week work of CYFA, Pathfinder and Explorer groups (see *Review of the Year's Activities - Training and Consultancy* above), whilst Falcon Camps focus on children and young people from disadvantaged areas, often inner cities, outer city estates or rural situations, many of whom do not have any experience of church or a safe community. Both Ventures and Falcon Camps offer to those who attend a chance to hear and respond to the gospel and to grow in faith. Donations from many volunteer leaders are an important part of the ongoing financial support of CPV; in addition, donations to the Friends of Falcon scheme, grants and an underwriting from CPAS's general fund provide a sound financial underpinning of the work of Falcon Camps, which by its nature requires significant subsidy.

Supporter Relations

A structured programme of mailings to supporters, both churches and individuals, is being implemented with the aim of developing mutual relationships and commitment, and a new package specifically fostering partnership with churches will be presented at *body beautiful?* (see *Training and Consultancy* above). The magazine *Together* was re-launched during the year amidst much acclaim, successfully combining *Update*, the existing prayer diary, with extensive news and features, to increase awareness of CPAS's ministry and to foster prayer and financial support.

The CPAS website includes much information about the range of ministries the Society offers, and all the Society's current books and video-based resources are available for purchase on the website. Plans are being developed for a major upgrade to the site which will progressively offer interactive facilities.

During the year CPAS was represented at a number of events including the Christian Resources Exhibitions (CRE) held in Esher and Manchester, and the Society will again be present at several venues in the forthcoming year. CPAS continues to seek ways of increasing financial support to meet ongoing commitments, balancing the needs and the costs as effectively as possible.

Personnel

The year was one of consolidation following internal restructuring which took place in the autumn of 2002. A number of strategic new staff appointments are planned for 2004/2005. Funded from the proceeds of sale of land during 2002/2003, the posts will strengthen the Ministry Team in line with the aims of the corporate strategy (see *Mission, Values, Vision and Strategy* above).

Volunteers

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 been involved in training events and written articles for inclusion in publications; Ministry Among Women Regional Assistants, supporting the work of the Regional 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.

Finances

CPAS:

All Funds

A modest overall surplus of £78,000 was achieved (excluding profit on sale of properties), as compared with a deficit in 2002/2003 of £464,000. This encouraging turn-around was the result of higher than expected levels of donations and legacy income, as well as savings in expenditure following internal restructuring in the autumn of 2002. Additionally, profit on the sale of two staff houses (see *Assets* below) no longer required for operational purposes amounted to £361,000.

Unrestricted Funds

The surplus (excluding profit on sale of properties) was £36,000, an improvement of £257,000 compared with the budget for the year and of £484,000 compared with 2002/2003. Donations from churches and individuals exceeded budget although the total was £18,000 less than 2002/2003. Receipts from legacies were £55,000 higher than 2002/2003. Without the generous voluntary giving on the part of supporters CPAS's ministry would not be sustainable, and the Society expresses its gratitude to all who have made donations during the year. Expenditure was £108,000 less than the budgeted total and £424,000 less than 2002/2003. The main savings arose from reductions in support costs and costs of generating funds, as well as a reduction in grants paid (see *Grants* above).

Restricted Funds

The combined totals for the restricted funds resulted in a surplus of £42,000, an improvement of £58,000 compared with the budget for the year and of £57,000 compared with 2002/2003. Donations for the Children's Evangelism Initiative, Ministers in Training and the Arrow Leadership Programme totalled £27,000 more than in 2002/2003. A second generous grant was awarded by the Jerusalem Trust in support of the Children's Evangelism Initiative, the first instalment of which was received during the year (see *Training and Consultancy* above). Grants from the Ministers in Training fund continued to be awarded to assist ordinands in financial need during their training for ministry. The Arrow Leadership programme carried forward a surplus which will support commitments in respect of the training programmes currently under way (see *Training and Consultancy* above).

CPV

The overall result for the year was an excess of expenditure over income of £8,000. This comprised a deficit of £2,000 for Ventures and £6,000 for Falcon Camps, as compared with a break even result for Ventures and a deficit of £11,000 for Falcon Camps in 2002/2003. CPV Ltd reimbursed to CPAS £22,000 in respect of office occupancy costs. Income included an increase in donations from leaders of Ventures and Falcon Camps of £35,000 compared with 2002/2003, the greater part of this increase being for Falcon Camps, whilst general donations to Falcon Camps were £13,000 less than in 2002/2003. Expenditure was £86,000 more than 2002/2003. There was an increase (unrealised) of £8,000 in the value of investments arising from the donation of £90,000 by CPAS to CPV in 2001/2002.

Assets

The Society's assets include the following:

- premises in Warwick housing CPAS's offices and those of CYFA Pathfinder Ventures Ltd
- office and other equipment necessary to fulfil the Society's ministries
- five freehold properties held to house those staff members who have joined CPAS following service in tied accommodation
- a shared equity scheme which assists five staff with housing
- 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 £1,500,000 previously held on deposit was invested with the Central Board of Finance; 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. Details of commitments for payment of future grants (which are not binding) are given in note 5 to the accounts, and information concerning pension contributions and other commitments is contained in notes 1 and 14.

Auditors

Hazlewoods have expressed their willingness to continue in office.

Statements of the Directors

Directors' responsibilities in relation to financial statements

Company law requires the directors (the Council 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 Council confirms that these financial statements comply with these requirements.

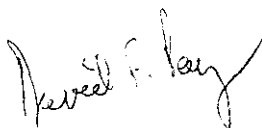
Going concern

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 Council 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.

David Perryman
Chairman, on behalf of the Directors



6 July 2004

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 19 for the year ended 30 April 2004 which comprise 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, 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 2004 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
Chartered Accountants and Registered Auditors



Staverton, Cheltenham
19 July 2004

Statement of Financial Activities for the year to 30 April 2004

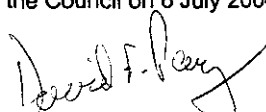
Notes	CPAS 2004			Group 2004			CPAS 2003	Group 2003
	Unrestricted funds £000	Restricted funds £000	Total £000	Unrestricted funds £000	Restricted funds £000	Total £000	Total £000	Total £000
INCOME & EXPENDITURE ACCOUNT								
INCOMING RESOURCES								
Voluntary income:								
Donations 2	1,012	64	1,076	1,538	149	1,687	1,077	1,633
Legacies	124	-	124	124	-	124	76	76
Grants - Mabledon Charity	115	-	115	115	-	115	140	140
- other	-	52	52	2	78	80	12	44
Resourcing activities in furtherance of the Group's objects 3	215	26	241	1,147	53	1,200	263	1,185
Activities for generating funds:								
Investment income and interest 4	171	5	176	178	10	188	92	103
Profit on sale of properties – houses	361	-	361	361	-	361	32	32
– bequest	-	-	-	-	-	-	2,417	2,417
Total incoming resources	1,998	147	2,145	3,465	290	3,755	4,109	5,630
RESOURCES EXPENDED 8								
Costs in furtherance of the Group's objects:								
Children and youth	140	40	180	140	40	180	185	185
Evangelism	51	27	78	51	27	78	139	139
Leadership including patronage	156	5	161	156	5	161	113	113
Parish support	242	-	242	242	-	242	332	332
Resourcing activities	306	22	328	1,502	111	1,613	463	1,643
Grants 5	61	11	72	61	11	72	115	156
Support costs	477	-	477	669	44	713	576	789
Management and administration	111	-	111	151	6	157	99	138
Cost of generating funds	57	-	57	98	10	108	102	161
Total resources expended	1,601	105	1,706	3,070	254	3,324	2,124	3,656
NET INCOME/(EXPENDITURE) before revaluations	397	42	439	395	36	431	1,985	1,974
Other recognised gains & losses								
Revaluation of investments 10	168	41	209	168	49	217	(290)	(307)
NET MOVEMENT IN FUNDS	565	83	648	563	85	648	1,695	1,667
Fund balances brought forward at 1 May 2003	7,153	470	7,623	7,260	587	7,847	5,928	6,180
FUND BALANCES CARRIED FORWARD at 30 April 2004	7,718	553	8,271	7,823	672	8,495	7,623	7,847

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 2004

	Notes	CPAS 2004 £000	Group 2004 £000	CPAS 2003 £000	Group 2003 £000
Fixed assets	9				
Tangible fixed assets:					
land and buildings		2,761	2,761	2,866	2,866
office and other equipment		<u>13</u>	<u>33</u>	<u>71</u>	<u>71</u>
		2,774	2,794	2,937	2,937
Investments (unlisted)	10	<u>2,936</u>	<u>3,016</u>	<u>1,227</u>	<u>1,299</u>
		<u>5,710</u>	<u>5,810</u>	<u>4,164</u>	<u>4,236</u>
Current assets					
Stocks and work in progress	11	22	22	53	53
Debtors falling due within 1 year:					
trade debtors		5	5	7	7
due from subsidiary		13	-	18	-
other debtors		81	221	28	131
prepayments		33	46	44	54
accrued income		<u>90</u>	<u>97</u>	<u>1,475</u>	<u>1,529</u>
		222	369	1,572	1,721
Deposits repayable on demand:					
general		2,372	2,402	1,934	1,964
re Ministry Bonds	12	38	38	38	38
Cash at bank and in hand		<u>50</u>	<u>226</u>	<u>56</u>	<u>256</u>
		<u>2,460</u>	<u>2,666</u>	<u>2,028</u>	<u>2,258</u>
		2,704	3,057	3,653	4,032
Liabilities					
Creditors falling due within 1 year					
Supporters' interest-free loans:					
Ministry Bonds	12	38	38	40	40
deposit covenants		-	-	20	20
others		<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
		45	45	67	67
Trade creditors		24	24	34	34
Tax and Social Security		34	34	45	45
Other creditors		14	29	18	36
Accruals		26	44	29	36
Deferred income		-	196	<u>1</u>	<u>203</u>
		<u>143</u>	<u>372</u>	<u>194</u>	<u>421</u>
Net current assets		<u>2,561</u>	<u>2,685</u>	<u>3,459</u>	<u>3,611</u>
TOTAL ASSETS					
LESS CURRENT LIABILITIES		<u>8,271</u>	<u>8,495</u>	<u>7,623</u>	<u>7,847</u>
Funds	13				
Restricted		453	582	411	546
Restricted revaluation		<u>100</u>	<u>90</u>	<u>59</u>	<u>41</u>
		553	672	470	587
Unrestricted:					
Designated		-	7	-	11
General		7,399	7,497	7,002	7,098
General revaluation		<u>319</u>	<u>319</u>	<u>151</u>	<u>151</u>
		<u>7,718</u>	<u>7,823</u>	<u>7,153</u>	<u>7,260</u>
TOTAL FUNDS		<u>8,271</u>	<u>8,495</u>	<u>7,623</u>	<u>7,847</u>

Signed on behalf of the Council on 6 July 2004



David Perryman: Chairman



John Ellison: Treasurer

Group Cash Flow Statement for the year to 30 April 2004

Analysis	2004 £000	2003 £000	
RECONCILIATION OF NET INCOMING/(OUTGOING) RESOURCES TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES			
Net incoming resources	431	1,974	
Returns on investments a	(174)	(89)	
Profit on sale of properties	(361)	(2,449)	
Depreciation charges	113	117	
Decrease in stocks	31	29	
Decrease / (increase) in debtors	1,352	(1,364)	
(Decrease) / increase in creditors	(49)	37	
Net cash inflow / (outflow) from operating activities	<u>1,343</u>	<u>(1,745)</u>	
CASH FLOW STATEMENT			
Net cash inflow / (outflow) from operating activities	1,343	(1,745)	
Returns on investments a	174	89	
Capital expenditure and financial investment b	<u>(1,109)</u>	<u>3,544</u>	
Increase in cash	<u>408</u>	<u>1,888</u>	
ANALYSIS OF CASH FLOWS			
a Returns on investments:			
Dividend and interest received	188	103	
Interest paid	(14)	(14)	
Net cash inflow	<u>174</u>	<u>89</u>	
b Capital expenditure and financial investment:			
Purchase of tangible fixed assets	(39)	(13)	
Sale of tangible fixed assets	430	3,557	
Purchase of investments	(1,500)	-	
Net cash (outflow) / inflow	<u>(1,109)</u>	<u>3,544</u>	
MOVEMENTS IN CASH DURING THE YEAR ENDED 30 APRIL 2004			
	1 May 2003	Change during year	30 April 2004
	£000	£000	£000
Cash at bank and in hand	256	(30)	226
Cash deposits - general	1,964	438	2,402
- Ministry Bonds	<u>38</u>	<u>-</u>	<u>38</u>
Net movement in cash during the year ended 30 April 2004	<u>2,258</u>	<u>408</u>	<u>2,666</u>
MOVEMENTS IN CASH DURING THE YEAR ENDED 30 APRIL 2003			
	1 May 2002	Change during year	30 April 2003
	£000	£000	£000
Cash at bank and in hand	165	91	256
Cash deposits - general	167	1,797	1,964
- Ministry Bonds	<u>38</u>	<u>-</u>	<u>38</u>
Net movement in cash during the year ended 30 April 2003	<u>370</u>	<u>1,888</u>	<u>2,258</u>

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. Members of the Council 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 Council considers 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 SoFA 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. Work in progress includes the prime costs of initiation of incomplete products.

Funds

The following types of fund are available for use by the Council 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 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. 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.

2 Donations

	CPAS		Group	
	2004	2003	2004	2003
	£000	£000	£000	£000
Donations from churches	693	722	716	743
Donations from individuals	383	355	971	890
	<u>1,076</u>	<u>1,077</u>	<u>1,687</u>	<u>1,633</u>

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

	CPAS		Group	
	2004	2003	2004	2003
	£000	£000	£000	£000
Publications	110	124	110	124
Training events	43	40	43	40
Subscriptions and affiliations	57	70	57	70
Ventures and camps (CPV Ltd)	-	-	959	922
Rental income from land and properties	31	28	31	28
Miscellaneous	-	1	-	1
	<u>241</u>	<u>263</u>	<u>1,200</u>	<u>1,185</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	
	2004	2003	2004	2003
	£000	£000	£000	£000
Central Board of Finance investments (see note 10)	88	54	91	57
Central Board of Finance deposits	84	34	85	35
Bank and other interest receivable	<u>4</u>	<u>4</u>	<u>2</u>	<u>11</u>
	176	92	188	103

5 Grants

	CPAS and Group	
	2004	2003
	£000	£000
Parishes and local projects	61	101
Ministers in Training	<u>11</u>	<u>14</u>
	72	115

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

<i>Diocese of BATH & WELLS</i>		<i>Diocese of DERBY</i>		<i>Diocese of LONDON</i>	
Twerton St Michael	2,000	Cotmanhay Christ Church	733	North Kensington St Helen	750
				Southall Emmanuel	1,333
<i>Diocese of BIRMINGHAM</i>		<i>Diocese of DOWN and DROMORE</i>		<i>Diocese of MANCHESTER</i>	
Birmingham St Martin in Bullring	417	Kilkeel Christ Church	2,000	Brunswick Christ Church	750
Burney Lane Christ Church	1,250			Harpurhey Christ Church	3,000
Springfield St Christopher	2,000	<i>Diocese of DURHAM</i>			
Summerfield Christ Church	1,500	Felling Christ Church	2,500	<i>Diocese of ROCHESTER</i>	
				Penge St John	750
<i>Diocese of BLACKBURN</i>		<i>Diocese of LEICESTER</i>		<i>Diocese of SHEFFIELD</i>	
Blackburn Christ Church	2,000	Leicester Holy Apostles	333	Brinsworth, Catcliffe & Treeton	2,500
Blackburn St Barnabas	3,000	Leicester Martyrs	1,000	Hillsborough Christ Church	2,000
		Leicester St Christopher	2,000	Owlerton St John the Baptist	1,000
<i>Diocese of BRADFORD</i>		<i>Diocese of LICHFIELD</i>		Tinsley St Lawrence	2,000
Bradford St Augustine	3,500	Stretton St Mary	1,500		
		Wolverhampton St Luke	167	<i>Diocese of SOUTHWARK</i>	
<i>Diocese of CHELMSFORD</i>		<i>Diocese of LIVERPOOL</i>		Norbiton St Peter	500
Dagenham St George	2,000	Fairfield St John	1,900	Shooters Hill All Saints	3,375
Mayflower Family Centre	2,208	Fazakerly Team	167	West Norwood St Luke	2,000
		Huyton Trinity	1,000		
<i>Diocese of CHESTER</i>		Litherland Ss John & James	2,500	<i>Diocese of YORK</i>	
Birkenhead St James	500	Toxteh Ss Gabriel and Cleopas	500	Hull Drypool	800
St Augustine	1,000	Toxteth Team	2,000		
<i>Diocese of CHICHESTER</i>					
Eastbourne All Souls	1,042				

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

2004/05 £38,000 2005/06 £6,000.

Ministers in Training grants are made to individuals and are of amounts not exceeding £500. During the year grants made included £11,000 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 485 individual subsidies (2003: 515), totalling £27,000 (2003: £29,000) were granted in respect of *Ventures*, and 176 (2003: 197), totalling £10,000 ((2003: £11,000) in respect of *Falcon Camps*, each of the amounts not exceeding £100.

6 Directors' Emoluments and Transactions

CPAS: No director was interested in any transaction, contract or other arrangement with the Society. Travel expenses totalling £4,000 (2003: £3,000) were reimbursed to 22 (2003: 20) directors.

Group: No director received any payment (2003: £1,000) 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 £5,000 (2003: £4,000) were reimbursed to 28 directors (2003: 24).

7 Staff Numbers and Costs

	CPAS		Group	
	2004	2003	2004	2003
Average staff numbers (full time equivalent)				
In furtherance of the Group's objects	24	30	28	30
Support	7	8	8	12
Management and administration	2	2	2	3
Cost of generating funds	<u>1</u>	<u>2</u>	<u>1</u>	<u>3</u>
	<u>34</u>	<u>42</u>	<u>39</u>	<u>48</u>
	2004	2003	2004	2003
	£000	£000	£000	£000
Costs of employment of staff				
Salaries	762	1,004	870	1,118
National Insurance contributions	59	65	65	73
Pension contributions (see notes 1 and 14 – pensions)	139	148	164	172
Staff housing	9	28	9	28
Other	<u>14</u>	<u>15</u>	<u>14</u>	<u>15</u>
	<u>983</u>	<u>1,260</u>	<u>1,122</u>	<u>1,406</u>

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

8 Analysis of Total Resources Expended

	Staff costs £000	Other direct costs £000	Total 2004 £000	Total 2003 £000
CPAS				
Costs in furtherance of Group's objects:				
Children and youth	149	31	180	185
Evangelism	62	16	78	139
Leadership including patronage	139	22	161	113
Parish support	195	47	242	332
Resourcing activities	143	185	328	463
Grants paid	-	72	72	115
Support costs – general	238	221	459	554
Support costs – irrecoverable VAT	-	18	18	22
Management and administration:				
Audit fees	-	11	11	11
Bank charges and interest payable	-	3	3	3
Other costs	44	53	97	85
Cost of generating funds	<u>13</u>	<u>44</u>	<u>57</u>	<u>102</u>
Total resources expended	<u>983</u>	<u>723</u>	<u>1,706</u>	<u>2,124</u>
	Staff costs £000	Other direct costs £000	Total 2004 £000	Total 2003 £000
Group				
Costs in furtherance of Group's objects:				
Children and youth	149	31	180	185
Evangelism	62	16	78	139
Leadership including patronage	139	22	161	113
Parish support	195	47	242	332
Resourcing activities	143	1,470	1,613	1,684
Grants paid	-	72	72	115
Support costs – general	348	347	695	767
Support costs – irrecoverable VAT	-	24	24	22
Management and administration:				
Audit fees	-	13	13	14
Bank charges and interest payable	-	14	14	14
Other costs	66	58	124	110
Cost of generating funds	<u>20</u>	<u>88</u>	<u>108</u>	<u>161</u>
Total resources expended	<u>1,122</u>	<u>2,202</u>	<u>3,324</u>	<u>3,656</u>

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
Cost or valuation								
At 1 May 2003	91	640	1,420	947	178	546	3,822	3,826
Additions	-	-	-	4	-	5	9	39
Disposals	-	-	-	(69)	-	-	(69)	(69)
At 30 April 2004	91	640	1,420	882	178	551	3,762	3,796
Depreciation								
At 1 May 2003	-	-	410	-	-	475	885	889
Charge for year	-	-	40	-	-	63	103	113
At 30 April 2004	-	-	450	-	-	538	988	1,002
Written down value								
At 1 May 2003	91	640	1,010	947	178	71	2,937	2,937
At 30 April 2004	91	640	970	882	178	13	2,774	2,794

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 2004 was nil (2003: 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 Standing Committee 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 2004 5 staff members participated in the scheme (2003: 5).

CPV

CPV fixed assets comprise office and other equipment.

10 Investments (unlisted)

	CPAS		Group	
	2004 £000	2003 £000	2004 £000	2003 £000
Market value at 1 May 2003	1,227	1,517	1,299	1,606
Additions	1,500	-	1,500	-
Net investment gains / (losses)	209	(290)	217	(307)
Market value at 30 April 2004	2,936	1,227	3,016	1,299
Cost at 30 April 2004	2,516	1,016	2,606	1,096

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 2004 the cost of the shares held by CPAT (74 at £1) was £74 (2003: £75).

11 **Stock and Work in Progress**

	CPAS and Group	
	2004	2003
	£000	£000
Work in progress	-	18
Finished products and goods for sale	<u>22</u>	<u>35</u>
	<u>22</u>	<u>53</u>

12 **Ministry Bonds**

Under this scheme a total of £38,000 (2003: £40,000) 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**

	Balance	Investment	Net	Incoming	Outgoing	Balance	Represented by		
	1 May	gains/	transfers	resources	resources	30 April	Invest-	Fixed	Net
	2003	(losses)				2004	ments	assets	current
	£000	£000	£000	£000	£000	£000	£000	£000	assets*
CPAS									
Permanent Endowment fund	243	28	-	-	-	271	271	-	-
Restricted funds:									
Augmentation	12	1	-	1	-	14	14	-	-
Ministers in Training	49	-	-	10	(12)	47	-	-	47
Bishop Stratton	13	2	-	-	-	15	15	-	-
LCEAS	91	10	-	-	-	101	101	-	-
Arrow	19	-	-	38	(26)	31	-	-	31
Evangelist	41	-	-	26	(27)	40	-	-	40
Children's Evangelism Initiative	2	-	-	72	(40)	34	-	-	34
General fund	<u>7,153</u>	<u>168</u>	<u>-</u>	<u>1,998</u>	<u>(1,601)</u>	<u>7,718</u>	<u>2,535</u>	<u>2,774</u>	<u>2,409</u>
Total CPAS funds	<u>7,623</u>	<u>209</u>	<u>-</u>	<u>2,145</u>	<u>(1,706)</u>	<u>8,271</u>	<u>2,936</u>	<u>2,774</u>	<u>2,561</u>
CPV Ltd									
Restricted funds:									
Falcon Camp Subsidy	117	8	(2)	120	(124)	119	80	-	39
Falcon Development worker	-	-	2	23	(25)	-	-	-	-
Designated funds:									
CPV subsidy	11	-	(12)	8	-	7	-	-	7
General fund	<u>96</u>	<u>-</u>	<u>12</u>	<u>1,459</u>	<u>(1,469)</u>	<u>98</u>	<u>-</u>	<u>20</u>	<u>78</u>
Total CPV Ltd funds	<u>224</u>	<u>8</u>	<u>-</u>	<u>1,610</u>	<u>(1,618)</u>	<u>224</u>	<u>80</u>	<u>20</u>	<u>124</u>
Total group funds	<u>7,847</u>	<u>217</u>	<u>-</u>	<u>3,755</u>	<u>(3,324)</u>	<u>8,495</u>	<u>3,016</u>	<u>2,794</u>	<u>2,685</u>

*Net current assets include £2,440,000 of monies invested on short term deposit (2003: £2,002,000).

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 fund comprises donations to assist young people with the costs of attending Falcon Camps and provide monies to assist with the general running costs of the camps

Barton Camp: this fund includes the proceeds of sale of a property (Barton Camp) which were transferred to CPV for the support of Falcon Camps in accordance with a decision of Council on 19 March 2002, and interest received.

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

Designated fund

CPV Subsidy fund: this consists of 1% (2003: 1.3%) of the previous year's budgeted turnover together with donations made to the fund; its purpose is 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 2004:

under leases expiring:	within next year	from 1 to 2 years	from 2 to 5 years	in more than 5 years	total
	<u>£8,000</u>	<u>£4,000</u>	<u>£19,000</u>	<u>£2,000</u>	<u>£33,000</u>

Capital commitments

As at 30 April 2004 the Society had not contracted for any other expenditure on fixed assets other than costs shown as already incurred (2003: 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 first valuation of the Scheme was carried out as at 31 December 2000; the employer's contribution rate increased from 21.9% to 29.1% of pensionable stipends with effect from 1 April 2002 and to 29.5% from 1 January 2003. A valuation of the scheme is being carried out as at 31 December 2003.

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 £141,000 (2003: £149,000). A further £4,000 (2003: £23,000) has been provided during the period.

The actuarial valuation of 1 August 2002 has been updated to 30 April 2004 by a qualified independent actuary for the requirements of Financial Reporting Standard 17 (FRS 17): Retirement Benefits. The major assumptions used in the updated report by the actuary were the same as those for the 1 August 2002 valuation, except the valuation rate of interest: 5.5% per annum. The expected rates of return are:

	2004 % per annum	2003 % per annum
Equities including property	8.9	8.8
Bonds	5.5	5.2
Cash	4.0	3.75

The valuation carried out in line with FRS 17 was as follows:

	2004 £000	2003 £000
Fair value of assets	1,485	1,202
Present value of scheme liabilities	2,818	2,305
Excess of liabilities over assets	(1,333)	(1,103)

Consequently, if the Society applied FRS 17 in full, which it is not required to do until the year ending 30 April 2005, fund balances at 30 April 2004 would be reduced by £1,333,000 as above.

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.

During the year the Society made no contributions to any employee's personal pension scheme (2003: 1) (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 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 Council (see page 4). Included within debtors is an amount of £13,000 (2003: £18,000) due to CPAS. During the year CPV Ltd reimbursed salary, accommodation and other expenses totalling £205,000 (2003: £210,000) to CPAS.

CPAS acts as trustee for customers of CYFA Pathfinder Ventures Ltd (CPV Ltd) by holding monies in accordance with the Package Travel, Package Holidays and Package Tours Regulations 1992. As at 30 April 2004 £1,000 (2003: £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 Council).

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 £115,000 in the year to 30 April 2004 (2003: £140,000).

As at 30 April 2004 £60,000 was due to CPAS from J F W Deacon's Mabledon Charity (2003: £12,000).

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 Council).

Administration charges receivable from connected charities amounted to £12,000 in the year to 30 April 2004 (2003: £13,000).