



Report and Accounts

**for the year ended
30 April 1999**



**Church Pastoral Aid Society
Athena Drive
Tachbrook Park
WARWICK CV34 6NG**

A company limited by guarantee Registered in England no 2673220
Registered office at the above address Registered charity no 1007820

PATRON: HER MOST GRACIOUS MAJESTY THE QUEEN**PRESIDENT: The Rt Rev Michael Baughen**

(see Report of the Council: Personnel – page 5)

VICE PATRONS

The Archbishop of Canterbury
 The Archbishop of York
 The Archbishop of Armagh
 Lord MacKay of Clashfern
 The Most Rev Lord Coggan
 The Most Rev Alwyn Rice Jones (from 11/98)
 The Most Rev Sir Marcus Loane (resigned 11/98)

VICE PRESIDENTS

The Bishop of Chichester
 The Rt Hon the Viscount Caldecote
 The Rt Rev the Lord Sheppard of Liverpool
 The Rev J R W Stott
 The Rt Rev M A P Wood

TREASURER

Mr Robert Stand FCA (retired 31 August 1998)
 Mr Graham Turner FCMA (from 1 September 1998)

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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 1999 there were 358 members.

The governing instruments of the Society are its Memorandum and Articles of Association, a copy of which is obtainable from the secretary on request. Its operations are managed by its Council, comprising 15 clergy and 15 lay elected members, normally serving for a 3 year term of office and eligible for re-election at the end of the period. 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, and is assisted by two executive subcommittees: a Standing Committee and a Grants Committee. The members during the year to 30 April 1999 were:

Council

The Rt Rev Michael Baughen *President* (see Personnel – page 5)

The Rev David Bird <i>Chair</i> (3/11/92)	Mrs Iona Birchall (3/11/94)
The Rev Stephen Corbett (3/11/94)	Miss Joan Botterill <i>Vice-chair to 21/4/99</i> (25/2/92)
The Rev Canon Kenneth Gordon (6/11/97)	Mr Keith Cawdron (25/2/92)
The Rev David Holloway (25/2/92)	Mr Nigel Chetwood (25/2/92, retired 5/11/98)
The Rev Gary Jenkins (7/11/96)	Mrs Miriam Dow (25/2/92)
The Rev Preb John Mapson (25/2/92)	Mr Brian Field (25/2/92)
The Rev Alison Montgomery (6/11/97)	Mr Geoff Harley-Mason (6/11/97)
The Rev David Perryman <i>Vice-chair from 22/4/99</i> (3/11/92)	Mr Richard King (co-opted 25/3/99)
The Rev John Risdon (25/2/92)	Dr John Ledger (3/11/94)
The Rev Janet Roberts (4/11/93)	Mr Harry Marsh (2/11/95)
The Rev Roger Salisbury (7/11/96)	Mr Vijay Menon (25/2/92)
The Rev Canon Michael Seward (3/11/92, retired 5/11/98)	Mr Gerry O'Brien (5/11/98)
The Rev Simon Springett (6/11/97)	Mrs Susan Richardson (5/11/98)
The Rev Mike Talbot (4/11/93)	Mr Ian Smith (4/11/93)
The Rev Neil Weston (3/11/92)	Mr Robert Stand <i>Treasurer to 31/8/98</i> (6/11/97)
The Rev Derek Wooldridge (co-opted 2/4/98-5/11/98)	Mr Trevor Stevenson (4/11/93)
	Mr Graham Turner <i>Treasurer from 1/9/98</i> (7/11/96)
	Mrs Clare Wells (4/11/93)
	Mr Christopher Whitmey (25/2/92)
	<i>Secretary:</i> Miss Ruth Buckley

(dates of first appointment as director are shown in brackets)

Standing Committee

Mrs Iona Birchall
The Rev David Bird *Chair*
Mrs Miriam Dow
Mr Brian Field
The Rev Preb John Mapson
Mr Harry Marsh
The Rev David Perryman *Vice-chair*
The Rev Mike Talbot
Mr Graham Turner *Treasurer*
The Rev Neil Weston
Mr Christopher Whitmey

Grants Committee

Mrs Iona Birchall
The Rev John Curtis
The Rev John Knight
Dr John Ledger
The Rev Preb John Mapson *Chair*
The Rev David Parrott
Mrs Anne Tompson

For the purposes of the Companies Act 1985 the directors are the members of the Council. The General Director, the Rev Canon Brian Pearson, is responsible to the Council for day to day management of the Society, assisted by other staff.

The Society's professional advisers are:

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
St Alphage House
2 Fore Street
London EC2Y 5AQ

The following **advisory committees and other bodies** provide valuable guidance for specific areas of work:

Board of Patronage Trust

The Rev Steve Allen
 The Rev Jane Austin
 The Rev David Banting
 The Rev Andrew Dow *Chair*
 Mr Peter Doyle
 Mrs Daphne Gear
 Sir Timothy Hoare
 The Rev Nick McKinnel
 The Rev Lesley Riley
 Mr John Truscott
 The Rev Timothy Watson
 Mr Simon Webley
Secretary: The Rev David Field
Asst Secretary: Miss Marion Powell

CPAS Readers

Miss Joan Botterill
 Mr Anthony Nicolle
 Mrs Margaret Owens *Secretary*
 Mr Adrian Smith *Chair*
 Mr Andrew Walker

Ministry and Vocation

The Rev David Banting
 The Rev Canon Ian Bunting *Chair*
 The Rev Geoff Gillard
 Mrs Valerie Hamley
 The Rev Bill Hopkinson
 The Rev Charmaine Host
 The Rev Susan Leighton
 The Rev John Littlewood
 The Rev David Perryman
 The Rev Roger Salisbury
 The Rev Steve Weston

CYFA

The Rev Nigel Beynon
 Ms Michelle Fussell
 Mrs Mel McPherson *Chair*
 The Rev Jonathan Mortimer
 Capt Paul Niemiec

Pathfinders

Dr Brian Griffiths
 Mr Keith Morrison
 Mr Melvyn Pereira
 The Rev Andrew Petit *Chair*
 Mr Ged Tyrrell
 Mrs Vicky Tyrrell

Church Pastoral Aid Trust
incorporated 12 May 1894

registered company no 41145
 The Rev David Bird
 Miss Joan Botterill
 The Rev Preb John Skinner
 The Rev Canon Brian Pearson
 Mr Graham Turner *Treasurer*
 The Rev Canon David Wheaton
Secretary: Miss Ruth Buckley

CYFA Pathfinder Ventures Ltd ('CPV' or 'CPV Ltd'), registered company no 1184850, registered charity number 271391, became a wholly owned subsidiary of the Church Pastoral Aid Trust (CPAT) (*see note 22*) in June 1994. A change to the articles of CPV adopted in November 1998 allows CPAS Council members the option of becoming members of CPV for the duration of their service on Council. Consequent to this change CPAT has only one vote, as do each of the other members of CPV. CPAT retains beneficial ownership of all the share capital of CPV.

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 aimed primarily at children and young people from deprived or disadvantaged areas. CPV's operations are conducted independently but in co-operation with those of CPAS. The directors and members of its committees are as follows:

Trustees

Mr Christopher Dutton
 Mrs Penny Frank
 Dr Brian Griffiths
 The Rev Kenneth Habershon
 Mr Geoff Harley-Mason
 Mr Richard King *Chair*
 Mr Simon Marshall
 The Rev Philip Mounstephen
 The Rev Gary Piper
 Mr Robert Rattee
 Mr Leonard Smith
 The Rev Steve Tilley
 Mr Graham Turner

Falcon Camps Committee

Mr Peter Francis
 Mr and Mrs Jez Heasman
 Mr Alistair Langton
 The Rev Gary Piper *Chair*
 Miss Susan Shrubbs

Finance Advisory Committee

Mr Peter Francis
 Miss Juliet Maggs
 Mr Robert Rattee *Chair*
 The Rev Steve Tilley
 Mr Graham Turner

Marketing Advisory Committee

Mr Simon Marshall
 The Rev Philip Mounstephen
 Mr Leonard Smith

Policy Advisory Committee

Mr Christopher Dutton
 Mrs Penny Frank
 Dr Brian Griffiths
 Mr Geoff Harley-Mason *Chair*
 Mr Richard King

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.

And the Society shall have the following powers exercisable in furtherance of the said object but not otherwise, namely:

- (a) *To grant financial and other aid to clergy, lay workers, and those training for ordained or recognised lay ministry, and to parishes who support the object of the Society*
- (b) *To promote evangelism so that the Gospel might be carried, by means of the Church, to every person's door*

- (c) to produce and distribute training materials and aids, promote and run conferences, training seminars, holidays, houseparties and camps, and provide advice on resource materials for Christian education with a view to *helping leaders and others in local churches be more effective in their ministry* and to evangelise, teach and nurture faith
- (d) *To act as Patron* either alone or jointly with others in respect of livings in the Church of England now or hereafter vested in or held on behalf of the Society
- (e) *To assist men and women* by means of conferences, literature and in other ways *to find their vocation* and identify their rightful place in the service of God within the Anglican Communion."

The Society's current **policies** are set out in its Five Year Plan 1996 - 2001. Under the theme *Encouraging Mission, Resourcing Leaders*, the long-standing work of resourcing churches for effective mission, particularly with regard to clergy and leaders of children's and youth work, continues. Opportunities are to be taken to make a greater contribution to national church affairs and to promote unity amongst evangelicals. The Plan is also linked to resolutions from the Anglican Evangelical Assemblies in 1994 and 1995 at which, in addition to the above, there was encouragement to continue CPAS's emphasis on evangelism, teaching, discipling and nurture, of relating faith to cultural issues, and the ongoing training of leaders at all levels within the local church. The encouragement of missionary congregations and church planting, together with our continuing support for the Fellowship of Parish Evangelism, was also emphasised. The Board of Mission's publication *Signs of Life* (1996) also serves to give a sense of rightness about the direction of the work within a growing missionary context.

The **organisational structure** of the Society currently includes the following divisions (*see also Re-shaping to Re-focus below*):

- **Evangelism** – assisting local church leaders develop evangelistic attitudes and actions in their churches and giving direct assistance 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
- **Ministry and Vocation** – carrying out patronage responsibilities, overseeing in-service clergy and accredited lay leaders support and encouraging recruitment for ordained and accredited roles
- **Regional Staff** – assisting local churches in their evangelistic, teaching and pastoral work so that they can become more effective as centres of mission, and maintaining and increasing prayer and financial support for CPAS
- **Promotion and Products** – producing, marketing and distributing products, implementing the development of prayer and financial support, and public relations
- **Finance and Administration** – overseeing and controlling financial matters and central administration, and ensuring CPAS's charity and legal requirements are met.

Whilst these divisions form the primary work units, some programmes are carried out through trans-divisional projects under project leaders, allowing potential for flexibility, creativity, quality improvement and development as a learning organisation.

The **General Director** is responsible to the Council for the whole of CPAS's work, with special emphasis on senior church contacts, General Synod and other strategic church groupings.

In line with an agreement signed with another Christian agency, Agapé, with effect from 1 April 1997 CPAS markets and distributes all Agapé's products. This arrangement is being reviewed in 1999/00.

REVIEW OF THE YEAR'S ACTIVITIES

Re-shaping to Re-focus

Underlying much of the Council's work has been consideration of proposals and implementation plans for Re-shaping to Re-focus. On the understanding that CPAS's work with and alongside local church ministry should be focused on the key areas of evangelism and leadership, it was agreed that the structuring and resourcing of the organisation should better reflect and support these aspects of ministry. Two key appointments, at staff director level, to oversee these areas were made in January 1999. These reflected the shift towards a project-based style of operating.

Image and Identity

A long and careful look has been taken at the way CPAS presents itself and how it is perceived. Given the several facets of its ministry, the Society is often seen quite differently by those with whom it has contact. Our regular widely-distributed publications (*Together* and *Update*) as well as some of our more specialised material (CY and CL) have been or are scheduled to be reviewed in terms of format and content. Across all our materials an updated logo and a revised house-style are being introduced.

Personnel

The Society expresses its gratitude to the Rt Rev Michael Baughen for his presidency; he will resign during the summer of 1999 and will be succeeded by the Rt Rev James Jones, Bishop of Liverpool. The appointment of Graham Turner as the Society's treasurer was confirmed during the financial year, following the valuable work done by Robert Stand, who filled the post on a temporary basis. We acknowledged with thanksgiving to God and a real sense of loss the retirement of the Revd Pam Harvey following 22 years as a staff member, in recent years as a staff director.

Beyond England

We continued to strengthen our ministry base beyond the English borders and were pleased to complete the re-location of our north west England and Scotland Consultant, Richard Higginbottom, to Bankfoot in Perthshire. The transition of responsibilities will be complete when we are able to finalise plans to locate an additional Consultant to serve solely in the north west. In Ireland, the appointment of Keith Neill to work (part-time) alongside Mavis Gibbons was an exciting development, made possible by excellent support and encouragement from dioceses within N. Ireland, led by the Archbishop of Armagh and the Bishops of Connor and Down & Dromore. We were honoured to add the name of the Most Rev Alwyn Rice Jones, Archbishop of Wales to the list of our Vice-Patrons.

CPAS On Tour

With the completion of the BIG Ideas tour (for leaders of teenage groups), two other tours were initiated. Building Bricks has attracted large numbers who have responsibility for children's work, and Rural Refreshment has provided an opportunity for clergy working in rural areas to come together for support and encouragement and to review issues relating to the specific demands of their ministries.

Raising Awareness

Christian Resources Exhibitions in Esher and Birmingham (NEC) have provided platforms to present the wide range of support CPAS can offer local church ministry. A steady flow of publications, training, conference and other events has been promoted, as well as reinforcing the accessibility of the Society not least through its regionally based staff. A full programme of 'taster' training seminars underlined CPAS's commitment to the provision of support in areas of current interest or concern – the millennium, leadership, all-age church and youth and children's work.

Collaboration

Opportunities to collaborate with other mission agencies have resulted in a number of fruitful joint ventures. In times when the financial resources of all agencies are limited we, in such partnerships, perceive these as a right and proper stewardship, avoiding duplication of time and effort.

Newer Technology

In the past we may have thought in terms of new technology but such is the rate of change that the new has become the norm as innovations appear at an alarming rate. While we should not be mere slaves to fashion, we do take special note of trends, and the establishment of a pilot Internet Website has provided an opportunity to examine the value of this medium and to develop in-house skills to maintain and develop such a resource. CPAS is highly dependent upon information technology for many of its administrative functions, and increasingly areas of ministry are being enhanced through use of CD-ROMs and computer-generated presentations.

Special Project

The Promise Plus initiative was designed as a four-year programme to address the urgent need to establish new church-based groups for young people. Achievements have been documented in the regular supporters' bulletins but, as this project moves into its final phase, an appropriate development which will focus specifically upon children's evangelism is being considered.

Ventures and Falcon Camps

There has again been a major involvement by CPAS's Youth and Children's division to the support of Christian activity holidays led by the Board of CYFA Pathfinder Ventures Ltd. Participants numbered in excess of 8,000 but rising costs and a modest, though continuing, decline in bookings contribute to the financial concerns. There have been countless stories from Falcon Camps – which for over thirty years have provided Christian holidays for young people from deprived backgrounds – showing how such camps are for many a first or significant encounter with Christ and the beginning of a life-changing experience. Despite subsidies being a very significant part of the cost, a highly successful appeal ensured the planned programme could continue; the establishment of a Friends of Falcon Camp scheme, together with an assured grant from CPAS's general fund, will provide a more robust financial underpinning of this important work.

2000+

It is very apparent that many individuals and organisations are reflecting upon matters at the heart of their being as the year 2000 approaches. For CPAS, the time was ripe to amend its ministry in terms of focus and effectiveness. However, amidst inevitable change and the consideration of the possibilities for change, we have reminded ourselves both of our calling and of the values by which we fulfil that calling. We remain committed to seeing the Gospel taken to every person's door, with a single eye to the glory of God; we do so from a Biblical basis, prayerfully and with a heart to respond to God's leading.

FINANCES

Unrestricted Funds

Following receipt of unexpected donation and legacy income during the last week of the financial year, it is with thankfulness to God and to all the Society's supporters that we are able to report net incoming resources of £39,000 for the year. Donations received were increased compared with the year to April 1998 and, as in several recent years, legacy income exceeded hopes. A higher level of expenditure reflected in part the Re-shaping to Re-focus (*see above*), and in particular included one-off additional staff costs resulting from a restructuring of salary scales.

Restricted Funds

Promise Plus (*see Special Project above*) continues apace and we are grateful for those whose pledges have made this strategic ministry possible. A most encouraging level of support was received for the work in Ireland, resulting in a small surplus for the year despite the additional costs associated with the appointment of Keith Neill from January 1999 (*see Beyond England above*). Donations received during the latter part of the year for the work in Scotland (*see Beyond England above*) were also encouraging and although there was a shortfall compared with expenditure we are optimistic that with Richard Higginbottom resident in Scotland this rising trend will continue. Expenditure of monies received in 1998 for Ministers in Training resulted in net outgoing resources for all restricted funds of £19,000 for the year.

CPV (see *Constitution and Organisation – CYFA Pathfinder Ventures Ltd, page 4*)

Overall net outgoing resources included net outgoing resources of £16,000 for Ventures and incoming resources of £15,000 for Falcon Camps. CPV Ltd made payments to CPAS during the year of £20,000 in respect of office occupancy costs and £31,000 as a contribution to staff costs in respect of work carried out by CPAS staff on behalf of CPV. The proceeds of sale of a CPAS property previously used for Falcon Camps, disposed of during the year to 30 April 1997, were used to create a fund from which the income is given as a grant to CPV for the support of Falcon Camps.

The Year Ahead

In order to continue its ministries the Society relies almost wholly on voluntary donations from both parishes and individuals, on legacies and on grants. An ongoing integral part of the Society's work is that of maintaining and consolidating existing links with donors and forging new contacts for the prayerful and financial support of all the varied ministries of the Society – which range from new initiatives outlined above to the award of grants to parishes in Urban Priority Areas and other areas of similar need, the very reason for which the Society came into existence in 1836. CPV Ltd is again planning a programme of Ventures and Falcon Camps during the coming year, providing strategic Christian input to several thousand children and young people from very varied backgrounds.

Voluntary Assistance

The Society acknowledges with gratitude the many people whose work in a voluntary capacity has contributed to all that has been achieved during the year. In particular, thanks are due to Area Contacts and Ministry Among Women Regional Assistants, assisting the work of the Regional Consultants; to Local Church Contacts and Area Contacts for their work in the context of the Youth and Children's Division; to friends who have given of their time regularly or on an occasional basis in an administrative capacity; to all who serve on the various committees mentioned in this Report; to others who give of their time on an ad hoc basis in an advisory capacity, and to Parish Representatives and others who promote the ministries of CPAS at local church level.

Commitments

Financial projections indicate that the Society's general fund resources are adequate for it to continue in operation for the foreseeable future. Income from each of the restricted funds is expended only as it becomes available. Capital funds and the realisable value of assets are 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 are given in note 5 to the accounts, and information concerning pension contributions and other commitments is contained in notes 20 and 21 of the accounts.

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
- 8 freehold properties held for the purpose of housing those staff members who have joined CPAS following service in tied accommodation
- a shared equity scheme which assists 8 staff with housing
- two properties housing former members of staff, and land bequeathed to the Society
- 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; this is in accordance with the Society's memorandum, which allows funds not immediately needed to be invested, subject only to current legal requirements.

Accounts

The information contained in this Report and Accounts is presented in accordance with the requirements of *Accounting by Charities – Statement of Recommended Practice 1995* (SORP), issued by the Charity Commissioners in 1995. In line with the SORP, the CYFA Pathfinder Ventures Ltd results for the year are consolidated with those of CPAS in this Report and Accounts; for clarity CPAS's figures alone as well as the group totals are included wherever possible. A copy of the full Report and Accounts for CPV Ltd is available from its secretary at CPAS's address above.

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

In accordance with the requirements of the SORP, the Society's investments are included in the balance sheet at their market value as at 30 April 1999. The total includes £804,000 unrealised gains.

The Society has changed its accounting policy for property maintenance provisions following the introduction of Financial Reporting Standard 12: 'Provisions, Contingent Liabilities and Contingent Assets' (see note 8).

Auditors

Hazlewoods have expressed their willingness to continue in office.

Staff

The Council again wishes to record its appreciation of the dedication and work of the Society's staff in all that has been achieved during the year to which this Report relates.



David Bird: Chairman, on behalf of the Council
15 July 1999

Report of the Auditors

to the Members of Church Pastoral Aid Society

We have audited the financial statements on pages 9 to 19, which have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out on page 18 (*note 17*).

Respective responsibilities of directors and auditors

As described below the Council, who are the directors of the Church Pastoral Aid Society, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the group and of the charitable company as at 30 April 1999 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

Registered Auditors, Staverton, Cheltenham

15 July 1999

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.

Statement of Financial Activities for the year to 30 April 1999

CPAS 1999				Group 1999			CPAS 1998	Group 1998
Notes	Unrestricted Funds £000	Restricted Funds £000	Total £000	Unrestricted Funds £000	Restricted Funds £000	Total £000	Total as restated £000	Total as restated £000
INCOME & EXPENDITURE ACCOUNT								
INCOMING RESOURCES 17c								
Donations	996	200	1,196	1,361	257	1,618	1,152	1,526
Legacies	197	5	202	197	5	202	239	239
Grants - Mabledon Charity	102	-	102	102	-	102	95	95
- other	-	-	-	-	2	2	-	2
Total voluntary income	<u>1,295</u>	<u>205</u>	<u>1,500</u>	<u>1,660</u>	<u>264</u>	<u>1,924</u>	<u>1,486</u>	<u>1,862</u>
CPAS trust funds distribution	6	-	6	6	-	6	5	5
Investment income and interest	114	6	120	115	6	121	135	138
Income from resourcing activities	583	1	584	1,435	1	1,436	551	1,383
Other operating income	77	-	77	57	-	57	65	45
Profit on sale of properties	<u>52</u>	<u>-</u>	<u>52</u>	<u>52</u>	<u>-</u>	<u>52</u>	<u>-</u>	<u>-</u>
Total incoming funds	<u>2,127</u>	<u>212</u>	<u>2,339</u>	<u>3,325</u>	<u>271</u>	<u>3,596</u>	<u>2,242</u>	<u>3,433</u>
RESOURCES EXPENDED								
Direct expenditure on the Group's objectives								
Cost of resourcing activities	541	-	541	1,502	-	1,502	488	1,481
Youth and children	195	117	312	226	117	343	322	352
Publications and training	133	-	133	133	-	133	133	133
Parish support via regional staff	201	63	264	201	63	264	215	215
Evangelism	104	-	104	104	-	104	116	116
Professional ministry and patronage	109	9	118	109	9	118	108	108
Grants paid	96	35	131	123	77	200	124	154
Support costs	<u>470</u>	<u>-</u>	<u>470</u>	<u>616</u>	<u>2</u>	<u>618</u>	<u>394</u>	<u>497</u>
Total direct expenditure	<u>1,849</u>	<u>224</u>	<u>2,073</u>	<u>3,014</u>	<u>268</u>	<u>3,282</u>	<u>1,900</u>	<u>3,056</u>
Other expenditure								
Publicity, communications and fundraising	137	7	144	166	7	173	139	140
Central management and administration	99	-	99	112	-	112	87	101
Bank charges and interest payable	<u>3</u>	<u>-</u>	<u>3</u>	<u>10</u>	<u>-</u>	<u>10</u>	<u>3</u>	<u>8</u>
Total other expenditure	<u>239</u>	<u>7</u>	<u>246</u>	<u>288</u>	<u>7</u>	<u>295</u>	<u>229</u>	<u>249</u>
Total funds expended	<u>2,088</u>	<u>231</u>	<u>2,319</u>	<u>3,302</u>	<u>275</u>	<u>3,577</u>	<u>2,129</u>	<u>3,305</u>
NET INCOMING/(OUTGOING) RESOURCES								
	39	(19)	20	23	(4)	19	113	128
Realised gains on investments	<u>8</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>
NET INCOME/(EXPENDITURE) FOR YEAR								
	47	(19)	28	31	(4)	27	113	128
Other recognised gains & losses								
Revaluation of investments (unrealised)	166	1	167	166	1	167	312	312
Net movement in funds for year	<u>213</u>	<u>(18)</u>	<u>195</u>	<u>197</u>	<u>(3)</u>	<u>194</u>	<u>425</u>	<u>440</u>
FUNDS RECONCILIATION								
Fund balances brought forward at 1 May 1998 as previously stated	5,057	978	6,035	5,081	989	6,070	5,619	5,639
Prior year adjustment - write back of property maintenance provision	107	-	107	107	-	107	98	98
Transfers	<u>311</u>	<u>(311)</u>	<u>-</u>	<u>311</u>	<u>(311)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances as restated	<u>5,475</u>	<u>677</u>	<u>6,142</u>	<u>5,499</u>	<u>678</u>	<u>6,177</u>	<u>5,717</u>	<u>5,737</u>
FUND BALANCES CARRIED FORWARD at 30 April 1999								
	<u>5,688</u>	<u>649</u>	<u>6,337</u>	<u>5,696</u>	<u>675</u>	<u>6,371</u>	<u>6,142</u>	<u>6,177</u>

All the activities of the Group are continuing activities, and there were no acquisitions in the year.

Consolidated Balance Sheet as at 30 April 1999

	Notes	CPAS 1999 £000	Group 1999 £000	CPAS 1998 £000	Group 1998 £000
Fixed assets	10				
Tangible fixed assets:					
land and buildings		2,867	2,867	3,096	3,096
office and other equipment		<u>124</u>	<u>124</u>	<u>129</u>	<u>129</u>
		2,991	2,991	3,225	3,225
Investments (unlisted)	11	<u>2,303</u>	<u>2,303</u>	<u>1,828</u>	<u>1,828</u>
		<u>5,294</u>	<u>5,294</u>	<u>5,053</u>	<u>5,053</u>
Current assets					
Stocks and work in progress	12	189	189	197	197
Debtors: trade debtors		49	49	38	49
due from subsidiary		102	-	72	-
other debtors		142	330	135	135
prepayments		34	34	30	110
accrued income		<u>32</u>	<u>32</u>	<u>72</u>	<u>72</u>
		359	445	347	366
Deposits repayable on demand:					
general		491	521	629	629
re Ministry Bonds	13	54	54	66	66
Cash at bank and in hand		<u>143</u>	<u>189</u>	<u>56</u>	<u>120</u>
		<u>688</u>	<u>764</u>	<u>751</u>	<u>815</u>
		1,236	1,398	1,295	1,378
Creditors falling due within 1 year					
Supporters' interest-free loans:					
Ministry Bonds	13	54	54	66	66
deposit covenants		-	-	1	1
others		<u>7</u>	<u>17</u>	<u>8</u>	<u>8</u>
		61	71	75	75
Trade creditors		27	27	84	84
Due to subsidiary		16	-	3	-
Tax and Social Security		10	10	15	15
Other creditors		13	19	1	1
Accruals		66	66	28	46
Deferred income		-	<u>128</u>	-	<u>33</u>
		<u>193</u>	<u>321</u>	<u>206</u>	<u>254</u>
Net current assets		<u>1,043</u>	<u>1,077</u>	<u>1,089</u>	<u>1,124</u>
TOTAL ASSETS					
LESS CURRENT LIABILITIES		<u>6,337</u>	<u>6,371</u>	<u>6,142</u>	<u>6,177</u>
Funds	14				
Capital funds:					
Restricted		302	302	234	234
Restricted revaluation		<u>144</u>	<u>144</u>	<u>211</u>	<u>211</u>
		446	446	445	445
Unrestricted:					
designated		148	148	139	139
designated revaluation		22	22	24	24
general		4,273	4,273	4,318	4,318
general revaluation		<u>591</u>	<u>591</u>	<u>379</u>	<u>379</u>
		<u>5,034</u>	<u>5,034</u>	<u>4,860</u>	<u>4,860</u>
Total capital funds		<u>5,480</u>	<u>5,480</u>	<u>5,305</u>	<u>5,305</u>
Income balances:					
Restricted		203	229	222	233
Unrestricted:					
designated		12	45	12	46
general		<u>642</u>	<u>617</u>	<u>603</u>	<u>593</u>
		<u>654</u>	<u>662</u>	<u>615</u>	<u>639</u>
Total income balances		<u>857</u>	<u>891</u>	<u>837</u>	<u>872</u>
TOTAL FUNDS		<u>6,337</u>	<u>6,371</u>	<u>6,142</u>	<u>6,177</u>

Signed on behalf of the Council on 15 July 1999

David Bird
David Bird, Chairman

Graham Turner
Graham Turner, Treasurer

Group Cash Flow Statement for the year to 30 April 1999

Group Cash Flow Statement for the year ended 30 April 1999

Analysis	1999 £000	1998 £000 <i>as restated</i>	
RECONCILIATION OF NET INCOMING/(OUTGOING) RESOURCES TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES			
Net incoming resources	19	128	
Returns on investments a	(111)	(133)	
Non-cash legacies received*	-	(7)	
Depreciation charges	96	78	
(Profit) on sale of fixed assets	(52)	-	
Decrease/(increase) in stocks	8	(10)	
(Increase)/decrease in debtors	(79)	10	
Increase/(decrease) in creditors	67	(42)	
Net cash (outflow)/inflow from operating activities	<u>(52)</u>	<u>24</u>	
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities	(52)	24	
Returns on investments a	111	133	
Capital expenditure b	<u>(110)</u>	<u>(358)</u>	
(Decrease) in cash	<u>(51)</u>	<u>(201)</u>	
ANALYSIS OF CASH FLOWS			
a Returns on Investments:			
Dividend and interest received	121	138	
Interest paid	<u>(10)</u>	<u>(5)</u>	
Net cash inflow	<u>111</u>	<u>133</u>	
b Capital expenditure and financial investment:			
Purchase of investments	(300)	(316)	
Purchase of tangible fixed assets	(236)	(43)	
Sale of tangible fixed assets	<u>426</u>	<u>1</u>	
Net cash (outflow)	<u>(110)</u>	<u>(358)</u>	
MOVEMENTS IN CASH DURING THE YEAR ENDED 30 APRIL 1999			
	1 May 1998	Change during year	30 April 1999
	£000	£000	£000
Cash at bank and in hand	120	69	189
Cash deposits - general	629	(108)	521
- Ministry Bonds	<u>66</u>	<u>(12)</u>	<u>54</u>
Net movement in cash during the year ended 30 April 1999	<u>815</u>	<u>(51)</u>	<u>764</u>
MOVEMENTS IN CASH DURING THE YEAR ENDED 30 APRIL 1998			
	1 May 1997	Change during year	30 April 1998
	£000	£000	£000
Cash at bank and in hand	19	101	120
Cash deposits - general	927	(298)	629
- Ministry Bonds	<u>70</u>	<u>(4)</u>	<u>66</u>
Net movement in cash during the year ended 30 April 1998	<u>1,016</u>	<u>(201)</u>	<u>815</u>

*During the year to 30 April 1998 part of a legacy was received in the form of shares. These shares were converted into Collective Investment Scheme Units of the Central Board of Finance of the Church of England of a value of £7,000.

NOTES TO THE FINANCIAL STATEMENTS

1 CPAS TRUST FUNDS DISTRIBUTION

During recent periods a number of trust funds previously administered by CPAS were wound up with the consent of the Charity Commission and their assets distributed in accordance with their objects. The total of £6,000 represents income from the remaining trust fund.

2 INVESTMENT INCOME AND INTEREST RECEIVED

	CPAS		Group total	
	1999	1998	1999	1998
	£000	£000	£000	£000
Central Board of Finance investments (<i>see note 11</i>)	75	71	75	71
Central Board of Finance deposits	32	55	33	55
Bank and other interest receivable	<u>13</u>	<u>9</u>	<u>13</u>	<u>12</u>
	<u>120</u>	<u>135</u>	<u>121</u>	<u>138</u>

3 RESOURCING ACTIVITIES

(Activities for which a charge is made towards the costs incurred)

	CPAS		Group total	
	1999	1998	1999	1998
	£000	£000	£000	£000
Income				
Sales of products and resources	484	441	484	441
Training events and conferences	41	47	41	47
Subscriptions	59	63	59	63
Ventures and camps (CPV Ltd)	-	-	852	832
	<u>584</u>	<u>551</u>	<u>1,436</u>	<u>1,383</u>
Expenditure				
Cost of sales of products and resources	503	445	503	445
Training events and conferences	38	43	38	43
Ventures and camps (CPV Ltd)	-	-	961	993
	<u>541</u>	<u>488</u>	<u>1,502</u>	<u>1,481</u>
Gross contribution (towards staff and authorship costs)				
Sales of products and resources	(19)	(4)	(19)	(4)
Training events and conferences	3	4	3	4
Subscriptions and affiliations	59	63	59	63
Ventures and camps (CPV Ltd)	-	-	(109)	(161)
	<u>43</u>	<u>63</u>	<u>(66)</u>	<u>(98)</u>

4 OTHER OPERATING INCOME

	CPAS		Group total	
	1999	1998	1999	1998
	£000	£000		
Rental income from land and properties	28	14	28	14
Occupancy licence fee (CPV Ltd)	20	20	-	-
Charges for work for other organisations	13	12	13	12
Miscellaneous	<u>16</u>	<u>19</u>	<u>16</u>	<u>19</u>
	<u>77</u>	<u>65</u>	<u>57</u>	<u>45</u>

5 GRANTS PAID

	CPAS		Group total	
	1999	1998	1999	1998
	£000	£000	£000	£000
Ministers in Training	37	22	37	22
Ventures and camps subsidies	-	-	72	34
Falcon Camps	3	4	-	-
Parishes and local projects	<u>91</u>	<u>98</u>	<u>91</u>	<u>98</u>
	<u>131</u>	<u>124</u>	<u>200</u>	<u>154</u>

Ministers in Training grants are made to individuals and are of amounts not exceeding £500. During the year grants made included £35,000 from restricted funds (*see notes 14 and 15*).

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 a total of 807 individual subsidies was granted, each of amounts not exceeding £120.

56 grants were made during the year to *parishes and for local projects*, as follows:

<i>Diocese of BATH & WELLS</i>		<i>Diocese of GLOUCESTER</i>		<i>Diocese of ROCHESTER</i>	
Twerton The Ascension	979	*Gloucester Mariners	750	Northumberland Heath St Paul	2196
Nether with Over Stowey	500				
<i>Diocese of BIRMINGHAM</i>		<i>Diocese of LICHFIELD</i>		<i>Diocese of SHEFFIELD</i>	
Aston St James	1500	Stretton St Mary	1000	Mortomley St Saviour	1000
Burney Lane Christ Church	1521	Bucknall Team Ministry	2646	Norfolk Park St Leonard	2000
Garretts Green St Thomas	2015				
Quinton St Boniface	3250	<i>Diocese of LINCOLN</i>		<i>Diocese of SOUTHWARK</i>	
Rounds Green St James	1417	New Clee Ss John & Stephen	500	Waterloo St John	750
Sparkbrook Christ Church	1521				
Sparkhill St John the Evangelist	417	<i>Diocese of LIVERPOOL</i>		<i>Diocese of SOUTHWELL</i>	
Springfield St Christopher	2125	Bootle St Matthew	1250	Basford St Leodegarius	1833
Tile Cross St Peter	1250	Burscough St John the Baptist	500	Broxtowe St Martha	1583
		Fairfield St John	2000	Calverton St Wilfred	1217
<i>Diocese of BRADFORD</i>		Kirkdale St Athanasius	1000	Hyson Green SS Paul & St'n	3000
Bradford St Augustine	437	Netherley Christ Church	642	Nottingham St Saviour	1833
Great Horton St John	750	Toxteth St Cyprian	1250	Selston w Westwood	1500
Tong St Christopher	1250			Top Valley St Philip	1250
		<i>Diocese of LONDON</i>		W Bridgford Church Plant	2000
<i>Diocese of BRISTOL</i>		Chitts Hill St Cuthbert	2708		
Easton Family Centre	843	Holloway St Mary Magdalene	1500	<i>Diocese of WAKEFIELD</i>	
		Southall St George	4917	Pellon Christ Church	800
<i>Diocese of CHELMSFORD</i>		Southall St John	2312		
Leyton Christ Church	1375			<i>Diocese of WORCESTER</i>	
Mayflower Family Centre	4875	<i>Diocese of MANCHESTER</i>		Lye & Stambermill Christ Church	1500
Vange All Saints & St Chad	1313	Bacup Christ Church	4250		
				<i>Diocese of YORK</i>	
<i>Diocese of CHESTER</i>		<i>Diocese of NEWCASTLE</i>		Hull Drypool St Columba	500
Birkenhead St James	1500	Walkergate St Oswald	1000		
				<i>Diocese of LLANDAFF</i>	
<i>Diocese of DERBY</i>		<i>Diocese of NORWICH</i>		Eglwysilan	750
Derby St Chad	3333	Norwich St Elizabeth	1000		
				<i>Diocese of CONNOR</i>	
<i>Diocese of ELY</i>		<i>Diocese of OXFORD</i>		Monkstown	2500
Cambridge Holy Cross	2500	Reading St Agnes w St Paul	1000		

*grants made from restricted funds

Commitments for grants which have been awarded to parishes, payable in future years but not legally binding:

1999/00	£73,000	2001/02	£20,000
2000/01	£52,000	2002/03	£8,000

6 STAFF NUMBERS AND COSTS

The average number of staff employed by the group during the year ended 30 April 1999 was 71 (CPAS 66, CPV 5) including part time staff (1998: 70 - CPAS 66, CPV 4) as follows:

	<i>CPAS</i>		<i>Group total</i>	
	1999	1998	1999	1998
Employed directly on the group's objectives	50	51	55	51
Support functions	11	10	11	13.5
Publicity, communications, fund-raising and administration	5	5	5	5.5

	<i>CPAS</i>		<i>Group total</i>	
	1999	1998	1999	1998
	£000	£000	£000	£000
Salaries	980	889	1,110	992
National Insurance contributions	76	69	85	74
Pension contributions (<i>see note 16d</i>)	100	81	117	87
Staff housing	11	18	11	18
Other	26	16	26	16
	1,193	1,073	1,349	1,187

No employee received emoluments in excess of £30,000.

7 ANALYSIS OF TOTAL RESOURCES EXPENDED**CPAS**

	1999			1998
	Staff costs	Other	Depreciation	Total
	£000	£000	£000	£000
Direct charitable expenditure:				
Cost of resourcing activities	95	446	-	541
Youth and children	230	82	-	312
Publications and training	128	4	-	132
Parish support via regional staff	213	51	-	264
Evangelism	90	15	-	105
Professional ministry and patronage	102	16	-	118
Grants paid	-	131	-	131
Support costs	<u>224</u>	<u>160</u>	<u>86</u>	<u>470</u>
Total direct expenditure	<u>1,082</u>	<u>905</u>	<u>86</u>	<u>2,073</u>
Other expenditure:				
Publicity, communications and fundraising	61	82	-	143
Central management and administration	50	40	10	100
Bank charges and interest payable	-	<u>3</u>	-	<u>3</u>
Total other expenditure	<u>111</u>	<u>125</u>	<u>10</u>	<u>246</u>
Total resources expended	<u>1,193</u>	<u>1,030</u>	<u>96</u>	<u>2,319</u>

Group

	1999			1998
	Staff costs	Other	Depreciation	Total
	£000	£000	£000	£000
Direct charitable expenditure:				
Cost of resourcing activities	95	1,407	-	1,502
Youth and children	261	82	-	343
Publications and training	128	5	-	133
Parish support via regional staff	213	51	-	264
Evangelism	90	14	-	104
Professional ministry and patronage	102	16	-	118
Grants paid	-	200	-	200
Support costs	<u>342</u>	<u>190</u>	<u>86</u>	<u>618</u>
Total direct expenditure	<u>1,231</u>	<u>1,965</u>	<u>86</u>	<u>3,282</u>
Other expenditure:				
Publicity, communications and fundraising	61	112	-	173
Central management and administration	57	45	10	112
Bank charges and interest payable	-	<u>10</u>	-	<u>10</u>
Total other expenditure	<u>118</u>	<u>167</u>	<u>10</u>	<u>295</u>
Total resources expended	<u>1,349</u>	<u>2,132</u>	<u>96</u>	<u>3,577</u>

8 PRIOR YEAR ADJUSTMENT

Property maintenance provision: Following the issue of Financial Reporting Standard no 12 'Provisions, Contingent Liabilities and Contingent Assets' by the Accounting Standards Board, the Society can no longer provide for expected future property maintenance costs until it has a legal or constructive obligation to incur such costs, thus no provision is included in these accounts. The amount provided at 1 May 1997 was £98,000, and a further amount of £9,000 was provided during the year ended 30 April 1998. These amounts have now been released to general income funds by way of an adjustment to the comparative figures in the Statement of Financial Activities and balance sheet. The adjustment increases the surplus for 1998 for CPAS from £416,000 to £425,000; the total surplus for the group for that year increases from £431,000 to £440,000.

8a TRANSFER

Land and Property bequests: This represents the probate value, plus cost of subsequent improvements and profits on disposal, of properties received as bequests but not subject to restriction as to use or to the Society's power of disposal. No value is placed on properties which in the Council's opinion are subject to restrictions which prevent any positive value being attributed to them. No depreciation is charged on any of these properties. The fund was previously categorised as restricted. However, no legally binding obligation pertains to any of the properties constituting the fund which has, therefore, been reclassified as unrestricted.

9 DIRECTORS' EMOLUMENTS AND TRANSACTIONS

Members of the Council are directors for the purposes of the Companies Acts and are trustees of the charity within the meaning of the Charities Acts. A full list appears on page 3.

No member of the Council received any remuneration from the Society, nor was interested in any transaction, contract or other arrangement with the Society. Travelling expenses totalling £4,000 were reimbursed to Council members for attendance at meetings during the period.

10 FIXED ASSETS

<i>In £000s</i>	<i>Land and property bequests</i>	<i>Warwick premises land</i>	<i>Warwick premises building</i>	<i>Staff houses freehold</i>	<i>Houses shared equity</i>	<i>Office and other equipment</i>	<i>Total</i>
Cost							
At 1 May 1998	93	640	1,420	780	370	406	3,709
Additions	-	-	-	93	93	50	236
Disposals	-	-	-	(223)	(151)	-	(374)
At 30 April 1999	93	640	1,420	650	312	456	3,571
Depreciation							
At 1 May 1998	-	-	207	-	-	277	484
Charge for year	-	-	41	-	-	55	96
At 30 April 1999	-	-	248	-	-	332	580
Written down value							
At 1 May 1998	93	640	1,213	780	370	129	3,225
At 30 April 1999	93	640	1,172	650	312	124	2,991

The Society's premises in Warwick are charged to the Society's bankers as security for periodic advances: the amount secured at both 30 April 1998 and 30 April 1999 was 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 4).

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 1999 8 staff members participated in the scheme.

Apart from land and property bequests, all fixed assets are held for use in the Society's charitable activities.

11 INVESTMENTS (unlisted)

	<i>1 May 1998 £000</i>	<i>CPAS and Group Additions £000</i>	<i>30 April 1999 £000</i>
Collective Investment Scheme Units of the Central Board of Finance of the Church of England:			
Cost	1,199	300	1,499
Market value	<u>1,828</u>	<u>475</u>	<u>2,303</u>
Unrealised gains	<u>629</u>	<u>175</u>	<u>804</u>

In addition CPAT has beneficial ownership of all shares of CPV Ltd on behalf of CPAS. At 30 April 1999 the cost of the shares was £100 (1998: £100). For the duration of their term of office members of CPAS Council may hold one share per member, but ownership of the shares returns to CPAT at the end of their tenure. As at 30 April 1999, 19 Council members had exercised this option (see note 22 and Report of the Council page 4).

The value of investments as stated in the balance sheet reflects their market value, which is £804,000 more than their cost; this additional value has not, however, been realised since the investments continue to be held with the Central Board of Finance of the Church of England. (Monies placed in the Deposit Fund of the Central Board of Finance are classified in these financial statements as short term deposits, not fixed asset investments, as they are repayable on demand.)

Income due from both investments and deposits but not yet received by 30 April has been included in the statement of financial activities.

12 STOCKS AND WORK IN PROGRESS (see also note 17a)

	CPAS and Group	
	1999	1998
	£000	£000
Work in progress	17	13
Finished products and goods for sale	<u>172</u>	<u>184</u>
	<u>189</u>	<u>197</u>

13 MINISTRY BONDS

Under this scheme a total of £54,000 (1998: £66,000) 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 received* in the statement of financial activities (see note 2).

14 FUNDS

	<i>Balance 1 May 1998</i>	<i>Realised and unrealised gains and transfers</i>	<i>Net incoming resources</i>	<i>Balance 30 April 1999</i>	<i>Invest- ments</i>	<i>Represented by Fixed assets</i>	<i>Net current assets*</i>
<i>in £000s</i>							
CPAS							
Capital funds							
Restricted funds:							
Permanent investment fund	305	1	-	306	306	-	-
Land and property bequests	243	(243)	-	-	-	-	-
Augmentation fund	15	-	-	15	15	-	-
Bishop Stratton fund	17	-	-	17	17	-	-
LCEAS fund	108	-	-	108	108	-	-
Designated funds:							
Ministers in Training fund	65	-	-	65	65	-	-
Richard Bowdler Memorial fund	3	-	-	3	3	-	-
Barton Camp fund	95	7	-	102	102	-	-
General fund	<u>4,454</u>	<u>410</u>	<u>-</u>	<u>4,864</u>	<u>1,687</u>	<u>2,991</u>	<u>186</u>
	<u>5,305</u>	<u>175</u>	<u>-</u>	<u>5,480</u>	<u>2,303</u>	<u>2,991</u>	<u>186</u>
Income balances (see note 16)							
Restricted funds:							
Land and property bequests	68	(68)	-	-	-	-	-
Augmentation fund	1	-	-	1	-	-	1
Bishop Stratton fund	-	-	-	-	-	-	-
LCEAS fund	-	-	-	-	-	-	-
Ministers in Training bequest	65	-	(28)	37	-	-	37
Promise Plus	131	-	11	142	-	-	142
Ireland	16	-	3	19	-	-	19
Scotland	9	-	(5)	4	-	-	4
Designated funds:							
Ministers in Training fund	9	-	-	9	-	-	9
Richard Bowdler Memorial fund	3	-	-	3	-	-	3
General fund	<u>**535</u>	<u>68</u>	<u>39</u>	<u>642</u>	<u>-</u>	<u>-</u>	<u>642</u>
	<u>837</u>	<u>-</u>	<u>20</u>	<u>857</u>	<u>-</u>	<u>-</u>	<u>857</u>
Total CPAS funds	<u>6,142</u>	<u>175</u>	<u>20</u>	<u>6,337</u>	<u>2,303</u>	<u>2,991</u>	<u>1,043</u>
CPV Ltd (see note 23)							
Income balances							
Restricted fund:							
Falcon subsidy fund	7	-	15	22	-	-	22
Barton Camp fund	4	-	-	4	-	-	4
Designated funds:							
CPV subsidy fund	19	-	(4)	15	-	-	15
Student bursary fund	15	-	3	18	-	-	18
General fund	<u>(10)</u>	<u>-</u>	<u>(15)</u>	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>(25)</u>
Total CPV Ltd funds	<u>35</u>	<u>-</u>	<u>(1)</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>
TOTAL GROUP FUNDS	<u>6,177</u>	<u>175</u>	<u>19</u>	<u>6,371</u>	<u>2,303</u>	<u>2,991</u>	<u>1,077</u>

*Net current assets include £575,000 of monies invested on short term deposit.

**Income: general fund – as previously stated	428
Property maintenance write back (see note 8)	<u>107</u>
General fund as restated	<u>535</u>

15 EXPLANATION OF FUNDS

CPAS: a distinction is maintained between capital funds and income balances:

- *capital funds* comprise permanent investments and amounts intended to be retained by the Society: only the income they generate is considered to be available to fund current expenditure. They include capital profits arising from sales of fixed assets and investments
- *income balances* represent the accumulated excess of annual income over expenditure over the years to date.

Restricted funds (subject to externally imposed restrictions):

- *permanent investment fund:* only the income from this fund is available for general purposes
- *augmentation fund:* this exists for the purpose of increasing the value of poor benefices in evangelical patronage (per CPAS's 1926 annual report)
- *Bishop Stratton and LCEAS (London Clerical Education Aid Society) funds:* only the income from these funds is available for similar purposes to the Ministers in Training fund (*see below*)
- *Ministers in Training bequest:* during the year a bequest was received for work with ordinands; the fund represents the balance not yet expended
- *Promise Plus:* monies received to fund Regional Development Workers (*see Report of the Council, page 6*) and not yet expended
- *Ireland:* the balance of donations received and not yet expended for the work of the Society in Ireland
- *Scotland:* donations received and not yet expended for the work of the Society in Scotland

Designated funds (set aside by the Society for specific purposes but without legal obligation):

- *Ministers in Training fund:* this fund is used to provide grants to assist those in training for the ordained or licensed ministry. All donations, legacies and investment income received are paid out in grants to provide personal and training support
- *Richard Bowdler Memorial fund:* the General Committee of CPAS resolved on 21 February 1984 that 'monies given in memory of the late Richard Bowdler be invested and the income...be applied for the purpose of equipping Youth and Children Regional Assistants for their work'
- *Barton Camp fund:* the Council of CPAS resolved on 27 June 1997 that the proceeds of sale of Barton Camp be invested and that the income therefrom be given to CPV for the support of Falcon Camps (*see Report of the Council, pages 4 and 7*)

General fund: this comprises the Society's main funds which are not subject to external restrictions or internally determined designations. Most of the capital element has arisen from profits on the sale of properties, which have in turn been used to acquire replacement properties or invested to produce income.

Land and property bequests, previously held in restricted funds, has been transferred to general fund (*see note 8*).

CPV Ltd:

Restricted fund (subject to externally imposed restrictions):

- *Falcon Camps subsidy fund:* this fund assists young people with the costs of attending Falcon Camps and provides monies to assist with the general running costs of the camps; it consists entirely of donations
- *Barton Camp fund:* this fund comprises the interest received from CPAS's Barton Camp fund (*see above*).

Designated funds:

- *CPV subsidy fund:* this consists of 1.25% (1998:1.75%) of the previous year's turnover together with donations made to the fund; its purpose is to assist young people with the costs of attending Ventures
- *Student bursary fund:* the fund exists to assist students to attend Ventures as volunteer leaders; it consists of transfers made from the tax refunded on donations made under gift aid.

16 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. Such reserves are held as income funds, to which the surplus or deficit for each year is added.

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

At 30 April 1999 the general fund income reserves of CPAS amounted to £642,000 (1998: £603,000).

17 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments, adopting the following principal policies, all of which are in accordance with applicable accounting standards and *Accounting by Charities - Statement of Recommended Practice 1995*.

a Stocks and work in progress

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

Work in progress includes the prime costs of initiation of incomplete products not yet launched, together with the balance of the initiation costs of products for sale. Initiation costs are written off at a standard amount per item sold or by equal instalments over the first 24 months of the life of new products, whichever period is shorter.

b Depreciation

Depreciation is not provided on houses as it is the Society's policy to maintain those assets to such a standard that their estimated realisable values at the end of their useful economic lives will not be less than their net book values.

Depreciation is charged to write off the cost of other assets on a straight line basis over the periods of time shown below, commencing in the year of acquisition (1998: commencing in the year following acquisition):

• freehold property - Tachbrook Park, Warwick:	
land	no depreciation
building	50 years (1998: 75 years)*
• mechanical/electrical equipment and building fixtures	20 years (1998: 25 years)*
• new furniture etc for the initial equipping of Warwick offices	10 years
• computer equipment	4 years
• other equipment	5 years

*These changes were made in the light of the write back of the property maintenance provision (*see note 8*).

c 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.

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.

d Pensions costs

Ordained clergy staff are included in the Church of England Funded Pensions Scheme administered by the Church of England Pensions Board. At present 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.

For other staff the Society operates a funded, defined benefit pension scheme and contributions are determined by the scheme actuary on the basis of triennial valuations (*see note 20*). 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.

e Operating leases

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

18 OPERATING LEASES (*see note 17e*)

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 1999:

under leases expiring:	within next year	from 1 to 2 years	from 2 to 5 years	in more than 5 years	total
	<u>14,000</u>	<u>10,000</u>	<u>8,000</u>	<u>2,000</u>	<u>34,000</u>

19 CAPITAL COMMITMENTS

As at 30 April 1999 the Society had not contracted for any expenditure on fixed assets other than costs shown as already incurred (*see note 10*).

20 PENSION COMMITMENTS

The defined benefit scheme operated by the Society for its non-clergy staff is funded by the payment of contributions to a with-profit grouped funding policy issued by Guardian Royal Exchange Assurance plc.

The contributions to this scheme are determined with the advice of the scheme actuary (employed by Guardian Financial Services) on the basis of triennial valuations using the projected unit method. The most recent valuation was conducted as at 1 August 1996 using the following main assumptions:

- valuation rate of interest 8% per annum
- salary increases 6.5% per annum.

The actuarial value of the assets represented 109% of the actuarial liability based on pensionable salaries projected to normal retirement age or the date of earlier withdrawal. At the valuation date there was no deficiency on a current funding level basis.

The valuation showed that the regular contribution rate required was 13.1% of salaries, in line with contributions currently being made. This level comprises a rate of 12.5% reduced by 1.4% to take account of the actuarial surplus, to be amortised over 14 years, and an increase of 2% to provide for Limited Price Indexing on pensions accrued from April 1997, in accordance with the Pensions Act 1995.

The pension contributions payable and charged to expenditure for the period amounted to £100,000 (1998: £81,000); the figure includes a provision of £9,000 (1998: £5,000) for the estimated potential cost (including backdating) of admitting certain employees to the scheme, in the light of European Court rulings in September 1994, and towards the potential cost of an impending change of investment medium.

The advice of the actuary is that he sees no difficulty in maintaining the existing contribution rate of 13.1% until the next valuation at 1 August 1999. Whilst an insurance policy such as this has no recognisable 'market' value, at the valuation date a notional value of £1,147,500 was calculated as the cost (net of expenses) of purchasing the equivalent deferred annuities secured under the group policy as at the valuation date. (This value should not be confused with the discontinuance surrender value which would be based on market rates of interest at the date of surrender and could be considerably lower.)

21 OTHER COMMITMENTS

The Society had no material legally binding commitments except as shown in notes 18 and 19, and those arising under staff contracts of employment and other obligations in the normal course of business. Details of commitment for payment of future grants, though not legally binding, are given in note 5.

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 1999 £109,000 (1998: £58,000) of these monies was separately deposited with the Royal Bank of Scotland and is not included in these financial statements.

The Society has also 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. The maximum liability under this guarantee is £270,000 and no significant loss to the Society is expected to arise from it.

22 CUSTODIAN TRUSTEE

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 Report of the Council, page 4*).

23 CONNECTED CHARITIES

CYFA Pathfinder Ventures Ltd: details of the relationship between CPV Ltd and the Society appear in the Report of the Council (*see page 4*).

J F W Deacon's Mabledon 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 £102,000 in the year to 30 April 1999.

The Society also 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 Report of the Council, page 4*). Administration charges receivable from connected charities amounted to £13,000 in the year to 30 April 1999.

**Church Pastoral Aid Society
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Warwick CV34 6NG**