



# Report and Financial Statements

## for the year ended 30 April 2008



**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 (England & Wales) SC039082 (Scotland)*

## Contents

	<i>page</i>
<b>Report of the Trustees</b>	<b>2</b>
<b>Statement of the Directors' Responsibilities</b>	<b>8</b>
<b>Independent Auditors' Report</b>	<b>9</b>
<b>Statement of Financial Activities</b>	<b>10</b>
<b>Balance Sheets</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12</b>

## Report of the Trustees

### CHURCH PASTORAL AID SOCIETY (CPAS)

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

**Registered company number** 2673220

**Registered charity numbers** 1007820 (England & Wales) SC039082 (Scotland)

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

**President:** The Rt Rev James Jones

#### **Vice-presidents**

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

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

The Rev Dr J R W Stott

#### **Vice-patrons**

The Archbishop of Armagh  
Lord MacKay of Clashfern

#### **Trustees during year to 30 April 2008 and at 17 September 2008**

Miss Joan Bottenll (to 23/1/08)	Canon Harry Marsh (to 23/1/08)
The Rev Steve Davies (from 12/10/04)	The Rev Canon John Moore (from 12/10/04)
The Rev John Ellison (from 12/10/04) <i>Treasurer</i>	Mr Richard Owen (from 26/1/06)
The Ven Peter Hancock (from 12/10/04) <i>Chair</i>	Mrs Helen Simpson (from 23/1/07) <i>Vice-Chair (from 14/05/08)</i>
The Rev Andrea Irvine (from 26/1/06)	The Rev Mike Talbot (from 12/10/04) <i>Vice-Chair (to 14/05/08)</i>
The Ven Dr Gordon Kuhrt (from 23/1/08)	The Rev Dr Richard Turnbull (from 12/10/04)
Mrs Elizabeth Langmead (from 12/10/04)	Mrs Rachel Westall (from 23/1/08)

#### **Recruitment Group as at 17 September 2008**

Miss Joan Bottenll	The Rev Canon Gary Jenkins	The Rev John Risdon
The Ven Peter Hancock	The Rt Rev James Jones	The Rev Dr Richard Turnbull
The Rt Rev Mike Hill	The Ven Gordon Kuhrt	

#### **Council of Reference as at 17 September 2008**

The Rev Moira Astin <i>Vice Chair</i>	The Rev Jonathan Jee	The Rev Andrew Petit
The Rev Ian Ballentine	The Rev Canon Gary Jenkins	The Rt Rev Gavin Reid <i>Chair</i>
Mrs Iona Birchall	Mrs Mary Judkins	Mrs Sue Richardson
Mr Peter Brierley	The Ven Alistair Magowan	The Rev John Risdon
Mr Peter Caldwell	The Ven Hugh McCurdy	Mr Dennis Sadler
Mr Nigel Chetwood	The Rev Mark Norris	Mr Ian Smith
Miss Mavis Gibbons	The Rev Brian Parfitt	The Rev Dr James Steven
The Rev Canon Ken Gordon	The Rev Paul Perkin	The Rev Rod Thomas
The Rev Mike Goss	The Rev Preb David Perryman	Mrs Clare Wells
The Rev David Holloway		

#### **General Director**

The Rev John Dunnett

#### **Secretary**

Mr Alastair King

#### **Senior Management Team**

The Rev Laurence Gamlen  
Mr Martyn Sargeant

Mr David Hart

The Rev James Lawrence

#### **Professional Advisers**

##### **Bankers**

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

##### **Auditors**

Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

##### **Solicitors**

Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

##### **Investment Advisers**

CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ

## Structure, Governance and Management

### Constitution and Governance

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

CPAS's governing document is its Memorandum and Articles of Association. The current Articles were adopted as from 12 October 2004 and amended at an Extraordinary General Meeting held on 1 October 2005 and further amended at the Annual General Meetings on 30 November 2006 and on 27 November 2007. The members are the President, Vice-Presidents, Trustees and Council of Reference, as at 30 April 2008 there were 44 members and as at 17 September 2008 there were 44 members.

There are twelve Trustees, elected by the members on the basis of skills and experience, from recommendations made by a Recruitment Group established for the purpose of identifying suitable candidates. Under the provisions of the Companies Act 1985 the Trustees are the directors. Newly elected Trustees receive a comprehensive information pack, and participate in a programme of briefing meetings. Trustees meet at least six times a year. All major decisions regarding strategy, policy and finance are the responsibility of the Trustees. The implementation of decisions of the Trustees is delegated to the staff.

A Council of Reference, representative of the Anglican parishes and churches that the Society is established to serve pursuant to its object, advises the Trustees as to the needs of the beneficiaries of the Society.

CPAS and CPV Ltd has indemnity insurance to indemnify the Trustees against the consequences of any neglect or default on their part.

### Operational Structure

- *General Director* – giving leadership to the work of the Society and responsible to the Trustees
- *Management team* – responsible for the internal management of CPAS
- *Ministry teams* consisting of those responsible for external delivery of ministry and associated admin support staff, comprising
  - *Ministry consultants* – located across the United Kingdom, working with churches in their evangelistic, teaching and pastoral ministry to enable them to become more effective good-news communities for all ages, and maintaining and increasing prayer and financial support for CPAS
  - *Specialists*
    - *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-plus 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
- *Operations and other central services*, comprising
  - *Publications* – producing regular publications and other resources to further the Society's vision
  - *Supporter relations* – promoting CPAS and fostering prayer and financial support by developing and maintaining mutually supportive partnerships with churches and individuals
  - *Finance* – overseeing and controlling financial matters
  - *Central administration and office services*
  - *Information technology*
  - *Personnel*
  - *Company Secretarial* – ensuring CPAS's charity and legal requirements are met

### Financial Instruments

The financial instruments of CPAS and its subsidiary comprise cash, liquid resources and various other items such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to finance the operations of CPAS and its subsidiary. The nature of these financial instruments means that they are not subject to price risk or liquidity risk.

In addition, CPAS and its subsidiary have investments with the Central Board of Finance of the Church of England. These investments are subject to price risk arising on the underlying investment portfolio. The trustees review the performance of the investments against market returns to ensure that price risk exposure is kept to a minimum.

### Risk Assessment

The Trustees carry out an annual review of the risks to CPAS. A comparable review is conducted by the CPV Trustees. The principal risks and uncertainties at the time of writing are

#### CPV

- Damage to reputation from leader identified causing harm to a child or publicised failure of safety systems
- Failure of the OBS booking system
- Further irreconcilable division within Anglican church and CPAS being identified with one particular group
- Inability to secure sites to run holidays – long term, long onset
- Loss of staff
- Loss of volunteers - long term, long onset

#### CPAS

Although there are a number of underlying, ongoing risks to the ministry of CPAS, the primary factors at this time are related to the recently concluded strategic review, particularly

- lack of support (including financial) from churches and individual supporters
- lack of demand for ministry
- inability to deliver operational support services because of changes
- negative publicity
- inability to recruit to vacancies in new structure

### 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. CPAT retains beneficial ownership of all the share capital of CPV. CPAS Trustees are members of CPV for the duration of their service as Trustees. Each member, including CPAT, has one vote. The principal activity of CPV is the provision of Christian education for young people through house parties and camps. Residential activities known as Falcon Camps are designed for children and young people from deprived or disadvantaged areas. CPV's operations are conducted in close co-operation with those of CPAS. Trustees as at 30 April 2008

Mrs Jenny Bray	The Rev Geoffrey Firth	Mr Richard Owen	Mrs Jill Ridgewell
The Rev Tim Crook	Mr Geoff Harley-Mason <i>Chair</i>	The Rev Andrew Porter	Mr Rod Street
The Rev John Dunnett			<i>Secretary</i> Mr Alastair King

**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 investments and properties held in trust by the Society for other bodies remain registered in the name of the Trust. The Directors are appointed by the Trustees of CPAS. Directors as at 30 April 2008

Miss Joan Botterill	The Rev John Dunnett	The Ven Peter Hancock <i>Chair</i>	The Rev Canon David Wheaton
The Rev John Ellison	The Rev Preb John Skinner		<i>Secretary</i> Mr Alastair King

**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. Trustees as at 30 April 2008

The Rev Canon Steve Allen	The Rev Andrew Dow <i>Chair</i>	The Rev Preb Nick McKinnel	The Rev Lesley Riley
The Rev David Banting	The Rev Canon Gary Jenkins	Mrs Gill Morrison	Mr John Truscott <i>Vice Chair</i>
The Rev Jackie Cray	Mr Ross Johnstone	Mrs Nadine Parkinson	The Rev Canon Timothy Watson
			<i>Secretary</i> The Rev Canon John Alderman

## Objectives and Activities

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

'The object for which the Society is established is

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

The focus of ministry over the preceding twelve months has been on

- Evangelism advice and support
- Fresh Expressions of church
- Children and youth
- Leadership and vocational development
- Patronage appointments
- Parish support

This work has taken place in the context of a strategic review of the ministry of CPAS, which the General Director has undertaken at the direction of the Trustees. This has resulted in a significant refocusing of CPAS' work for the future, which the Trustees agreed at their meeting on 14-15 May 2008. The principal outcomes of the review are detailed below.

**Identity.** *Answering the question 'who are we?'*

CPAS is an Anglican evangelical mission agency working with churches, mainly in the UK and Republic of Ireland.

**Values.** *Answering the question 'what principles drive how we do things at CPAS?'*

We seek to honour God in everything we do, affirming the centrality of our faith in Jesus Christ, the supreme authority of the Bible, the transforming work of the Spirit and the power of prayer. Therefore, as an organisation and as individuals

- We value relationships of respect and integrity
- We value relevance, creativity and excellence
- We value individual responsibility and team delivery
- We value wise use of all God entrusts to us

**Mission.** *Answering the question 'why do we exist?'*

CPAS enables churches to help every person hear and discover the good news of Jesus Christ.

## **Vision**     *Answering the question 'where are we going?'*

We long to see a Christ-centred, Bible-based, mission-focused church where leaders are clear about their call to discipleship, growing in Christ-like character and competent to lead in a time of rapid change, where leaders discern God's direction, enable action, build teams, develop leaders, facilitate communication, and nurture people, where leaders work in teams, reflecting the diversity of ministries, and model themselves on the servant character of Jesus, where leaders help transform inherited churches, pioneer emerging churches and deliver creative residential ministry, effectively helping children, young people and adults hear and discover the good news of Jesus Christ

Our vision for the next five years is to be at the forefront of leadership development in churches

- (A) Developing 25,000 men and women to become more effective in leadership
- (B) Equipping churches to train a generation of children and young people for leadership
- (C) Helping 600 18-25 year olds aspire to and prepare for leadership
- (D) Inspiring 150 leaders under the age of 30 to offer themselves for ordination, including pioneer ministry
- (E) Equipping 8,500 leaders to be effective in reaching and discipling children and young people through Ventures and Falcon Camps
- (F) Working with our 514 patronage churches to develop effective leadership
- (G) Promoting research and sharing expertise on issues of church leadership

To realize this, we will develop mutually supportive relationships with churches and individuals and develop the staff team to fulfil our God-given priorities

Over the 172 years CPAS has been in existence, its core focus has remained unchanged – a commitment to enabling people to come to know Jesus Christ. Over that period, the ways in which CPAS has equipped churches for this evangelistic task has shifted, according to the particular and prevailing needs of the time. For the next few years, the Trustees believe God's call for CPAS is to help develop leadership in churches. Research shows there is an important link between church growth/evangelistic effort and effective leadership at all levels in churches. CPAS is committed to the development of leaders, so that churches will be effective in mission and evangelism.

The priority during 2008/9 will therefore be to start communication and implementation of this vision, including the necessary staffing changes that will result from changed resource requirements.

## **Staffing**

There were few staffing changes during the year. One notable departure was that of Marion Powell, the Assistant Patronage Secretary, who retired in September 2007 after forty years with CPAS. Rachel Jordan moved back to London, to take up a joint post with the Fresh Expressions team and the Church of England's mission and evangelism team, and Alison Lyndon left the Supporter Relations team.

Two appointments were made to the Supporter Relations team – Rebecca Gash as Head of Fundraising and Martin Flett as Supporter Relations Administrator.

CPAS acknowledges with gratitude those whose work in a voluntary capacity has contributed to all that has been achieved during the year, including all who support the work of the regionally-based Ministry Advisers, those who have assisted with training events, many who have written articles for inclusion in publications, 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.

## **Achievements and Performance**

### **Evangelism and Fresh Expressions of church**

Ministry Advisers have worked nationally and regionally to offer support, consultancy and training in mission and evangelism, working alongside leaders and churches. This has included consultations, strategic planning, courses and some missions/evangelistic events.

CPAS has continued to be involved with the Church of England's Fresh Expressions initiative with the General Director representing CPAS on the national Fresh Expressions 'round table' and three members of staff seconded as part-time Associate Missioners, which included involvement with the development of the new Fresh Expressions course, *Mission-shaped Intro*.

### **Leadership and patronage**

CPAS is responsible for 514 Church of England benefices, ranging from Guernsey to Gateshead, from the Isle of Man to Lowestoft. During the year, 39 appointments were made. At the end of the year there were 45 vacant positions and 86 clergy on the EPCC Register looking for a move. Alongside its involvement in the appointments process, CPAS seeks to offer ongoing support to patronage churches and incumbents and this will be an area of focus for growth in the new vision.

The longstanding work in the area of vocations continued with nearly 100 people considering God's call on their lives at *You and Ministry* events and 21 new incumbents attending *The Buck Stops Here* conference.

The seventh cohort of the *Arrow Leadership Programme* finished in October 2007, with the eighth group continuing throughout the year and the ninth starting in January 2008, bringing the total number of participants to over 200.

The *Growing Leaders* course continued to be used in churches across the country and further a field. Six 'training the trainer' events were held during the year, with 223 attendees and, already, hundreds of people have attended a *Growing Leaders* course through their local church. It is estimated around 300 churches in the UK have run or are running *Growing Leaders* and an agreement has now been reached to distribute *Growing Leaders* in North America through the Arrow Alliance.

A new Ministry Leadership Teams supplement was launched during the year and development of the new *Growing Leaders – Youth Edition* (for 13-18 year olds) started in autumn 2007. The pilot, with twelve churches, commenced in April 2008.

#### **Children and youth**

The mainstay of CPAS' work in this area continues to be Ventures and Falcon Camps, with just over 5,000 children and young people taking part in 2007/08, supported by nearly 4,000 leaders.

Consultancy, support and advice amongst youth and children's workers, paid and unpaid, continued around the UK and Republic of Ireland. Numerous training events were carried out in local churches, as well as two regional 'Working with Children' events, at which there were 160 delegates. Regional support networks for children's workers were set-up in several areas.

#### **Parish support**

A significant part of the ministry of CPAS in supporting leaders and churches has continued to be exercised through the regionally-based ministry advisers. Each week, the team of seven advisers meet with clergy, lay leaders, PCCs and church members, to offer advice, support, consultancy and strategic planning. The team is also involved at a deanery and diocesan level.

#### **Fundraising**

The focus during the year has continued to be on holding donation income from churches and individuals steady, after a period of decline. The first half of the year was difficult, with no supporter relations staff in post, but following appointments in the autumn, donation income started to improve, finishing just below budget at year end. Work on fundraising from trusts has also started to bear fruit, with steady growth from this sector, particularly for work amongst Falcon Camps.

### **Financial Review**

#### **Investments**

The object includes the following investment powers:

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

CPAS's investments are 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. Ethical considerations form an integral part of the management of these funds. No specific investment objectives are set but results are monitored against market returns. Investment Units achieved an income yield of 3.3%.

#### **Fixed Assets**

The Society's fixed assets include the following:

- premises in Warwick housing CPAS's offices and those of CPV
- office and other equipment necessary to fulfil the Society's ministries
- six freehold properties held to house some staff members who have joined CPAS following service in tied accommodation
- a shared equity scheme assisting two staff with housing
- one property which housed a former member of staff
- land bequeathed to the Society currently held as tenanted farmland

#### **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) decreased from £5,845,000 (CPAS), £6,288,000 (Group) to £4,253,000 (CPAS), £4,785,000 (Group). This figure includes an unrealised loss in the value of general fund investments of £431,000 (CPAS) and £438,000 (Group). Part of these funds are held on deposit, giving an effective hedge against fluctuations in the stock market.

In 2004 the Trustees agreed that a proportion of these funds should be expended over a period of eight to ten years. This includes funding a budgeted deficit for the year to April 2009, and by strategic new staff appointments (see *Achievements and Performance* above).

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

### **CPAS**

#### **All Funds**

The results for the year showed an overall gain of £100,000 as compared with a loss of £10,000 in 2006/07 before revaluation of investments and actuarial gains and losses on the defined benefit pension scheme. Excluding profit on sale of properties, the deficit was £155,000 as compared with £107,000 in 2006/07.

#### **Unrestricted Funds**

The loss of £169,000 (excluding profit on sale of properties and movement in funds) compared with a loss in 2006/07 of £61,000. Donations from churches were £20,000 less than in 2006/07 and from individuals £66,000 less. Receipts from legacies were £41,000 less than in 2006/07. CPAS continues to rely heavily on the generous voluntary giving of supporters, without which its ministry would not be sustainable, and the Society expresses its gratitude to all who have made donations or included CPAS in their Will during the year. Expenditure was £17,000 less than 2006/07.

**Restricted Funds**

The combined totals for the restricted funds resulted in a gain of £14,000 (excluding movement in funds), as compared with the loss of £46,000 in 2006/07. Donations were £3,000 less than in 2006/07, and no legacy income was received. Each of these funds carried forward surpluses which will support commitments for the training and grant-making programmes currently under way.

**CPV**

Both Falcon Camps and Ventures produced surpluses for the year. The Ventures surplus was £89,000 (5.6% of total costs), down from £141,000 in 2006/07. A successful fundraising campaign for Falcon Camps produced £230,000, meaning the fund finished the year with a surplus of £204,000 (2006/07 £5,000 deficit). This will ensure adequate underwriting of the cost of this work for the next few years. The overall result for the year was therefore a surplus of £293,000, before revaluation of investments. CPV reimbursed to CPAS £28,000 in respect of office occupancy costs. Income increased by £202,000 from 2006/07 whilst expenditure also increased by £45,000 (2.6%) compared with 2006/07. The value of investments arising from the donation of £90,000 by CPAS to CPV in 2001/2002 decreased by £7,000 (this decrease is unrealised) during the year.

**Commitments**

Financial projections indicate that the Society's general fund reserves are adequate for it to continue in operation for the foreseeable future. The realisable value of assets is believed to be adequate to meet liabilities in the event of a major curtailment of activities or of liquidation. Information concerning pension contributions and other commitments is contained in notes 1 and 5.

**Plans for the year to 30 April 2009**

Given the vision outlined earlier in the report, the focus during the coming year will be on the transition to delivering against a new five-year strategy. This will include a reorganization of CPAS' staffing resources in the early part of the year and a subsequent recruitment campaign to fill key vacancies.

The Trustees have agreed a strategy for the next five years as follows:

**(A) Developing 25,000 men and women to become more effective in leadership by**

- (i) Arranging 150 regional leadership development training events
- (ii) Arranging 50 regional development training events for those involved in youth or children's ministry leadership
- (iii) Offering 2,500 leadership consultancy sessions
- (iv) Each member of ministry staff coaching/mentoring two overall leaders per annum
- (v) Facilitating 200 strategic church leadership reviews
- (vi) Coordinating national leadership conference 2011 (CPAS 175<sup>th</sup> Anniversary)
- (vii) Resourcing 200 first-time incumbents through conferences such as The Buck Stops Here
- (viii) Running five Arrow Leadership Programmes
- (ix) Piloting a leadership development programme for over 45s
- (x) Enabling 1,000 churches to run *Growing Leaders*
- (xi) Developing and delivering events to develop women in leadership roles
- (xii) Sponsoring the National Anglican Larger Churches Conferences in 2009 and 2011
- (xiii) Providing vocational development conferences for over 30s

**(B) Equipping churches to train up a generation of children and young people for leadership by:**

- (i) Enabling 500 churches to run *Growing Leaders* - Youth Edition
- (ii) Developing *Growing Leaders* - Children's Edition
- (iii) Running three specialist leadership development Ventures

**(C) Helping 600 18 to 25 year olds aspire to and prepare for leadership by**

- (i) Piloting a leadership development programme for 18 to 25s
- (ii) Initiating a CPAS intern scheme for fifteen participants
- (iii) Developing the leadership skills of 500 young VFC leaders for roles within the wider Church

**(D) Inspiring 150 leaders under the age of 30 to offer themselves for ordination, including pioneer ministry, by**

- (i) Running three vocational discernment conferences for those under 30
- (ii) Developing a web tool to help people assess their suitability for ordination
- (iii) Resourcing church leaders to identify suitable candidates for ordination

**(E) Equipping 8,500 leaders to be effective in reaching and discipling children and young people through Ventures and Falcon Camps by**

- (i) Providing the co-ordination and framework within which 600 Ventures and Falcon Camps can reach 16,000 children and young people
- (ii) Providing eighteen training events at which overall leaders from every Venture and Falcon Camp are represented each year
- (iii) Enabling 450 overall leaders to train and develop their teams

**(F) Working with our 514 patronage churches to develop effective leadership by**

- (i) Appointing effective leaders committed to evangelism
- (ii) Providing leadership development support for 1/3<sup>rd</sup> of new appointments and their leadership teams
- (iii) Investing in the leadership development of 10% of existing appointments

**(G) Promoting research and sharing expertise on issues of church leadership by**

- (i) Commissioning research and articles/books as appropriate
- (ii) Providing a UK church leadership resource, including podcasts and fortnightly e-bulletin
- (iii) Developing a website to promote, resource, develop and support leadership

Recognizing that this is a five-year strategy, the specific priorities for the year will be determined in the business plan for 2008/09. The strategy includes (section E) specific objectives for the work through Ventures and Falcon Camps. This recognizes an ongoing commitment by both Trustee bodies to bring the organizations into a closer working relationship.



## Statement of the Directors' Responsibilities

### Directors' responsibilities in relation to the financial statements

The directors (being the Trustees of the Society) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Society and the group and of its incoming resources and application of resources, including the income and expenditure, of the Society and the group 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Society or group 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 group and which 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Statement of disclosure to the auditors

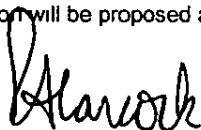
So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

### Going concern

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

### Auditors

A resolution will be proposed at the Annual General Meeting that Hazlewoods LLP be reappointed as auditors for the coming year.



*Peter Hancock*  
Chairman, on behalf of the Directors

17 September 2008

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

We have audited the group and parent company financial statements ("the financial statements") of the Church Pastoral Aid Society for the year ended 30 April 2008 which comprise the Statement of Financial Activities, the Balance Sheets and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely for the charitable 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Trustees and auditors

The Trustees' (who are also the directors of the Church Pastoral Aid Society for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report to the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 group's and charitable company'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:

- o the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 30 April 2008 and of their incoming resources and application of resources, including their income and expenditure, for the year then ended,
- o the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- o the information given in the Report of the Trustees is consistent with the financial statements.



Hazlewoods LLP  
Chartered Accountants and Registered Auditors

Staverton, Cheltenham  
23 September 2008

## Statement of Financial Activities for the year to 30 April 2008

	CPAS 2008			Group 2008			CPAS 2007	Group 2007
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds	Total Funds	Total funds
Notes	£000	£000	£000	£000	£000	£000	£000	£000
<b>INCOME &amp; EXPENDITURE ACCOUNT</b>								
<b>INCOMING RESOURCES</b> 2								
<i>Incoming resources from generated funds</i>								
Voluntary income	1,100	46	1,146	1,726	412	2,138	1,264	2,004
Investment income	292	6	298	328	13	341	264	288
Incoming resources from charitable activities	182	47	229	1,196	85	1,281	254	1,360
Other incoming resources profit on sale of properties	255	0	255	255	0	255	97	97
<b>Total Incoming Resources</b>	<b>1,829</b>	<b>99</b>	<b>1,928</b>	<b>3,505</b>	<b>510</b>	<b>4,015</b>	<b>1,879</b>	<b>3,749</b>
<b>RESOURCES EXPENDED</b> 3								
Charitable activities	1,574	85	1,659	3,083	273	3,356	1,700	3,326
Governance costs	117	0	117	147	4	151	114	161
Costs of generating funds	52	0	52	100	15	115	75	136
<b>Total Resources Expended</b>	<b>1,743</b>	<b>85</b>	<b>1,828</b>	<b>3,330</b>	<b>292</b>	<b>3,622</b>	<b>1,889</b>	<b>3,623</b>
Gross transfers between funds	0	0	0	0	0	0	0	0
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR before other recognised gains / (losses)</b>	<b>86</b>	<b>14</b>	<b>100</b>	<b>175</b>	<b>218</b>	<b>393</b>	<b>(10)</b>	<b>126</b>
<b>Other recognised gains / (losses)</b>								
Revaluation of investments 7	(407)	(24)	(431)	(407)	(31)	(438)	354	361
Actuarial gains / (losses) on defined benefit pension scheme 5	(372)	0	(372)	(372)	0	(372)	(6)	(6)
<b>NET MOVEMENT IN FUNDS</b>	<b>(693)</b>	<b>(10)</b>	<b>(703)</b>	<b>(604)</b>	<b>187</b>	<b>(417)</b>	<b>338</b>	<b>481</b>
Total funds brought forward	8,084	567	8,651	8,527	629	9,156	8,313	8,675
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>7,391</b>	<b>557</b>	<b>7,948</b>	<b>7,923</b>	<b>816</b>	<b>8,739</b>	<b>8,651</b>	<b>9,156</b>

Restricted funds include £213,000 representing permanent endowment funds (note 10)

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 and Company Balance Sheets as at 30 April 2008

	Notes	CPAS 2008 £000	Group 2008 £000	CPAS 2007 £000	Group 2007 £000
<b>FIXED ASSETS</b>					
Tangible fixed assets	6	3,138	3,138	2,239	2,239
Investments (unlisted)	7	<u>4,193</u>	<u>4,298</u>	<u>5,724</u>	<u>5,836</u>
<b>Total Fixed Assets</b>		7,331	7,436	7,963	8,075
<b>CURRENT ASSETS</b>					
Stock		33	33	24	24
Debtors	8	121	268	185	412
Deposits repayable on demand		219	599	938	968
Cash at bank and in hand		<u>336</u>	<u>706</u>	<u>44</u>	<u>415</u>
<b>Total Current Assets</b>		709	1,606	1,191	1,819
<b>LIABILITIES</b>					
Creditors falling due within 1 year	9	92	303	89	324
<b>Net Current Assets</b>		<u>617</u>	<u>1,303</u>	<u>1,102</u>	<u>1,495</u>
<b>NET ASSETS BEFORE PENSION ASSET/(LIABILITY)</b>		<b>7,948</b>	<b>8,739</b>	<b>9,065</b>	<b>9,570</b>
Defined benefit pension scheme asset/(liability)	5	<u>0</u>	<u>0</u>	<u>(414)</u>	<u>(414)</u>
<b>NET ASSETS INCLUDING PENSION ASSET/(LIABILITY)</b>		<b><u>7,948</u></b>	<b><u>8,739</u></b>	<b><u>8,651</u></b>	<b><u>9,156</u></b>
<b>FUNDS</b>					
Permanent endowment	10	121	121	121	121
Permanent endowment revaluation		<u>92</u>	<u>92</u>	<u>106</u>	<u>106</u>
		213	213	227	227
Restricted		274	518	260	300
Restricted revaluation		<u>70</u>	<u>85</u>	<u>80</u>	<u>102</u>
		344	603	340	402
Unrestricted					
Designated		0	23	0	10
General		6,407	6,916	6,876	7,309
General revaluation		984	984	1,622	1,622
Pension reserve	5	<u>0</u>	<u>0</u>	<u>(414)</u>	<u>(414)</u>
		<u>7,391</u>	<u>7,923</u>	<u>8,084</u>	<u>8,527</u>
<b>TOTAL FUNDS</b>		<b><u>7,948</u></b>	<b><u>8,739</u></b>	<b><u>8,651</u></b>	<b><u>9,156</u></b>

Signed on behalf of the Trustees on 17 September 2008




## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies

#### Basis of preparation

The financial statements are presented in accordance with the requirements of the *Accounting and Reporting by Charities Statement of Recommended Practice (revised 2005)* (SORP), issued by the Charity Commission in 2005, 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 2).

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

CPAS is a company limited by guarantee and CPV Ltd a company limited by shares. The Trustees of CPAS and Board of CPV are directors for the purposes of the Companies Acts and are trustees of their respective charities within the meaning of the Charities Acts (see pages 2 and 3 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 where the monetary value can be measured with adequate reliability.

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. Support costs attributable to more than one activity are apportioned on the basis of expenditure relating directly to those activities.

Governance costs comprise legal fees, audit fees and charges for audit advice, servicing of trustees and other governance bodies, bank charges, and overheads and staff costs apportioned on the basis of time expended on governance work.

Costs of generating voluntary income comprise costs of fundraising mailings, consultancy fees, and staff costs apportioned on the basis of time expended on fundraising 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 if they are valued at more than £1,000 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 or shared equity houses. The Trustees consider that the residual value is not materially different from the carrying value shown in the financial statements, and consequently any depreciation charge would be immaterial.

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

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

## Funds

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

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

## Pensions

Staff who are ordained Church of England clergy 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. One licensed lay worker was also included in this scheme at the Society's expense for part of the year. Financial Reporting Standard (FRS) 17 requires the employer to account for pension costs on the basis of contributions actually payable to the scheme during the year (see note 5 – pensions)

For other staff the Society operates a funded, defined benefit pension scheme (see note 5 – pensions). Pension costs and the pension provision for the defined benefit pension scheme are calculated on the basis of actuarial advice and are charged to the statement of financial activities on a basis to spread the costs over the employees' working lives. Any asset or liability arising is shown on the balance sheet in accordance with FRS17.

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 5 – pensions).

## Operating leases

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

## Group accounts

The consolidated financial statements comprise the financial statements of CPAS and its subsidiary made up to 30 April 2008.

## 2 Incoming resources

	CPAS 2008			Group 2008			CPAS 2007	Group 2007
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000	Total funds £000	Total funds £000
Incoming resources from generated funds								
Voluntary income								
Donations – Churches	607	9	616	611	59	670	636	673
– Individuals	322	7	329	944	323	1,267	395	1,088
Legacies	116	0	116	116	0	116	157	167
Grants – Mabledon Charity	55	0	55	55	0	55	56	56
– Other	0	30	30	0	30	30	20	20
	<u>1,100</u>	<u>46</u>	<u>1,146</u>	<u>1,726</u>	<u>412</u>	<u>2,138</u>	<u>1,264</u>	<u>2,004</u>
Investment income and interest								
Central Board of Finance Investments - note 7	189	6	195	189	10	199	163	166
Central Board of Finance Deposits	25	0	25	38	0	38	46	48
Bank and other interest	11	0	11	34	3	37	4	23
Net return on pension - note 5	67	0	67	67	0	67	51	51
	<u>292</u>	<u>6</u>	<u>298</u>	<u>328</u>	<u>13</u>	<u>341</u>	<u>264</u>	<u>288</u>
Incoming resources from charitable activities								
Publications	51	0	51	51	0	51	64	64
Training events	20	47	67	20	47	67	82	82
Subscriptions and affiliations	34	0	34	34	0	34	40	40
Ventures and camps	0	0	0	1,014	38	1,052	0	1,106
Rent from land & properties	67	0	67	67	0	67	61	61
Miscellaneous	10	0	10	10	0	10	7	7
	<u>182</u>	<u>47</u>	<u>229</u>	<u>1,196</u>	<u>85</u>	<u>1,281</u>	<u>254</u>	<u>1,360</u>
Other incoming resources								
Profit on sale of properties	255	0	255	255	0	255	97	97
<b>Total Incoming resources</b>	<b>1,829</b>	<b>99</b>	<b>1,928</b>	<b>3,505</b>	<b>510</b>	<b>4,015</b>	<b>1,879</b>	<b>3,749</b>

As at 30 April 2008 the Society had not been notified of any residuary legacy, which has not been included in the financial statements due to uncertainty as to the amount receivable (2007 no residuary legacy).

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.

### 3 Analysis of Total Resources Expended

	Staff costs		Other costs		Total	Total
	Unrestricted £000	Restricted £000	Unrestricted £000	Restricted £000	2008 £000	2007 £000
<b>CPAS</b>						
<i>Charitable activities</i>						
Evangelism	168	0	41	0	209	114
Children and youth	182	0	50	15	247	406
Leadership including patronage	144	0	40	8	192	185
Parish support	351	0	127	0	478	430
<i>Resourcing activities</i>						
Publications	93	0	78	0	171	202
Training events	206	0	94	45	345	332
Ventures and camps	0	0	0	0	0	0
<i>Grants paid</i>						
Ministers in training	0	0	0	17	17	16
CPV	0	0	0	0	0	15
	<u>1,144</u>	<u>0</u>	<u>430</u>	<u>85</u>	<u>1,659</u>	<u>1,700</u>
<i>Governance costs</i>						
Legal fees	0	0	7	0	7	6
Audit fee	0	0	13	0	13	12
Trustees	0	0	10	0	10	9
Bank charges and interest payable	0	0	5	0	5	4
Other costs	<u>41</u>	<u>0</u>	<u>41</u>	<u>0</u>	<u>82</u>	<u>83</u>
	41	0	76	0	117	114
<i>Cost of generating funds</i>	<u>17</u>	<u>0</u>	<u>35</u>	<u>0</u>	<u>52</u>	<u>75</u>
<b>Total resources expended</b>	<b>1,202</b>	<b>0</b>	<b>541</b>	<b>85</b>	<b>1,828</b>	<b>1,889</b>

Group	Staff costs		Other costs		Total	Total
	Unrestricted £000	Restricted £000	Unrestricted £000	Restricted £000	2008 £000	2007 £000
<i>Charitable activities</i>						
Evangelism	168	0	41	0	209	114
Children and youth	182	0	50	15	247	406
Leadership including patronage	144	0	40	8	192	185
Parish support	351	0	127	0	478	430
<i>Resourcing activities</i>						
Publications	93	0	78	0	171	202
Training events	206	0	94	45	345	332
Ventures and camps	128	17	1,381	171	1,697	1,641
<i>Grants paid</i>						
Ministers in training	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>	<u>17</u>	<u>16</u>
	1,272	17	1,811	256	3,356	3,326
<i>Governance costs</i>						
Legal fees	0	0	7	0	7	7
Audit fee	0	0	16	1	17	16
Servicing of trustees	0	0	12	0	12	11
Bank charges and interest payable	0	0	14	0	14	13
Other costs	<u>54</u>	<u>3</u>	<u>44</u>	<u>0</u>	<u>101</u>	<u>114</u>
	54	3	93	1	151	161
<i>Cost of generating funds</i>	<u>22</u>	<u>2</u>	<u>78</u>	<u>13</u>	<u>115</u>	<u>136</u>
<b>Total resources expended</b>	<b>1,348</b>	<b>22</b>	<b>1,982</b>	<b>270</b>	<b>3,622</b>	<b>3,623</b>

*Staff costs* these include salaries, National Insurance, pension contributions, staff housing and other staff-related costs (see note 4)

*Charitable activities*

*Grants* Ministers in training grants are made to individuals and are of amounts not exceeding £500. Support costs for the award of grants are included in the total for leadership including patronage.

*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 subsidies, totalling £38,000 (2007 £37,000) were granted in respect of *Ventures*, and £10,000 (2007 £7,000) in respect of *Falcon Camps*, each of the amounts not exceeding £100.

**Support costs**

Support costs for specific areas of ministry are allocated directly to that ministry, non-specific costs are allocated in proportion to the total known costs for each area of ministry. Charitable activities include support costs of £573,000 for CPAS and £832,000 for the Group (2007 CPAS £601,000 and Group £860,000)

**Governance costs – directors' emoluments and transactions**

**CPAS** No director was interested in any transaction, contract or other arrangement with the Society. Travel expenses totalling £2,000 (2007 £2,000) were reimbursed to 9 (2007 11) directors, these amounts are included in *Trustees* above.

**Group** No director received any payment (2007 nil) in respect of the production of promotional materials supplied to the Company. No other director had an interest in transactions, contracts or other arrangements with the Company. Travelling expenses totalling £3,000 (2007 £3,000) were reimbursed to 12 directors (2007 14), these amounts are included in *Trustees* above.

**Other costs**

£13,000 (2007 £9,000) in respect of operating lease costs is included in *Other costs* above.

**4 Staff Numbers and Costs**

	<b>CPAS</b>		<b>Group</b>	
<b>Average staff numbers (full time equivalent)</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Charitable activities	30	31	36	37
Governance	2	1	2	1
Cost of generating funds	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<b>33</b>	<b>33</b>	<b>39</b>	<b>39</b>
<b>Costs of employment of staff</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salaries	917	874	1,050	1,003
National Insurance contributions	73	76	82	85
Pension costs (see notes 1 and 5 – <i>pensions</i> )	152	131	178	158
Staff housing	34	32	34	32
Other	<u>26</u>	<u>20</u>	<u>26</u>	<u>20</u>
	<b>1,202</b>	<b>1,133</b>	<b>1,370</b>	<b>1,298</b>

No employee received emoluments in excess of £60,000

**5 Pensions (see note 1)****Church of England Funded Pensions Scheme**

CPAS participates in the Church of England Funded Pensions Scheme and employed one lay member of the Scheme out of a total membership of approximately 10,000 active members. Contributions in respect of clergy staff employed by the Society are paid for by the Archbishops' Council of the Church of England. The one member for whom the Society was paying contributions was ordained in July 2007 and the Archbishops' Council took over responsibility for his contributions with effect from 1 July 2007.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Society is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as at 31 December 2006. This revealed a shortfall of £141,000,000, with assets of £468,000,000 and technical provisions of £609,000,000, assessed using the following assumptions: investment returns 4.25% on gilts and 5.75% on equities, increase in pensionable stipends 4.6% per annum, pension increases 3.1% pa. The unfunded shortfall will result in future payments by participating employers.

For schemes such as the Church of England Funded Pensions Schemes, FRS 17 requires CPAS to account for pension costs on the basis of contributions actually payable to the Scheme in the year. The Society's contribution rate for the lay member of the Scheme was provisionally increased from 33.8% to 39.8% of pensionable stipends with effect from 1 January 2007. Following the results of the valuation, the rate was reduced to 39.7% with effect from 1 April 2008. The expense recognised in the Statement of Financial Activities, which is equal to the contributions due for the year, amounted to £2,000 (2007 £6,000). CPAS's future contributions may be substantially increased if other entities withdraw from the scheme.

**CPAS Pension and Life Assurance Scheme**

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, part of AEGON UK group. The contributions to this scheme are determined with the advice of the scheme actuary (employed by Aegon Trustee Solutions) on the basis of triennial valuations.

The most recent actuarial valuation was conducted as at 1 August 2005 using the following main assumptions: valuation rate of interest 6.6% per annum (4.8% post retirement), and salary increases 4.2% per annum. The report was received in February 2006. A valuation as at 1 August 2008 is in course of preparation.

Valuation on the statutory Minimum Funding Requirement basis showed the assets representing 119% of the liabilities. The actuarial value of the assets represented 79% 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 34.2% of salaries. Following discussions with the actuary the contribution rate was left unchanged at 32%. The contributions payable for the group for the period amounted to £141,000 (2007 £141,000). In addition, lump sum payments of £666,000 and £500,000 were paid into the scheme in July 2005 and March 2006 respectively to offset the deficit. These additional payments significantly reduced the deficit and the actuary agreed that the contribution rate could be reduced to 21% from May 2006. A further lump sum payment of £750,000 was paid into the scheme in March 2008.

For the purposes of Financial Reporting Standard 17 (FRS 17) Retirement Benefits, a valuation has been performed as at 30 April 2008. This valuation assesses scheme liabilities by considering corporate debt yields, whereas the actuarial valuation is based on equity returns. The scheme's liabilities as stated below should not be taken as an indication of the results of the



valuation carried out on behalf of the scheme trustees for funding purposes. The excess of assets over liabilities as included in the balance sheet for CPAS is the same as that for the Group, since no analysis of the respective liabilities of the two organizations is available. The information required by FRS 17 is as follows:

**Principal actuarial assumptions.**

	2008	2007
	%	%
Inflation assumption	3.7	3.4
Rate of salary increase	4.5	4.0
Rate of increase of pensions in payment (accrued between 6/4/1997 and 5/4/2005)	3.3	3.1
Rate of increase of pensions in payment (accrued after 5/4/2005)	2.1	2.1
Rate of increase of pensions in payment	3.7	3.4
Discount rate	7.0	5.4
Mortality	120% PNMA00/PNFA00 year of birth tables for males/females with allowance for improvement in line with medium cohort projection with a minimum movement of 1% year on year improvement in mortality Applies to pre and post retirement	PMA 92 for males and PFA92 for females year of birth tables with a medium cohort adjustment Applies to pre and post retirement
Percentage of members married	90	90
Commutation of pension for cash on retirement	Yes	Yes
Age differences (males – females)	3 years	3 years

**The amounts recognised in the balance sheet are as follows:**

	2008	2007
	£000	£000
Present value of the defined benefit obligation	(3,131)	(4,018)
Fair value of scheme assets	4,123	3,064
Surplus /(deficit)	992	(414)
Amounts in the balance sheet		
Liabilities	0	(414)
Assets	992	0
Less: assets not recognised	(992)	0
Net asset/(liability)	0	(414)

As the pension asset does not give rise to any reduction in the contributions payable to the scheme by the group, the asset has not been recognised in the financial statements. The adjustment in this respect is dealt with in the actuarial gain/(loss) for the year included within "Other recognised gains/(losses)" in the Statement of Financial Activities as required by FRS17 and as set out below.

**The amounts recognised in the Statement of Financial Activities are as follows:**

	2008	2007
	£000	£000
Included in total resources expended		
Current service cost	(156)	(147)
Past service cost	(16)	0
	(172)	(147)
Included in investment income and interest		
Interest on obligation	(217)	(195)
Expected return on scheme assets	284	246
	67	51
Total	(105)	(96)

The actuarial gain/(loss) for the year included within "Other recognised gains/(losses)" in the Statement of Financial Activities comprised:

	2008	2007
	£000	£000
Actuarial gain/(loss)	620	(6)
Asset not recognised	(992)	0
	(372)	(6)

The cumulative actuarial loss to 30 April 2008 included in "Other recognised gains/(losses)" amounts to £806,000.

**Changes in the fair value of the defined benefit obligation are as follows:**

	2008	2007
	£000	£000
Present value of obligation at start of year	4,018	3,784
Interest cost	217	195
Current service cost	156	147
Past service cost	16	0
Benefits paid	(367)	(17)
Charges paid	(31)	(23)
Actuarial (gain)/loss	(878)	(68)
Present value of obligation at end of year	3,131	4,018

**Changes in the fair value of the scheme's assets are as follows:**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Fair value of scheme assets at the beginning of year	3,604	3,331
Expected return on scheme assets	284	246
Contributions	891	141
Benefits paid	(367)	(17)
Charges paid	(31)	(23)
Actuarial gain/(loss)	<u>(258)</u>	<u>(74)</u>
Fair value of scheme assets at end of year	<b>4,123</b>	<b>3,604</b>

The scheme assets are invested in insurance policies with companies belonging to the AEGON UK group. The analysis of the underlying categories of investments in these policies, as a percentage of the total scheme assets, together with the assumed rate of return (ROR) for each category, is shown below. The value of Additional Voluntary Contribution (AVC) policies is not included.

	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>% of total</b>	<b>Assumed</b>	<b>% of total</b>	<b>Assumed</b>
	<b>scheme</b>	<b>ROR %</b>	<b>scheme</b>	<b>ROR %</b>
	<b>assets</b>		<b>assets</b>	
Equities	61	8.90	70	8.30
Corporate Bonds	13	7.00	12	5.40
Gilts	9	4.60	9	4.80
Cash/other	17	5.25	9	5.25

The basis for the assumed ROR for each of the above is as follows:

**Equities** – the yield on 20 year UK Government securities adjusted for the Equity Risk Premium being the excess yield expected in return for equities having more inherent risk.

**Corporate Bonds** – the yield available on AA rated corporate bonds which is represented by the yield on the iBoxx £ Corporate AA>15 years Index.

**Gilts** – annualised yield derived from the FTSE Actuaries Securities 20-year Fixed Interest Index.

**Cash** – the Royal Bank of Scotland's Base Rate.

Contributions for CPAS and its subsidiary for the year ending 30 April 2009 are estimated to be £141,000.

**Amounts for the current and previous four years are as follows:**

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Defined benefit obligation	(3,131)	(4,018)	(3,784)	(3,461)	(2,818)
Scheme assets	<u>4,123</u>	<u>3,604</u>	<u>3,331</u>	<u>1,780</u>	<u>1,485</u>
Surplus/(deficit)	<u>992</u>	<u>(414)</u>	<u>(453)</u>	<u>(1,681)</u>	<u>(1,333)</u>
Experience adjustments on scheme liabilities	878	68	(354)	(411)	(397)
Experience adjustments on scheme assets	(258)	(74)	320	17	115

During the year the Society made no contributions to any employee's personal pension scheme (2007: nil) (see note 1 – pensions).

**6 Fixed Assets**

	<b>Land and property bequests</b>	<b>Warwick premises land</b>	<b>Warwick premises building</b>	<b>Staff houses freehold</b>	<b>Houses shared equity</b>	<b>Office and other equipment</b>	<b>Total CPAS</b>	<b>Total Group</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>								
At 1 May 2007	91	640	1,420	547	80	443	3,221	3,255
Additions	0	0	0	941	0	27	968	968
Disposals	(6)	0	0	0	0	(58)	(64)	(64)
<b>At 30 April 2008</b>	<b>85</b>	<b>640</b>	<b>1,420</b>	<b>1,488</b>	<b>80</b>	<b>412</b>	<b>4,125</b>	<b>4,159</b>
<b>Depreciation</b>								
At 1 May 2007	0	0	571	0	0	411	982	1,016
Charge for year	0	0	41	0	0	22	63	63
Disposals	0	0	0	0	0	(58)	(58)	(58)
<b>At 30 April 2008</b>	<b>0</b>	<b>0</b>	<b>612</b>	<b>0</b>	<b>0</b>	<b>375</b>	<b>987</b>	<b>1,021</b>
<b>Written down value</b>								
At 1 May 2007	91	640	849	547	80	32	2,239	2,239
<b>At 30 April 2008</b>	<b>85</b>	<b>640</b>	<b>808</b>	<b>1,488</b>	<b>80</b>	<b>37</b>	<b>3,138</b>	<b>3,138</b>

**Land and property bequests**

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

**Warwick premises**

The Society's premises in Warwick are no longer charged to the Society's bankers as security for periodic advances. The amount secured at 30 April 2008 was nil (2007: 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 2).

#### Shared equity

A shared equity scheme for assisting staff with housing was approved by the Council (now Trustees) on 15 March 1990. This enables the Society to provide a maximum of half of the price of houses purchased by a limited number of staff members, who then own their houses subject to a legally binding declaration of trust under which the Society will share in the eventual proceeds of sale in the proportion of its contribution in relation to the original total purchase price. No interest is receivable on monies contributed under the scheme, which are included in fixed assets. At 30 April 2008 2 staff members participated in the scheme (2007: 2).

#### CPV

CPV fixed assets comprise office and other equipment.

### 7 Investments (unlisted)

	CPAS		Group	
	2008	2007	2008	2007
	£000	£000	£000	£000
Market value at 1 May 2007	5,724	4,970	5,836	5,075
Additions/(Disposals)	(1,100)	400	(1,100)	400
Net Investment Gains/(Losses)	<u>(431)</u>	<u>354</u>	<u>(438)</u>	<u>361</u>
<b>Market value at 30 April 2008</b>	<b><u>4,193</u></b>	<b><u>5,724</u></b>	<b><u>4,298</u></b>	<b><u>5,836</u></b>
<b>Cost at 30 April 2008</b>	<b><u>3,046</u></b>	<b><u>3,916</u></b>	<b><u>3,136</u></b>	<b><u>4,006</u></b>

The investments, comprising the Collective Investment Scheme Units of the Central Board of Finance of the Church of England, are primarily held to provide a return where monies are not required immediately for the charities' activities. In addition CPAT (see note 12 – *Church Pastoral Aid Trust*) has beneficial ownership of shares of CPV Ltd on behalf of CPAS. At 30 April 2008 the cost of the shares held by CPAT (88 at £1) was £88 (2007: £88).

### 8 Debtors

	CPAS		Group	
	2008	2007	2008	2007
	£000	£000	£000	£000
Debtors falling due within one year				
Trade debtors	7	3	7	3
Due from subsidiary	16	4	0	0
Other debtors	0	2	46	104
Prepayments	60	62	177	191
Accrued income	<u>38</u>	<u>114</u>	<u>38</u>	<u>114</u>
	<b><u>121</u></b>	<b><u>185</u></b>	<b><u>268</u></b>	<b><u>412</u></b>

### 9 Creditors

	CPAS		Group	
	2008	2007	2008	2007
	£000	£000	£000	£000
Creditors falling due within 1 year				
Trade creditors	58	53	70	65
Tax and National Insurance	9	11	9	11
Other creditors	0	0	0	0
Accruals	18	18	24	23
Deferred income	<u>7</u>	<u>7</u>	<u>200</u>	<u>225</u>
	<b><u>92</u></b>	<b><u>89</u></b>	<b><u>303</u></b>	<b><u>324</u></b>

## 10 Funds

	Balance 1 May 2007	Other gains / (losses)	Transfers	Incoming resources	Outgoing resources	Balance 30 April 2008	Represented by		
	£000	£000	£000	£000	£000	£000	Invest- ments	Fixed assets	Net current assets
<b>CPAS</b>									
<b>Permanent Endowment fund</b>	227	(14)	0	0	0	213	213	0	0
<b>Restricted funds</b>									
Augmentation	22	(1)	0	0	0	21	17	0	4
Ministers in Training	71	0	0	8	(17)	62	0	0	62
Bishop Stratton	21	(1)	0	0	0	20	20	0	0
LCEAS	139	(8)	0	0	0	131	125	0	6
Arrow	28	0	0	53	(53)	28	0	0	28
Children Matter	59	0	0	38	(15)	82	0	0	82
	340	(10)	0	99	(85)	344	162	0	182
<b>General fund</b>	8,084	(779)	0	1,829	(1,743)	7,391	3,818	3,138	435
<b>Total CPAS funds</b>	<b>8,651</b>	<b>(803)</b>	<b>0</b>	<b>1,928</b>	<b>(1,828)</b>	<b>7,948</b>	<b>4,193</b>	<b>3,138</b>	<b>617</b>
<b>CPV Ltd</b>									
<b>Restricted fund</b>									
Falcon Camp Subsidy	62	(7)	0	411	(207)	259	105	0	154
<b>Designated fund</b>									
CPV subsidy	10	0	50	1	(38)	23	0	0	23
<b>General fund</b>	<b>433</b>	<b>0</b>	<b>(50)</b>	<b>1,675</b>	<b>(1,549)</b>	<b>509</b>	<b>0</b>	<b>0</b>	<b>509</b>
<b>Total CPV funds</b>	<b>505</b>	<b>(7)</b>	<b>0</b>	<b>2,087</b>	<b>(1,794)</b>	<b>791</b>	<b>105</b>	<b>0</b>	<b>686</b>
<b>Total group funds</b>	<b>9,156</b>	<b>(810)</b>	<b>0</b>	<b>4,015</b>	<b>(3,622)</b>	<b>8,739</b>	<b>4,298</b>	<b>3,138</b>	<b>1,303</b>

Net current assets include £938,000 of monies invested on short term deposit (2007 £968,000)

**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

*Children Matter (previously named Children's Evangelism Initiative)* the balance of donations and expenditure for the project, addressing the decline in children's church attendance

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

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

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

**Designated fund**

*CPV Subsidy* comprises monies allocated to the fund by the Trustees from general fund reserves together with donations made to the fund, its purpose is to grant subsidies to assist young people with the costs of attending Ventures

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

## 11 Future 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 2008

under leases expiring	within next year	from 1 to 2 years	from 2 to 5 years	in more than 5 years	total
	<u>£4,000</u>	<u>£16,000</u>	<u>£27,000</u>	<u>nil</u>	<u>£47,000</u>

### Capital commitments

As at 30 April 2008 the Society had not contracted for any other expenditure on fixed assets other than costs shown as already incurred (2007 £9,000)

### Other commitments

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

The Society has issued a guarantee to the Royal Bank of Scotland for overdraft facilities to enable CPV to meet its outgoings prior to completion of overseas Ventures and the consequent release to it of the monies held by the Society as trustee (see note 12 – *CYFA Pathfinder Ventures Ltd*)

## 12 Related Parties

### CYFA Pathfinder Ventures Ltd

Details of the relationship between CPV Ltd and the Society appear in the Report of the Trustees (see page 3) Included within debtors is an amount of £16,000 due to CPAS (2007 £4,000) During the year CPV Ltd reimbursed salary, accommodation and other expenses totalling £236,000 (2007 £247,000) to CPAS

CPAS acts as trustee for customers of CPV Ltd by holding monies in respect of overseas Ventures in accordance with the Package Travel, Package Holidays and Package Tours Regulations 1992 As at 30 April 2008 £1,000 (2007 £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 3 – *Report of the Trustees*)

### J F W Deacon's Mabledon Charity

This charity is administered by Church Pastoral Aid Trust as trustee acting under the direction of the Society It provides grants and assistance for training, conferences, study leave, rest and special needs to evangelical church societies and to individuals engaged in similar work Its figures are not consolidated in these financial statements It made grants to the Society totalling £55,000 in the year to 30 April 2008 (2007 £56,000)

As at 30 April 2008 no balance was due to CPAS from J F W Deacon's Mabledon Charity (2007 nil)

### 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 3 – *Report of the Trustees*) Administration charges receivable from connected charities amounted to £10,000 in the year to 30 April 2008 (2007 £11,000)