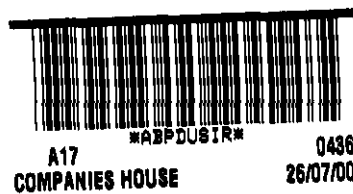


Financial Statements - 31 December 1999

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CLARENDON TRUST LIMITED

General Information

| | |
|-----------------------------------|--|
| TRUSTEES: | P V Bedford K H Brooks P D Brooks P L J Jarvis C J Karley J S Parsons A J Preston N D Ring S F Walford H J Wilmshurst |
| REGISTERED OFFICE: | 21/23 Clarendon Villas HOVE East Sussex BN3 3RE |
| SECRETARY: | H J Wilmshurst |
| CHURCH MEETING PLACE: | Church of Christ the King The Clarendon Centre New England Street BRIGHTON BN1 4GT |
| BANKERS: | National Westminster Bank Plc 103 Church Road HOVE East Sussex BN3 2BF |
| REGISTERED AUDITORS: | Mazars Neville Russell 37 Frederick Place BRIGHTON BN1 4EA |
| SOLICITORS: | Burt Brill and Cardens 30 Old Steine BRIGHTON BN1 1FL |
| REGISTERED CHARITY NUMBER: | 1069942 |
| REGISTERED COMPANY NUMBER: | 3546759 |

CLARENDON TRUST LIMITED

Trustees' Annual Report

The trustees present their report and the financial statements for the year ended 31 December 1999.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993 and regulations thereunder. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LEGAL CONSTITUTION

The company was incorporated on 16 April 1998, and was registered as a charity, registered number 1069942, on 5 June 1998. It is governed by its Memorandum and Articles of Association. On 1 January 1999 the net assets of the charity, Clarendon Trust, were transferred to Clarendon Trust Limited. The work of the Clarendon Trust has continued through the company since 1 January 1999.

The company is limited by guarantee and has no share capital.

OBJECTIVES

The main objectives of the company are to advance the Christian faith, to provide assistance for aged persons and those in conditions of need, hardship or distress, and to make gifts, donations or loans to any charitable religious institution.

REVIEW OF ACTIVITIES

The accounts on pages 5 to 14 comply with statutory requirements and the requirements of the Memorandum and Articles of Association.

The Statement of Financial Activities on page 5 shows total net incoming resources of £375,661. The company has continued to fund out of the general fund a variety of projects and activities which are in line with its stated objectives. The level of activity for the year was satisfactory and the trustees hope that this will continue for the foreseeable future. There was a surplus of £24,470 on the general fund at the year end.

The principal restricted fund operated by the company is the building fund. During the year income received specifically for this fund was applied to the repayment of loans received in earlier years to fund the construction of the Clarendon Centre. In addition, charitable tithe payments totalling £32,746 were made out of the building fund during the year.

CLARENDON TRUST LIMITED

Trustees' Report (continued)

REVIEW OF ACTIVITIES (continued)

The main asset of the company is the freehold property known as the Clarendon Centre which is used as a church meeting place.

The company is dependent upon the continued receipt of donated income. At the year end its financial position was satisfactory.

The company receives a certain amount of voluntary help. It is not possible to quantify the value of this.

YEAR 2000

The trustees are aware of the need to ensure that the company's systems are year 2000 compliant. Action has been taken to upgrade and replace those systems that did not comply.

AUDITORS

Mazars Neville Russell have signified their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the forthcoming annual general meeting.

TRUSTEES

The trustees set out below have held office during the whole of the period from 1 January 1999 to the date of this report unless otherwise stated:

P V Bedford
K H Brooks
P D Brooks (appointed 2 February 1999)
P L J Jarvis
C J Karley
J S Parsons

A J Preston
N D Ring
M N Schaitel (resigned 1 February 1999)
S F Walford
H J Wilmshurst

The company is limited by guarantee and does not have a share capital. The liability of the members is £10 each in the event of the company being wound up.

Approved by the trustees on 16/7/00
and signed on their behalf by



H J Wilmshurst
Secretary

21/23 Clarendon Villas
HOVE
East Sussex
BN3 3RE

AUDITORS' REPORT TO THE TRUSTEES OF THE CLARENDON TRUST LIMITED

We have audited the financial statements on pages 5 to 14 which have been prepared following the accounting policies set out on pages 7 and 8.

Respective responsibilities of trustees and auditors

As described on page 2, the trustees, who are also the directors of Clarendon Trust Limited for the purposes of company law, 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.

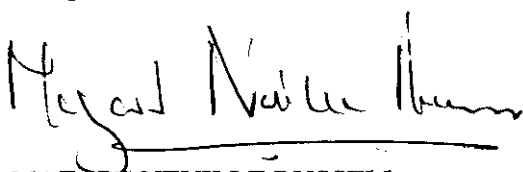
Basis of opinion

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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company at 31 December 1999 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors
BRIGHTON

16 July 2000

CLARENDON TRUST LIMITED

Statement of Financial Activities For the Year Ended 31 December 1999

| | Notes | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--|-------|----------------------------|--------------------------|-------------------|
| INCOME AND EXPENDITURE | | | | |
| Incoming resources | | | | |
| Donations and gifts | | 598,921 | 461,238 | 1,060,159 |
| Bank interest | | 379 | 3,562 | 3,941 |
| Other income | 2 | 204,517 | 901 | 205,418 |
| Total incoming resources | | <u>803,817</u> | <u>465,701</u> | <u>1,269,518</u> |
| Resources expended | | | | |
| Direct charitable expenditure | 3 | 661,247 | 111,569 | 772,816 |
| Fundraising and publicity | | 1,011 | 755 | 1,766 |
| Management and administration of the trust | 4 | 103,325 | 15,950 | 119,275 |
| Total resources expended | 5 | <u>765,583</u> | <u>128,274</u> | <u>893,857</u> |
| Net incoming resources for the year | | <u>38,234</u> | <u>337,427</u> | <u>375,661</u> |
| Funds transferred from Clarendon Trust at 1 January 1999 | | <u>(13,764)</u> | <u>1,852,968</u> | <u>1,839,204</u> |
| Balances carried forward at 31 December 1999 | 15 | <u>£24,470</u> | <u>£2,190,395</u> | <u>£2,214,865</u> |

The Statement of Financial Activities reflects the results of continuing activities for the year.

There were no recognised gains or losses other than the net incoming resources for the year.

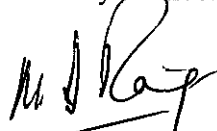
The net incoming resources for the year have been calculated on the historical cost basis.

CLARENDON TRUST LIMITED

Balance Sheet at 31 December 1999

| | Notes | £ | £ |
|---|-------|----------------|-------------------|
| TANGIBLE FIXED ASSETS | 9 | | 2,146,116 |
| CURRENT ASSETS | | | |
| Stock | 10 | 16,308 | |
| Debtors | 11 | 71,634 | |
| Cash at bank and in hand | | 98,386 | |
| | | <u>186,328</u> | |
| CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR | 12 | (110,899) | |
| NET CURRENT ASSETS | | | <u>75,429</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2,221,545 |
| CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 13 | | (6,680) |
| NET ASSETS | | | <u>£2,214,865</u> |
| ACCUMULATED FUNDS | | | |
| Unrestricted funds | | | 24,470 |
| Restricted funds | 14 | | 2,190,395 |
| TOTAL FUNDS | 15 | | <u>£2,214,865</u> |

Approved by the trustees on 16/1/00, and signed on their behalf by



N D Ring - Trustee

**Notes to the Financial Statements
For the Year Ended 31 December 1999**

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and statements of recommended practice.

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Basis of preparation

The trustees consider that donations and gifts will continue to be forthcoming. As a result, in the opinion of the trustees, adequate cash resources will be available to cover the company's requirements for working capital and capital expenditure for at least twelve months from the date that the balance sheet was approved. The accounts have therefore been prepared on the going concern basis.

(c) Donations

Donations received are recognised in the statement of financial activities when received and any related tax credits are accounted for when claimed.

(d) Allocation of expenditure

In general, expenditure is allocated between direct charitable expenditure, fundraising and publicity costs and the cost of management and administration of the company on an invoice basis. Staff costs are apportioned on the basis of actual time spent and 10% of overhead costs such as telephone, printing, postage and stationery is attributed to management and administration of the company. The administration element of other overhead costs such as light and heat and other property costs is purely incidental.

(e) Fixed assets and depreciation

Items of capital expenditure are capitalised and shown at cost as fixed assets in the balance sheet.

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. No depreciation is charged on freehold land.

Depreciation is calculated to write off the cost less estimated residual value of other fixed assets on a written down basis over their estimated useful lives.

Depreciation is charged at the following rates:

| | | |
|---|---|-----|
| Freehold buildings | - | 2% |
| Fixtures, fittings and office equipment | - | 20% |
| Motor vehicles | - | 30% |

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 1999

1 ACCOUNTING POLICIES (continued)

(f) Voluntary help

A certain amount of time is expended on the company's activities which is donated free of charge. It is not possible to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the accounts.

(g) Stock

Stock is stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method and consists of the direct cost of books, compact discs and tapes.

2 OTHER INCOME

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|--|----------------------------|--------------------------|-----------------|
| Rent receivable | 6,564 | - | 6,564 |
| Training fees | - | 901 | 901 |
| Grant from New Frontiers International | 48,127 | - | 48,127 |
| Hire of hall | 26,975 | - | 26,975 |
| Stoneleigh fees received | 17,095 | - | 17,095 |
| Conferences | 1,931 | - | 1,931 |
| Jubilee Books and Music sales | 103,825 | - | 103,825 |
| | <u>£204,517</u> | <u>£901</u> | <u>£205,418</u> |

3 DIRECT CHARITABLE EXPENDITURE

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|---------------------------------------|----------------------------|--------------------------|-----------------|
| Pastoral | 290,160 | 12,290 | 302,450 |
| Project 2000 | 106,190 | 5,515 | 111,705 |
| Mission support | 57,653 | - | 57,653 |
| Meetings and conferences | 9,655 | - | 9,655 |
| Jubilee Books and Music cost of sales | 85,371 | - | 85,371 |
| Support costs: | | | |
| Salaries and property costs | 106,626 | 93,764 | 200,390 |
| Motor expenses | 5,592 | - | 5,592 |
| | <u>£661,247</u> | <u>£111,569</u> | <u>£772,816</u> |

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 1999

4 MANAGEMENT AND ADMINISTRATION OF THE TRUST

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|-----------------------------|----------------------------|--------------------------|-----------------|
| Salaries and office costs | 94,092 | 9,524 | 103,616 |
| Legal and professional fees | 1,534 | 195 | 1,729 |
| Audit fee | 4,333 | - | 4,333 |
| Bank interest and charges | 3,366 | 6,231 | 9,597 |
| | <u>£103,325</u> | <u>£15,950</u> | <u>£119,275</u> |

5 TOTAL RESOURCES EXPENDED

| | Staff costs £ | Depreciation £ | Other costs £ | Total £ |
|---|---------------------|-------------------|---------------------|-----------------|
| Direct charitable expenditure | | | | |
| Pastoral | 247,593 | - | 54,857 | 302,450 |
| Project 2000 | 77,151 | - | 34,554 | 111,705 |
| Mission support | - | - | 57,653 | 57,653 |
| Meetings and conferences | - | - | 9,655 | 9,655 |
| Jubilee Books and Music cost of sales | 16,550 | - | 68,821 | 85,371 |
| Support costs | 30,388 | 69,498 | 106,096 | 205,982 |
| Other expenditure | | | | |
| Fundraising and publicity | - | - | 1,766 | 1,766 |
| Management and administration of the trust | 90,188 | 545 | 28,542 | 119,275 |
| | <u>£461,870</u> | <u>£70,043</u> | <u>£361,944</u> | <u>£893,857</u> |

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 1999

6 STAFF COSTS

The average number of persons employed by the company during the year was as follows:

| | Number |
|-------------------------------|--------|
| Direct charitable activities | |
| Pastoral | 9 |
| Jubilee Books and Music | 3 |
| Project 2000 | 7 |
| Support | 2 |
| | <hr/> |
| | 21 |
| Management and administration | 7 |
| | <hr/> |
| | 28 |
| | <hr/> |

No employee earned £40,000 per annum or more during the year.

7 TRUSTEES

In accordance with the company's Memorandum and Articles of Association, the following trustees received a salary from the company during the year:

| | |
|----------------|---------|
| P D Brooks | £32,047 |
| A J Preston | £31,270 |
| S F Walford | £32,841 |
| H J Wilmshurst | £23,603 |

Expenses of £2,208 were reimbursed to the trustees during the year to cover travel costs.

8 TAXATION

No corporation tax provision is necessary because the company's income is exempt from tax.

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 1999

9 TANGIBLE FIXED ASSETS

Held for use by the company

| | Freehold property £ | Fixtures, fittings and office equipment £ | Motor vehicles £ | Total £ |
|----------------------------------|---------------------------|---|------------------------|-------------------|
| COST | | | | |
| Transferred from Clarendon Trust | | | | |
| At 1 January 1999 | 2,617,636 | 187,033 | 2,350 | 2,807,019 |
| Additions | - | 56,425 | - | 56,425 |
| | <u>2,617,636</u> | <u>243,458</u> | <u>2,350</u> | <u>2,863,444</u> |
| At 31 December 1999 | <u>£2,617,636</u> | <u>£243,458</u> | <u>£2,350</u> | <u>£2,863,444</u> |
| ACCUMULATED DEPRECIATION | | | | |
| Transferred from Clarendon Trust | | | | |
| At 1 January 1999 | 549,185 | 96,902 | 1,198 | 647,285 |
| Charge for the year | 42,207 | 27,491 | 345 | 70,043 |
| | <u>591,392</u> | <u>124,393</u> | <u>1,543</u> | <u>717,328</u> |
| At 31 December 1999 | <u>£591,392</u> | <u>£124,393</u> | <u>£1,543</u> | <u>£717,328</u> |
| NET BOOK VALUES | | | | |
| At 31 December 1999 | <u>£2,026,244</u> | <u>£119,065</u> | <u>£807</u> | <u>£2,146,116</u> |

The net book value at 31 December 1999 represents fixed assets used as follows:

| | | | | |
|-------------------------------|-------------------|-----------------|-------------|-------------------|
| Direct charitable purposes | | | | |
| Church meeting centre | 2,026,244 | 97,308 | - | 2,123,552 |
| Project support premises | - | 18,617 | 807 | 19,424 |
| | <u>2,026,244</u> | <u>115,925</u> | <u>807</u> | <u>2,142,976</u> |
| Other purposes | | | | |
| Management and administration | - | 3,140 | - | 3,140 |
| | <u>£2,026,244</u> | <u>£119,065</u> | <u>£807</u> | <u>£2,146,116</u> |

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 1999

10 STOCK

| | |
|------------------|---------|
| Goods for resale | £16,308 |
|------------------|---------|

11 DEBTORS

| | |
|--|----------------|
| | £ |
| DUE WITHIN ONE YEAR | |
| Other debtors | 2,074 |
| Prepayments and accrued income | 64,309 |
| | <u>66,383</u> |
| DUE AFTER ONE YEAR | |
| Other debtors (accommodation fund loans) | 5,251 |
| | <u>£71,634</u> |

Included above are loans totalling £6,325 made from the accommodation fund. These loans are all interest-free.

12 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

| | |
|------------------------------|-----------------|
| | £ |
| Loan | 43,700 |
| Taxation and social security | 10,306 |
| Accruals and deferred income | 56,893 |
| | <u>£110,899</u> |

13 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | |
|-------------------------------|--------|
| Donations received in advance | £6,680 |
|-------------------------------|--------|

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 1999

14 RESTRICTED FUNDS

| | Transferred From Clarendon Trust | Movement in resources | | | Balance at 31 December 1999 |
|------------------------------------|---|-----------------------|-------------------|-----------|-----------------------------------|
| | 1 January 1999 | Incoming | Outgoing | Transfers | |
| | £ | £ | £ | £ | £ |
| Building Fund | 1,808,285 | 451,931 | (107,727) | (4,200) | 2,148,289 |
| Accommodation Fund | 40,395 | 1,702 | (727) | - | 41,370 |
| Alternatives Counselling Centre | 4,288 | 7,868 | (15,620) | 4,200 | 736 |
| | <u>£1,852,968</u> | <u>£461,501</u> | <u>£(124,074)</u> | <u>-</u> | <u>£2,190,395</u> |

The building fund is represented by the building and the establishment of the Clarendon Centre, and cash, less interest free loans.

The accommodation fund includes debtors, being loans advanced to people in need of accommodation. These loans are only provided against when the trustees consider them to be irrecoverable.

The Alternatives Counselling Centre is represented by cash and provides a pregnancy advisory service.

The company also operates a restricted fund called the "Special Needs Fund". This has not been separately disclosed due to its immateriality. At the year end, the balance on this fund was £39.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible fixed assets | Net current assets | Creditors due after more than one year | Total |
|---------------------------------|--------------------------|-----------------------|--|-------------------|
| | £ | £ | £ | £ |
| Restricted funds | | | | |
| Building Fund | 2,123,554 | 31,415 | (6,680) | 2,148,289 |
| Accommodation Fund | - | 41,370 | - | 41,370 |
| Alternatives Counselling Centre | - | 736 | - | 736 |
| | <u>2,123,554</u> | <u>73,521</u> | <u>(6,680)</u> | <u>2,190,395</u> |
| Unrestricted funds | 22,562 | 1,908 | - | 24,470 |
| | <u>£2,146,116</u> | <u>£75,429</u> | <u>£(6,680)</u> | <u>£2,214,865</u> |

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 1999

16 CONNECTED CHARITY

The company is connected with New Frontiers International Trust of 17 Clarendon Villas, Hove, East Sussex, BN3 3RE in that the charities have four common trustees. During the year, New Frontiers International Trust made a grant of £48,127 to Clarendon Trust Limited and Clarendon Trust Limited tithed £50,316 to New Frontiers International Trust.

Included in creditors falling due within one year is an interest-free loan of £43,700 made by New Frontiers International Trust to Clarendon Trust Limited.

17 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital.

The liability of the members is £10 each in the event of the company being wound up.