

Company number 3546759

Clarendon Trust Limited

Report and Financial Statements

Year ended 31 December 2012



CLARENDON TRUST LIMITED

Financial Statements - 31 December 2012

CONTENTS

	Page
Trustees' Report	1-7
Independent Auditors' Report	8-9
Consolidated Statement of Financial Activities	10
Balance Sheets	11
Consolidated Cash Flow Statement	12
Notes to the Financial Statements	13 -22

CLARENDON TRUST LIMITED

TRUSTEES' ANNUAL REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

Clarendon Trust Limited is a registered charity (number 1069942) and a company limited by guarantee (number 3546759)

Its registered office is
21/23 Clarendon Villas
Hove
East Sussex
BN3 3RE

The Trustees throughout the year, (unless otherwise shown), and at the date the report is signed were

K H Brooks
S J Horne
P L J Jarvis
N D Jones
N D Ring
K Wintermeyer
H Evans
J Foreman
I Bailey
K Stevens

Company Secretary
A Davis

The senior staff of the charity throughout the year were
S Boon - Elder
S Horne - Elder
N Jones - Elder
S Walford - Elder
J Virgo - Elder

The church meeting places are

Brighton Racecourse
Freshfield Road
Brighton
BN2 9XZ

Clarendon Centre
New England Street
Brighton
BN1 4GT

Shoreham Academy
Kingston Lane
Shoreham-by-Sea
BN43 6YT

The company's advisors are

Bankers
National Westminster Bank plc
103 Church Road
Hove
East Sussex
BN3 2BF

Registered Auditors
BDO LLP
2 City Place, Beehive Ring Road
Gatwick, West Sussex
RH6 0PA

Solicitors
Charles Russell
8 - 10 New Fetter Lane
London
EC4A 1RS

CLARENDON TRUST LIMITED

Trustees' Report – continued

The trustees present their report and the financial statements for the year ended 31 December 2012. The financial statements have been prepared in accordance with the accounting policies set out on pages 13 and 14 and comply with the current statutory requirements, the memorandum and Articles of Association, and the Statement of Recommended Practice Accounting and Reporting by Charities 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

The company is limited by guarantee and has no share capital. The liability of the members is £10 each in the event of the company being wound up. The charity is also known as Church of Christ The King.

Potential new trustees are recommended by the Elders of the church and are appointed by the members, if considered suitable following interview by the existing trustees. The induction process for trustees involves supplying them with copies of the Memorandum & Articles of Association, recent Accounts and Minutes of trustees' Meetings. They are also shown the work of Clarendon Trust Limited and meet with the senior staff. Opportunities for training are also made available through our lawyers and auditors. Trustees meet regularly through the year and all the major decisions of the charity are made with them in consultation with the church Elders.

Friends First is connected with Clarendon Trust Ltd (of 17 Clarendon Villas, Hove, East Sussex BN3 3RE) in that the charities have common trustees and Clarendon Trust Ltd is the sole corporate member of Friends First.

RISK MANAGEMENT

The trustees have recognised the importance of assessing and managing risk associated with the charity's objectives. The process of identifying risk is ongoing and has been an essential part of the management of the charity for some years. Clarendon Trust and its subsidiary Friends First have a set of comprehensive policies and rules in place to ensure ongoing identification, management and documentation of foreseeable risks.

Financial Sustainability is monitored through the Finance Department, Trustee meetings and sub-committees. Regular management accounts give an up-to-date picture of Clarendon Trust financial position each month.

Attention has also been focussed on non-financial risks arising from fire, health and safety, and food hygiene. Members of staff undergo relevant training on a regular basis. A comprehensive insurance policy exists to ensure that all insurable risks are covered. DBS checks are in place to safeguard young people and minimise the risk of inappropriate persons being involved in pastoral and youth work.

OBJECTIVES AND ACTIVITIES

The main objectives of the charitable 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. These objectives have not changed during the year.

Clarendon Trust Limited aims to encourage, equip and care for members of the church in Brighton and Hove as well as to work with individuals and organisations in the United Kingdom and internationally who share the charity's vision and values.

CLARENDON TRUST LIMITED

Trustees' Report – continued

The key elements of the charity's strategy are

- to preach and spread the message of the Christian gospel,
- to build and grow a community of believers who demonstrate Christian love for one another,
- to equip people for works of service both locally and internationally, and
- to engage with the local community through acts of service with a particular emphasis on the poor

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

ACHIEVEMENTS AND PERFORMANCE FOR PUBLIC BENEFIT

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Church of Christ the King was founded nearly 35 years ago. In this time we have sought to have a strategy which would bring blessing to the local City, the UK and internationally. This report reflects aspects of each of these 3 components.

1 Giving

Over the year church members have given approximately £1.7m, including recovery of tax through Gift Aid. This has been used both for the active ministries of the church and for gifts to other charitable causes.

2 Church family

Membership has remained fairly constant during 2012 with people joining and leaving in similar numbers. There continue to be over 40 nations represented in our Sunday congregation. Those whom we are in contact with and continue to visit us on a Sunday, but are not in membership, continued to grow during 2012.

There are various ministries to specific groups:

- New Horizons (over 50s) provided a weekly meeting for about 20 older members and visits to those who are housebound.
- Marriage preparation continued during 2012. We met with a number of engaged couples who have either started or completed marriage preparation material with church members.
- Our Parenting department was integrated into a new department encompassing a wider Family Life remit strengthening family life and seminars continued to run with a number of couples attending courses.

3 Multisite Strategy

During 2012 we launched another Site in the East of the city at the Brighton Racecourse venue and launched another service at our Shoreham Site taking us to 5 services in 3 venues on every Sunday. It is our intention to continue to develop as a multi-site church.

4 Development of leadership

- We continued to provide training through a Leadership Training programme called 222 which is held every 6 weeks that involves over 100 people. We also continue to gather all our leaders across our venues once a year for training and updates which amounted to being the largest number so far (400 leaders).
- Also, a number of existing and potential elders have continued to be involved in a discipleship programme through meeting with the elders regularly. This happens on a monthly basis.

CLARENDON TRUST LIMITED

Trustees' Report – continued

5 Evangelism

Sharing the good news of the gospel is core to our life as a church. Through the Alpha Course, and weekly Sunday meetings the opportunity was made for hundreds to hear the gospel. Many found a new faith and were baptised in water.

6 Young People

Regular teaching on a Sunday was given to all age groups of our young people.

7 Serving our City through Social Engagement & Community Involvement

This continued to be an important area for us during 2012. The Social Engagement ministries included the following:

- **Alternatives**

This ministry gives support to people facing an unplanned pregnancy and to those experiencing difficulties following an abortion, therapeutic termination or miscarriage.

- **Friends First Trust**

The principal activities of this subsidiary charity are the provision of housing and support, enabling access to work and learning, crisis intervention and resettlement assistance to homeless and vulnerable people.

Friends First is a partner agency in Brighton and Hove City Council's Single Homeless Strategy, and has been a provider to the Supporting People programme for Brighton and Hove since April 2003. Since its inception Friends First has grown to encompass two supported housing projects, a market garden social enterprise and recently commenced management of a drop-in for rough sleepers.

The **Friends First Drop-in** serves as a first point of contact for homeless and vulnerable men and women. A team of volunteers feeds and provides clothing for up to 80 people each week. Many clients have multiple life-controlling issues and are some of the most socially excluded members of the City.

Friends First House provides twelve homeless people with accommodation based upon a therapeutic community model. All residents are accepted on the understanding that they will be engaging in a proactive life skills programme to equip them for independent living over a period of up to 2 years.

Friends First Growing Together Project is a Market Garden in Sussex that aims to teach people how to grow fruit and vegetables skills within a supportive communal setting. This project now encompasses a rural micro-enterprise with the aim of becoming self-funding.

Friends First Farmhouse is based on a care farm model and offers five long-term unemployed men accommodation and a two-year trainee scheme in a range of skills with a structured week so that they are prepared for work.

The Community Involvement included the following:

A Night-Shelter that was run through the winter months of 2012 to give the homeless a place to sleep one night a week. This was in partnership with other local churches and charities so that the homeless had a place to stay every night of the week.

Good Friday concert – we organised a charitable musical concert on Good Friday to raise money for a local charity called Martletts that serves terminally ill patients. We raised approximately £5,000 with some local dignitaries attending.

Brighton Marathon – as a church we mobilised and encouraged our members to serve the city's marathon running event. We gave the use of our building to help the training of volunteers to the race organisers and we also ran 3 drinks stations at different locations on the 26 mile course.

Business & Enterprise – we organised an event for our members that were either involved in running their business or were thinking about starting a business up. We invited a local chamber of commerce representative to speak.

Deaf Community – we continue to have a thriving group of hearing-impaired people and host BSL training.

8 International Outreach

We continued to be involved with other related churches around the world and to play our part in supporting the training and release of church planters.

FINANCIAL REVIEW

The accounts on pages 10 to 22 comply with statutory requirements of the Memorandum and Articles of Association.

The Consolidated Statement of Financial Activities on page 10 shows total net outgoing resources of £211,222 (2011 £279,046, outgoing). The charitable 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. There was a balance of £1,002,853 (2011 £1,193,968) on the unrestricted funds at the year end.

The principal restricted fund operated by the charity is the building fund. This has been used to fund the purchase and construction of the Clarendon Centre. There is also a designated fund to meet the cost for proposed building work. The trustees are currently finalising how to proceed with this taking into account the best interests of the Trust.

The main asset of the charitable company is the freehold property known as the Clarendon Centre, which is used as a church meeting place. Additionally in 2002 a property was purchased for the purpose of establishing a Supported Housing Unit. From 1 January 2003 the activities of the Supported Housing Unit were transferred to Friends First, a company limited by guarantee and registered as a charity, established for this purpose. The results of Friends First, as a subsidiary, are consolidated into these financial statements and are included within restricted funds.

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

RESERVES POLICY

Clarendon Trust's reserves policy is to maintain a sufficient level of reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time.

The policy is reviewed annually by the Trustees.

The charity has a number of restricted and designated funds, details of which are given in notes 11 and 12 to the financial statements. These funds which would only be realised by disposing of fixed assets held for charity use are also excluded from the figure for free reserves.

CLARENDON TRUST LIMITED

Trustees' Report – continued

The level of reserves is monitored throughout the year and it is the charity's policy to maintain sufficient cash reserves to ensure both the small ongoing operations of the charity and to cope with any emergencies or opportunities that arise

The trustees consider that the charity needs to maintain free reserves of three months unrestricted expenditure. At 31 December 2012, free reserves were £482,170 compared to a figure of £495,487 for three months unrestricted expenditure and were therefore slightly under this target

PLANS FOR FUTURE PERIODS

Clarendon Trust Limited's key objectives for the future are to continue the communication of the Christian gospel in a clear and contextually relevant way and to develop the growing work of service to the community and internationally both through the work of the charity as an organisation and through the individual members of it

During 2012 we launched a 5th Sunday service in our Shoreham site and we are planning in 2013 for a 4th site in the city in Hove

The Leadership of the Trust have a strategic and financial plan which is shaping major decisions

The primary aim of this plan is to see continued growth in our Sunday congregations, more effective care of our membership and continued outreach to those in need in our society

We have also started a new charity called The Oaks Trust. Its purpose is to provide positive social transformation to individuals and communities. This new Trust will encompass Alternatives Pregnancy Counselling Service and other community projects

TRUSTEES RESPONSIBILITIES

The Trustees, who are also directors for Companies Act purposes, are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

CLARENDON TRUST LIMITED

Trustees' Report – continued

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

AUDITORS

All of the current trustees have taken all steps that they ought to have taken to make themselves aware of any information needed by the Trusts' auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be approved at the Annual General Meeting.

Approved by the trustees on *26th June 2013* and signed on their behalf by



N D Ring (Trustee)

21/23 Clarendon Villas
Hove
East Sussex
BN3 3RE

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CLARENDON TRUST LIMITED

We have audited the financial statements of Clarendon Trust Limited for the year ended 31 December 2012 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on pages 6 and 7), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2012, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CLARENDON TRUST LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Don Bawtree Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

Date 4 July 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

CLARENDON TRUST LIMITED

Consolidated Statement of Financial Activities (including income and expenditure account) For the Year Ended 31 December 2012

INCOMING RESOURCES	Notes	Unrestricted funds	Restricted funds	Total funds 2012	Total funds 2011
		£	£	£	£
Incoming resources from generated funds					
Voluntary income	2	1,741,810	57,033	1,798,843	2,014,186
Investment income		2,910	-	2,910	8,259
Incoming resources from charitable activities					
Supported Housing		-	293,900	293,900	239,907
Conferences and other events		89,348	-	89,348	156,178
Trading activities		23,789	-	23,789	27,680
Total incoming resources		<u>1,857,857</u>	<u>350,933</u>	<u>2,208,790</u>	<u>2,446,210</u>
Resources expended					
Cost of generating funds					
Fundraising and publicity		36,247	-	36,247	29,627
Charitable activities					
Conference costs		49,933	-	49,933	90,447
Bookshop costs		16,881	-	16,881	21,898
Pastoral costs		1,095,500	83,265	1,178,765	1,405,505
Mission support costs		767,324	46,289	813,613	903,701
Supported Housing Unit		-	308,512	308,512	256,315
Governance Costs	4	<u>16,061</u>	<u>-</u>	<u>16,061</u>	<u>17,763</u>
Total resources expended	3	<u>1,981,946</u>	<u>438,066</u>	<u>2,420,012</u>	<u>2,725,256</u>
Net (outgoing) resources before transfers		(124,089)	(87,133)	(211,222)	(279,046)
Transfers		<u>(67,026)</u>	<u>67,026</u>	<u>-</u>	<u>-</u>
Net movement in funds		(191,115)	(20,107)	(211,222)	(279,046)
Fund balances brought forward at 1 January 2012		<u>1,193,968</u>	<u>1,793,522</u>	<u>2,987,490</u>	<u>3,266,536</u>
Fund balances carried forward at 31 December 2012	13	<u><u>1,002,853</u></u>	<u><u>1,773,415</u></u>	<u><u>2,776,268</u></u>	<u><u>2,987,490</u></u>

The Statement of Financial Activities reflects the results of continuing activities for the year. There were no recognised gains or losses for the year other than those shown on the Consolidated Statement of Financial Activities.


The notes on pages 13 to 22 form part of these financial statements

CLARENDON TRUST LIMITED

Balance Sheets at 31 December 2012

	Notes	2012 Group £	2011 Group £	2012 Charity £	2011 Charity £
FIXED ASSETS					
Tangible assets	7	2,379,181	2,472,789	2,375,376	2,468,045
CURRENT ASSETS					
Stock	8	11,378	10,327	11,378	10,327
Debtors	9	115,251	123,630	108,621	118,503
Cash at bank and in hand		381,523	471,876	343,586	455,595
		<u>508,152</u>	<u>605,833</u>	<u>463,585</u>	<u>584,425</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(111,065)</u>	<u>(91,132)</u>	<u>(113,707)</u>	<u>(76,180)</u>
NET CURRENT ASSETS		<u>397,087</u>	<u>514,701</u>	<u>349,878</u>	<u>508,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		<u><u>2,776,268</u></u>	<u><u>2,987,490</u></u>	<u><u>2,725,254</u></u>	<u><u>2,976,290</u></u>
FUNDS					
Unrestricted funds					
General funds	11	696,263	767,613	696,263	767,613
Designated funds	11	306,590	426,355	306,590	426,355
Restricted funds	12	<u>1,773,415</u>	<u>1,793,522</u>	<u>1,722,401</u>	<u>1,782,322</u>
TOTAL FUNDS	13	<u><u>2,776,268</u></u>	<u><u>2,987,490</u></u>	<u><u>2,725,254</u></u>	<u><u>2,976,290</u></u>

Approved by the trustees, signed on their behalf by and authorised for issue on *20th June 2013*



N D Ring (Trustee)

The notes on pages 13 to 22 form part of these financial statements

CLARENDON TRUST LIMITED

Consolidated Cash Flow Statement For the year ended 31 December 2012

	Notes	2012		2011	
		£	£	£	£
Reconciliation of net movement in funds to net cash flows from operating activities					
Net movement in funds		(211,222)		(279,046)	
Investment income		(2,910)		(8,259)	
Depreciation	7	121,236		128,331	
Increase in stock		(1,051)		1,503	
Decrease in debtors		8,381		239,542	
Increase in creditors		19,932		(121,868)	
Net cash (outflow) from operating activities			(65,634)		(39,797)
Returns on investments and servicing of finance					
Investment income received		2,910		8,259	
Net cash inflow from returns on investments and servicing of finance			2,910		8,259
Capital expenditure					
Purchase of tangible fixed assets	7	(27,629)		(199,869)	
Net cash outflow from capital expenditure			(27,629)		(199,869)
(Decrease) in cash in the year			(90,353)		(231,407)
Reconciliation of net cash flow to movement in net cash funds					
Net funds at beginning of the year			471,876		703,283
Change in net funds during the year			(90,353)		(231,407)
Net funds at end of the year			381,523		471,876

The notes on pages 13 to 22 form part of these financial statements

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and with the 2005 Statement of Recommended Practice (SORP 2005) 'Accounting and Reporting by Charities', the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

(a) Basis of preparation

Consolidated accounts have been prepared which consolidate the results of Clarendon Trust Limited and Friends First on a line by line basis. A separate Statement of Financial Activities, or Income and Expenditure Account, has not been presented for the charitable company itself as it has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2005.

The gross income of Clarendon Trust Limited itself was £1,914,890 (2011 £2,206,303) and its net outgoing resources were £196,610 (2011 outgoing £262,639)

(b) Donations

Donations received are recognised in the statement of financial activities when received together with any related tax credits.

(c) Jubilee Books and Music sales

Turnover from the Jubilee Books and Music shop is recognised on an invoice basis although most income is received from cash sales recognised at time of sale.

(d) Allocation of expenditure

Expenditure is allocated between cost of generating funds, charitable expenditure, support costs and the cost of management and administration of the charitable company on an invoice basis. Overhead and Support costs have been allocated to charitable activities. Staff costs are apportioned on the basis of actual time spent.

Governance costs comprise all costs involving public accountability of the group and its compliance with regulation and good practice.

(e) Fixed assets and depreciation

Capital expenditure is 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 taken in full in the first year and calculated to write off the cost less estimated residual value on a written down basis over their estimated useful lives. The rates are

Freehold Property	2%
Fixtures, Fittings and Office Equipment	20%
Motor Vehicles	30%

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

(f) Leases

Equipment acquired under finance leases is included in fixed assets at an amount representing the capital element of the related rental payments. The interest element is included in expenditure in proportion to the reducing element outstanding. The equipment is depreciated over the shorter of the lease term and the expected useful life of the asset. Costs in respect of the operating leases are charged on a straight line basis over the lease term.

(g) Voluntary assistance

A certain amount of time is expended on the charitable 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 financial statements.

(h) 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.

(i) Taxation

All of the charitable company's activities and income are exempt from direct taxation.

(j) Pensions

The charitable company contributes to defined contribution pension schemes. The charge to the Consolidated Statement of Financial Activities for 2012 was £91,959 (2011: £119,225).

(k) Fund accounting

An explanation of the nature and purpose of each fund is included in the notes to the financial statements. Funds held by the charity are either

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2 VOLUNTARY INCOME

	2012	2011
	£	£
Donations and other funding	1,735,742	1,619,748
Grant from New Frontiers International Trust Ltd	6,068	341,446
Restricted donations and grants	57,033	52,992
	<u>1,798,843</u>	<u>2,014,186</u>

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

3 TOTAL RESOURCES EXPENDED

	Depreciation	Staff Costs	Other Costs	Total 2012	Total 2011
	£	£	£	£	£
Conference costs	-	5,373	44,560	49,933	90,447
Bookshop costs	709	5,374	10,798	16,881	21,898
Fundraising and publicity	-	32,242	4,005	36,247	29,627
Pastoral costs	84,170	770,434	324,161	1,178,765	1,405,505
Mission Support costs	31,292	293,588	488,733	813,613	903,701
Supported Housing Unit	5,065	226,571	76,876	308,512	256,315
Governance Costs	-	-	16,061	16,061	17,763
	<u>121,236</u>	<u>1,333,582</u>	<u>965,194</u>	<u>2,420,012</u>	<u>2,725,256</u>

4 GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total 2012	Total 2011
	£	£	£	£
Legal and professional fees	1,589	-	1,589	3,500
Audit fee	14,472	-	14,472	14,263
	<u>16,061</u>	<u>-</u>	<u>16,061</u>	<u>17,763</u>

5 TRUSTEES

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

	Salary		Pension	
J P Foreman	£41,089	(2011 – £13,433)	£2,876	(2011 – £719)
S J Horne	£44,128	(2011 – £43,645)	£3,310	(2011 – £3,273)
N Jones	£44,613	(2011 – £44,613)	£4,461	(2011 – £4,461)
N D Ring	Retired	(2011 – £37,482)	Retired	(2011 – £16,007)

All Pension contributions were paid under a defined contribution scheme

In addition, remuneration was paid to two related parties amounting to £38,046 as permitted by the constitution

There were no reimbursed expenses paid to trustees (2012 nil)

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

6 STAFF COSTS

Group	2012 £	2011 £
Gross salaries	1,135,886	1,264,745
Social security costs	105,537	118,373
Pension costs	91,959	119,225
	<u>1,333,582</u>	<u>1,502,343</u>

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

	2012 Number	2011 Number
Pastoral and Mission Support	24	27
Jubilee Books and Music	1	1
Supported Housing Unit	10	8
Support and administration	14	18
	<u>49</u>	<u>54</u>

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

7 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings and office equipment £	Total £
COST			
Parent Company			
At 1 January 2012	3,477,585	870,046	4,347,631
Additions	-	23,502	23,502
Disposals	-	-	-
At 31 December 2012	3,477,585	893,548	4,371,133
Subsidiary at 1 January 2012	-	25,645	25,645
Additions	-	4,127	4,127
Subsidiary at 31 December 2012	-	29,722	29,722
Group at 31 December 2012	3,477,585	923,320	4,400,905
ACCUMULATED DEPRECIATION			
Parent Company			
At 1 January 2012	1,269,868	609,718	1,879,586
Charge for the year	59,406	56,765	116,171
At 31 December 2012	1,329,274	666,483	1,995,757
Subsidiary			
At 1 January 2012	-	20,902	20,902
Charge for the year	-	5,065	5,065
At 31 December 2012	-	25,967	25,967
Group at 31 December 2012	1,329,274	692,450	2,021,724
NET BOOK VALUES			
Parent Company at 31 December 2012	2,148,311	227,065	2,375,376
Subsidiary at 31 December 2012	-	3,805	3,805
Group at 31 December 2012	2,148,311	230,870	2,379,181
At 31 December 2011	2,207,717	260,328	2,468,045

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

8 STOCK

Group and parent company	2012 £	2011 £
Goods for resale	11,378	10,327

9 DEBTORS

	2012 Group £	2011 Group £	2012 Charity £	2011 Charity £
DUE WITHIN ONE YEAR				
Other debtors	10,736	13,828	10,736	13,828
Prepayments and accrued income	104,515	109,802	97,885	104,675
	<u>115,251</u>	<u>123,630</u>	<u>108,621</u>	<u>118,503</u>

10 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 Group £	2011 Group £	2012 Charity £	2011 Charity £
Taxation and social security	678	1,716	678	1,716
Accruals and deferred income	110,387	89,416	113,029	74,464
	<u>111,065</u>	<u>91,132</u>	<u>113,707</u>	<u>76,180</u>

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

11 UNRESTRICTED FUNDS

Group and Charity	Balance at	Movement in resources			Balance at
	1 January 2012 £	Incoming £	Outgoing £	Transfers £	31 December 2012 £
Designated fund					
Gift Day fund	145,619	549,110	(91,551)	(485,771)	117,407
Apostolic fund	12,459	-	(10,500)	-	1,959
Missions fund	48,489	-	(14,334)	22,050	56,205
Impact student fund	18,162	-	(18,572)	410	-
Alternatives fund	18,226	-	-	(12,601)	5,625
Contingency fund	10,306	988	(25,961)	14,738	71
Building fund	156,219	10,901	(50,051)	(5,727)	111,342
Conferences	-	19,060	(16,788)	-	2,272
Recession emergency fund	16,875	300	(5,466)	-	11,709
General fund	767,613	1,277,498	(1,748,723)	399,875	696,263
	<u>1,193,968</u>	<u>1,857,857</u>	<u>(1,981,946)</u>	<u>(67,026)</u>	<u>1,002,853</u>

The **Gift Day fund** is the balance of monies raised through Gift Days during the year and allocated but not yet spent

The **Apostolic fund** represents contributions and donations for CCK's work in supporting church planting in Europe

The **Missions fund** has been established to encourage and enable all aspects of outreach and mission from the church

The **Impact student fund** allows for funds to be set aside to provide contributions for those who are part of the Impact training course

The **Alternatives fund** has been created to provide for costs associated with the second of a two year cycle relating to a pregnancy advisory service

The **Contingency fund** was set aside from the surpluses of Gift Day funds to meet the costs of any items that fit into the aims of gift days but which arose on a more ad hoc basis

The **Building fund** was established to meet the costs of building work

The **Recession emergency fund** was established to assist people in financial difficulty in the current economic downturn

The **Conferences Fund** represents donations and contributions as well as expenditure relating to the Clearvision conference held over the turn of the year

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

12 RESTRICTED FUNDS

Group	Balance at 1 January 2012 £	Movement in resources			Balance at 31 December 2012 £
		Incoming £	Outgoing £	Transfers £	
Building fund	1,529,855	-	(44,560)	-	1,485,295
Alternatives	7,812	25,589	(34,386)	12,601	11,616
Supported Housing Unit	240,609	-	(18,089)	-	222,520
Oasis En Gedi	3,241	25,794	(28,200)	-	835
Charities Concert	-	2,519	(2,495)	-	24
BSL Course	405	40	(32)	-	413
Embracing the Poor	400	3,091	(1,793)	-	1,698
Charity sub total	1,782,322	57,033	(129,555)	12,601	1,722,401
Friends First	11,200	293,900	(308,511)	54,425	51,014
	1,793,522	350,933	(438,066)	67,026	1,773,415

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

Alternatives is represented by cash and provides a pregnancy advisory service

The **Supported Housing Unit fund** is represented by the building and refurbishment of 60 Wilbury Road, associated liabilities plus cash and provides a hostel service

Oasis En Gedi is a fund which support individuals working overseas as missionaries

The **Charities Concert Fund** represents donations and expenditure related to a charitable concert organised by CCK on Good Friday

The **BSL course** represents contributions and donations relating to the CCK deaf ministry

The **Embracing the Poor Fund** represents contributions and donations relating to CCK's work with the poor

Friends First is the general fund from the subsidiary

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Restricted funds				
Building fund	1,486,966	(1,671)	-	1,485,295
Alternatives	-	11,616	-	11,616
Supported Housing Unit fund	674,316	(451,796)	-	222,520
Oasis En Gedi	-	835	-	835
Charity Concert	-	24	-	24
BSL Course	-	413	-	413
Embracing the Poor fund	-	1,698	-	1,698
Charity sub total	2,161,282	(438,881)	-	1,722,401
Subsidiary Friends First	3,806	47,208	-	51,014
	2,165,088	(391,673)	-	1,773,415
Unrestricted funds				
General funds	214,093	482,170	-	696,263
Designated funds	-	306,590	-	306,590
	2,379,181	397,087	-	2,776,268

14 CONNECTED CHARITY

The charitable company is connected with New Frontiers International Trust Limited (Eurocentres, 21 Meadowcourt Road, Lee, London, SE3 9EU) in that the charities have one common trustee. During the year, New Frontiers International Trust Limited (Newfrontiers) made a grant of £6,068 (2011 - £341,447) to Clarendon Trust Limited and Clarendon Trust Limited gave £80,000 (2011 - £106,616) to Newfrontiers. The trustees do not consider that Clarendon Trust Limited controls Newfrontiers.

Included in debtors within one year is an amount of £736 owing from New Frontiers.

Some staff of Clarendon Trust Limited spend time working for both the charitable company and Newfrontiers. These staff are paid by Clarendon Trust Limited and part of the grant from Newfrontiers is a reimbursement for the proportion of these salaries which relates to Newfrontiers. All staff in this situation are the subject of joint contracts of employment.

15 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.

CLARENDON TRUST LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

16 COMMITMENT

At 31 December 2012, the group was committed to making the following payment under a non-cancellable operating lease in the year to 31 December 2012

	2012	2011
	£	£
Operating lease which expires		
Less than 1 year	-	-
Within 2 to 5 years	£9,913	£8,569
	<u>£9,913</u>	<u>£8,569</u>

17 SUBSIDIARY

During 2003, the activities of the Supported Housing Unit were taken over by Friends First, a subsidiary under the control of Clarendon Trust Limited. The net surplus funds of the subsidiary at 31 December 2012 were £51,014 (2011 £11,200). During the year ended 31 December 2012, Friends First generated incoming resources of £293,900 and expended resources of £308,511.

18 RELATED PARTY TRANSACTIONS

The charity has taken advantage of the exemption conferred by Financial Reporting Standard No 8 "Related Party Transactions" not to disclose transactions with undertakings in which 100% or more of the voting rights are controlled by Clarendon Trust Limited. These undertakings results have been included within the consolidated financial statements of Clarendon Trust Limited.