

Company number 3546759

**Clarendon Trust Limited**  
Report and Financial Statements  
Year ended 31 December 2013

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# **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 (retired on 4<sup>th</sup> November 2013)  
S J Horne  
P L J Jarvis  
N D Jones  
N D Ring  
K Wintermeyer (retired on 10<sup>th</sup> October 2013)  
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	Clarendon Centre		Shoreham Academy
Freshfield Road	New England Street	21-23 Clarendon Villas	Kingston Lane
Brighton	Brighton	Hove	Shoreham-by-Sea
BN2 9XZ	BN1 4GT	BN3 3RE	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 2013. 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's financial position each month and cashflow forecasts monitors the organisation's liquidity.

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 in various areas of church life including administration, children's work, Sunday services, social engagement ministries. 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 over 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 £1.9m, 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 decreased slightly during 2013 with some people leaving, however attendance has increased. 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 2013.

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 2013. We met with a number of engaged couples who have either started or completed marriage preparation material with church members.
- Our Parenting department continues to encompass a wider Family Life remit strengthening family life and seminars continued to run with a number of couples attending courses.

#### **3. Multisite Strategy**

During 2013 we launched a 4th Site in Central Hove taking us to 6 services in 4 venues on every Sunday. It is our intention to continue to develop as a multi-site church launching more services in 2014.

#### **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 gathered all our leaders across our venues once a year for training and updates which amounted to over 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 2013. 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. Friends First grew to encompass two supported housing projects, a market garden social enterprise and a drop-in for rough sleepers. In 2013 Friends First underwent organisational and strategic changes and it was decided to cease some of the projects, while exploring new opportunities of a similar nature more locally.

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** was a Market Garden in West Sussex that aimed to teach people how to grow fruit and vegetables skills within a supportive communal setting. This project was run up-to April 2013. The skills learnt here are shaping plans for further projects within urban settings in 2014.

**Friends First Farmhouse** was based on a care farm model and offered 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. Some of the men housed here found jobs. This project was run up to April 2013. The skills learnt here are shaping plans for further small houses (4 to 5 residents maximum) within urban settings in 2014.

## CLARENDON TRUST LIMITED

### Trustees' Report – continued

The Community Involvement included the following:

A **Night-Shelter** was run through the winter months of 2013 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 Blind Veterans UK that trains and rehabilitates blind ex-service men and women. 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 2 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 £188,774 (2012: £211,222, 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 £837,773 (2012: £1,002,853) 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.

## **CLARENDON TRUST LIMITED**

### **Trustees' Report – continued**

#### **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.

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 2013, free reserves were £433,658 compared to a figure of £427,011 for three months General Fund expenditure and were therefore slightly over 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.

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 meetings, more effective care of our membership and continued outreach to those in need in our society.

During 2013 CCK launched a 6<sup>th</sup> Sunday service in Clarendon Villas in Hove. In 2014 it is CCK's plan to start a further 2 services to make it eight Sunday services in total.

During 2013 CCK supported a church plant in Berlin by seconding a church elder to that church, regular visits and training, and building strong relationships with the congregation. In 2014 CCK aims to continue that support and also initiate another church plant in Amsterdam.

At the social engagement level Friends First are planning to launch a work and training programme called 'Aspire' pathway. The programme aims to teach clients relevant skills and move them towards being ready for employment.

#### **TRUSTEES RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

## CLARENDON TRUST LIMITED

### Trustees' Report – continued

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- 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 are sufficient to show and explain the charity's transactions and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

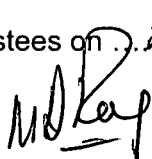
### AUDITORS

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.

In preparing this trustees' report advantage has been taken of the small companies' exemption.

Approved by the trustees on ... 22/7/14 ..... and signed on their behalf by



N D Ring (Trustee)

21/23 Clarendon Villas  
Hove  
East Sussex  
BN3 3RE



## **INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF CLARENDON TRUST LIMITED**

We have audited the financial statements of Clarendon Trust Limited for the year ended 31 December 2013 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 trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees and 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 trustees and 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 Statement of Trustees' Responsibilities, 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2013, 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 and the Charities Act 2011.

### **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.

### **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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the trustees' report or the exemption from the requirements to prepare a strategic report.

*SB Lef*

Andrew Stickland, Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

Date: *22 July 2014*

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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 2013

INCOMING RESOURCES	Notes	Unrestricted funds	Restricted funds	Total funds 2013	Total funds 2012
		£	£	£	£
<b>Incoming resources from generated funds</b>					
Voluntary income	2	1,887,524	37,489	1,925,013	1,798,843
Investment income		2,392	-	2,392	2,910
<b>Incoming resources from charitable activities</b>					
Supported Housing		-	349,903	349,903	293,900
Conferences and other events		129,645	-	129,645	89,348
Trading activities		23,419	-	23,419	23,789
<b>Total incoming resources</b>		<u>2,042,980</u>	<u>387,392</u>	<u>2,430,372</u>	<u>2,208,790</u>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Fundraising and publicity		35,755	-	35,755	36,247
<b>Charitable activities</b>					
Conference costs		46,950	-	46,950	49,933
Bookshop costs		18,463	-	18,463	16,881
Pastoral costs		1,285,745	88,091	1,373,836	1,178,765
Mission support costs		738,951	35,586	774,537	813,613
Supported Housing Unit		-	353,030	353,030	308,512
<b>Governance Costs</b>	4	<u>16,575</u>	<u>-</u>	<u>16,575</u>	<u>16,061</u>
<b>Total resources expended</b>	3	<u>2,142,439</u>	<u>476,707</u>	<u>2,619,146</u>	<u>2,420,012</u>
<b>Net (outgoing) resources before transfers</b>		(99,459)	(89,315)	(188,774)	(211,222)
Transfers	11/12	<u>(65,621)</u>	<u>65,621</u>	<u>-</u>	<u>-</u>
Net movement in funds		(165,080)	(23,694)	(188,774)	(211,222)
Fund balances brought forward at 1 January 2013		<u>1,002,853</u>	<u>1,773,415</u>	<u>2,776,268</u>	<u>2,987,490</u>
<b>Fund balances carried forward at 31 December 2013</b>	13	<u>837,773</u>	<u>1,749,721</u>	<u>2,587,494</u>	<u>2,776,268</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 2013

	Notes	2013 Group £	2012 Group £	2013 Charity £	2012 Charity £
<b>FIXED ASSETS</b>					
Tangible assets	7	2,312,390	2,379,181	2,309,501	2,375,376
<b>CURRENT ASSETS</b>					
Stock	8	10,917	11,378	10,917	11,378
Debtors	9	118,421	115,251	112,018	108,621
Cash at bank and in hand		220,946	381,523	163,505	343,586
		<u>350,284</u>	<u>508,152</u>	<u>286,440</u>	<u>463,585</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	<u>(75,180)</u>	<u>(111,065)</u>	<u>(96,329)</u>	<u>(113,707)</u>
<b>NET CURRENT ASSETS</b>		<u>275,104</u>	<u>397,087</u>	<u>190,111</u>	<u>349,878</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>		<u><u>2,587,494</u></u>	<u><u>2,776,268</u></u>	<u><u>2,499,612</u></u>	<u><u>2,725,254</u></u>
<b>FUNDS</b>					
<b>Unrestricted funds</b>					
General funds	11	643,878	696,263	643,878	696,263
Designated funds	11	193,895	306,590	193,895	306,590
<b>Restricted funds</b>	12	<u>1,749,721</u>	<u>1,773,415</u>	<u>1,661,839</u>	<u>1,722,401</u>
<b>TOTAL FUNDS</b>	13	<u><u>2,587,494</u></u>	<u><u>2,776,268</u></u>	<u><u>2,499,612</u></u>	<u><u>2,725,254</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees, signed on their behalf by and authorised for issue on... 22/7/14 .....



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 2013

	Notes	2013		2012	
Reconciliation of net movement in funds to net cash flows from operating activities		£	£	£	£
Net movement in funds		(188,774)		(211,222)	
Investment income		(2,392)		(2,910)	
Depreciation	7	117,982		121,236	
Decrease in stock		461		(1,051)	
Increase in debtors		(3,169)		8,381	
Decrease in creditors		(35,885)		19,932	
<b>Net cash (outflow) from operating activities</b>			<b>(111,777)</b>		<b>(65,634)</b>
<b>Returns on investments and servicing of finance</b>					
Investment income received		2,392		2,910	
<b>Net cash inflow from returns on investments and servicing of finance</b>			<b>2,392</b>		<b>2,910</b>
<b>Capital expenditure</b>					
Purchase of tangible fixed assets	7	(51,192)		(27,629)	
<b>Net cash outflow from capital expenditure</b>			<b>(51,192)</b>		<b>(27,629)</b>
<b>(Decrease) in cash in the year</b>			<b>(160,557)</b>		<b>(90,353)</b>
<b>Reconciliation of net cash flow to movement in net cash funds</b>					
Net funds at beginning of the year			381,523		471,876
Change in net funds during the year			(160,577)		(90,353)
<b>Net funds at end of the year</b>			<b>220,946</b>		<b>381,523</b>

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 2013

### 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 £2,080,469 (2012: £1,914,890) and its net outgoing resources were £185,647 (2012: outgoing £196,610).

#### (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 when entitled to receipt 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 accruals 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

Freehold property and fixtures, fittings and office equipment are capitalised at their historic cost and stated at cost less depreciation. 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 2013

#### **(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**

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period

#### **(j) Pensions**

The charitable company contributes to defined contribution pension schemes. The charge to the Consolidated Statement of Financial Activities for 2013 was £87,377 (2012: £91,959).

#### **(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.

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2013

### 2 VOLUNTARY INCOME

	2013	2012
	£	£
Donations and other funding	1,876,208	1,735,742
Grant from Newfrontiers Trust Ltd	11,317	6,068
Restricted donations and grants	37,489	57,033
	<u>1,925,013</u>	<u>1,798,843</u>

### 3 TOTAL RESOURCES EXPENDED

	Depreciation	Staff Costs	Other Costs	Total 2013	Total 2012
	£	£	£	£	£
Conference costs	-	5,323	41,627	46,950	49,933
Bookshop costs	568	5,323	12,572	18,463	16,881
Fundraising and publicity	-	31,937	3,818	35,755	36,247
Pastoral costs	83,080	766,458	524,298	1,373,836	1,178,765
Mission Support costs	30,908	302,926	440,703	774,537	813,613
Supported Housing Unit	3,426	218,154	131,450	353,030	308,512
Governance Costs	-	-	16,575	16,575	16,061
	<u>117,982</u>	<u>1,330,121</u>	<u>1,171,043</u>	<u>2,619,146</u>	<u>2,420,012</u>

### 4 GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total 2013	Total 2012
	£	£	£	£
Legal and professional fees	2,173	-	2,173	1,589
Audit fee	14,402	-	14,402	14,472
	<u>16,575</u>	<u>-</u>	<u>16,575</u>	<u>16,061</u>



## CLARENDON TRUST LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2013

#### 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	£42,312	(2012 – £41,089)	£2,962	(2012 – £2,876)
S J Horne	£45,058	(2012 – £44,128)	£3,379	(2012 – £3,310)
N Jones	£45,058	(2012 – £44,613)	£4,506	(2012 – £4,461)

All Pension contributions were paid under a defined contribution scheme.

In addition, remuneration was paid to three related parties amounting to £40,256 as permitted by the constitution. (2012: £38,046)

The related parties are:

- Irene Brooks (employee, received salary and redundancy payment)
- Jacqui Jarvis (contracted services, fees for counselling work)
- Alexis Foreman (contracted services, fees for graphic design work)

There were no reimbursed expenses paid to trustees (2013: nil).

#### 6 STAFF COSTS

Group	2013 £	2012 £
Gross salaries	1,137,871	1,135,886
Social security costs	104,874	105,537
Pension costs	87,377	91,959
	<u>1,330,122</u>	<u>1,333,382</u>

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

	2013 Number	2012 Number
Pastoral and Mission Support	22	24
Jubilee Books and Music	1	1
Supported Housing Unit	9	10
Support and administration	14	14
	<u>46</u>	<u>49</u>

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2013

### 7 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings and office equipment £	Total £
<b>COST</b>			
Parent Company			
At 1 January 2013	3,477,585	893,548	4,317,133
Additions	-	48,681	48,681
Disposals	-	-	-
At 31 December 2013	<u>3,477,585</u>	<u>942,229</u>	<u>4,419,814</u>
Subsidiary at 1 January 2013	-	29,771	29,771
Additions	-	2,511	2,511
Subsidiary at 31 December 2013	-	32,282	32,282
Group at 31 December 2013	<u>3,477,585</u>	<u>974,511</u>	<u>4,452,096</u>
<b>ACCUMULATED DEPRECIATION</b>			
Parent Company			
At 1 January 2013	1,329,274	666,483	1,995,757
Charge for the year	59,406	55,150	114,556
At 31 December 2013	<u>1,388,680</u>	<u>721,633</u>	<u>2,110,313</u>
Subsidiary			
At 1 January 2013	-	25,967	25,967
Charge for the year	-	3,426	3,426
At 31 December 2013	-	29,393	29,393
Group at 31 December 2013	<u>1,388,680</u>	<u>751,026</u>	<u>2,139,706</u>
<b>NET BOOK VALUES</b>			
Parent Company at 31 December 2013	<u>2,088,905</u>	<u>220,596</u>	<u>2,309,501</u>
Subsidiary at 31 December 2013	-	2,889	2,889
Group at 31 December 2013	<u>2,088,905</u>	<u>223,485</u>	<u>2,312,390</u>
At 31 December 2012	<u>2,148,311</u>	<u>230,870</u>	<u>2,379,181</u>

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2013

### 8 STOCK

Group and parent company	2013 £	2012 £
Goods for resale	10,917	11,378

### 9 DEBTORS

	2013 Group £	2012 Group £	2013 Charity £	2012 Charity £
DUE WITHIN ONE YEAR				
Other debtors	10,030	10,736	10,030	10,736
Prepayments and accrued income	108,391	104,515	101,988	97,885
	<u>118,421</u>	<u>115,251</u>	<u>112,018</u>	<u>108,621</u>

### 10 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 Group £	2012 Group £	2013 Charity £	2012 Charity £
Taxation and social security	510	678	510	678
Accruals and deferred income	74,670	110,387	95,819	113,029
	<u>75,180</u>	<u>111,065</u>	<u>96,329</u>	<u>113,707</u>

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2013

### 11 UNRESTRICTED FUNDS

Group and Charity	Balance at	Movement in resources			Balance at
	1 January 2013 £	Incoming £	Outgoing £	Transfers £	31 December 2013 £
<b>Designated fund</b>					
Gift Day fund	117,407	654,761	(9,748)	(701,728)	60,692
Apostolic fund	1,959	-	(2,000)	41	-
Church Planting fund	56,205	8,000	(65,552)	24,478	23,131
Urban Impact Fund	-	15,395	(4,557)	40,000	50,838
Impact student fund	-	-	(24,039)	24,039	-
Connaught Room Fund	-	22,113	(252)	-	21,861
Alternatives fund	5,625	72	-	6,374	12,072
Contingency fund	71	503	(12,268)	25,426	13,731
Building fund	111,342	-	(311,932)	200,590	-
Conferences	2,272	1,637	(2,020)	-	1,889
Recession emergency fund	11,709	-	(2,028)	-	9,681
<b>General fund</b>	696,263	1,340,499	(1,708,043)	315,159	643,878
	<u>1,002,853</u>	<u>2,042,980</u>	<u>(2,142,439)</u>	<u>(65,621)</u>	<u>837,773</u>

The **Gift Day fund** is the balance of monies raised through three Gift Days during the year and allocated but not yet spent. The Gift Days relate to 'Serving the City', 'Multisite' and 'Church Planting'. The raised funds are then transferred to various designated and restricted funds in line with the relevant Gift Day appeal.

The **Apostolic fund** represents donations for supporting a Montpellier church plant.

The **Church planting fund** has been established to for CCK's work in supporting church planting in Western Europe.

The **Urban Impact Fund** represents funds relating to Social Engagement ministries such as the Food Bank, etc.

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 **Connaught Room Fund** represents contributions for repair work at Clarendon Villas.

The **Alternatives fund** has been created to provide for costs associated with the 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 2013

### 12 RESTRICTED FUNDS

Group	Balance at	Movement in resources			Balance at
	1 January 2013 £	Incoming £	Outgoing £	Transfers £	31 December 2013 £
Building fund	1,485,295	-	(44,090)	-	1,441,205
Alternatives	11,616	14,226	(38,354)	17,626	5,114
Supported Housing Unit	222,520	-	(17,911)	-	204,609
Oasis En Gedi	835	18,388	(17,675)	-	1,548
Charities Concert	24	677	(3,101)	8,000	5,600
BSL Course	413	905	(1,295)	-	23
Embracing the Poor	1,698	3,293	(1,251)	-	3,740
Charity sub total	1,722,401	37,489	(123,677)	25,626	1,661,839
Friends First	51,014	349,903	(353,030)	39,995	87,882
	<u>1,773,415</u>	<u>387,392</u>	<u>(476,707)</u>	<u>65,621</u>	<u>1,749,721</u>

The **Building fund** is represented by the building and the establishment of the Clarendon Centre, and cash.

**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 income and expenditure related to a charitable concert organised by CCK on Good Friday that was funded through monies raised at Gift Days.

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 2013

#### 13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
<b>Restricted funds</b>				
Building fund	1,442,876	(1,671)	-	1,441,205
Alternatives	-	5,114	-	5,114
Supported Housing Unit fund	656,405	(451,796)	-	204,609
Oasis En Gedi	-	1,548	-	1,548
Charity Concert	-	5,600	-	5,600
BSL Course	-	23	-	23
Embracing the Poor fund	-	3,740	-	3,740
Charity sub total	2,099,281	(437,442)	-	1,661,839
Subsidiary Friends First	2,889	84,993	-	87,882
			-	
<b>Unrestricted funds</b>				
General funds	210,220	433,658	-	643,878
Designated funds	-	193,895	-	193,895
	2,312,390	275,104	-	2,587,494

#### 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 £11,316 (2012 £6,068) to Clarendon Trust Limited and Clarendon Trust Limited gave £nil (2012 - £80,000) to Newfrontiers. The trustees do not consider that Clarendon Trust Limited controls Newfrontiers.

Included in debtors within one year is an amount of £30 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 most 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 2013

#### 16 COMMITMENT

At 31 December 2013, the group was committed to making the following payment under a non-cancellable operating lease in the year to 31 December 2013:

	2013	2012
	£	£
Operating lease which expires:		
Less than 1 year	£8,569	-
Within 2 to 5 years	<u>£1,344</u>	<u>£9,913</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 2013 were £87,882 (2012: £51,014). During the year ended 31 December 2013, Friends First generated incoming resources of £349,903, received £39,995 in transfers from Clarendon Trust and expended resources of £353,030.

#### 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.