

Company number 3546759

**Clarendon Trust Limited**  
Report and Financial Statements  
Year ended 31 December 2011



# **CLARENDON TRUST LIMITED**

## **Financial Statements - 31 December 2011**

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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  
S J Horne  
P L J Jarvis  
N D Jones  
S S Radley (resigned 25<sup>th</sup> January 2011)  
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  
A Preston - Elder  
S Walford - Elder  
J Virgo - Elder

The church meeting places are  
Clarendon Centre  
New England Street  
Brighton  
BN1 4GT  
Shoreham Centre  
2 Pond Road  
Shoreham-by-Sea  
BN43 5WU

The company's advisors are

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

Registered Auditors  
BDO LLP  
Emerald House, East Street  
Epsom, Surrey  
KT17 1HS

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 2011. The financial statements have been prepared in accordance with the accounting policies set out on pages 12 and 13 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. CRB 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 over 30 years ago. In this time we have sought to have a strategy which would bring blessing to the local City, the UK and internationally to the nations. This report reflects aspects of each of these 3 components.

#### **1 Giving**

Over the year church members have given approximately £1.5m, 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 both in the UK and internationally.

#### **2 Church family**

Membership has remained fairly constant during 2011 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 2011.

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 2011. We met with 12 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 and seminars continued to run with a further 14 couples attending courses.

#### **3 Multisite Strategy**

During 2011 we launched another Sunday service in Shoreham which is approximately 4 miles west of Brighton city centre. It is our intention to continue to develop as a multi-site church.

#### **4 Development of leadership**

- We continued to provide training to both our own leaders and those from other churches through a Leadership Training programme spread across 2-3 years.
- Also, a number of existing and potential leaders have continued to be involved in a discipleship programme through meeting with the elders regularly. This continues to happen 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, a follow up Beta course and various events, the opportunity was made for hundreds to hear the gospel. Many found a new faith and were baptised.

#### **6 Young People**

Regular teaching on a Sunday was given to all age groups of our young people. This included the Lighthouse, a safe and supported environment for those with some form of learning difficulty.

#### **7 Social Action**

This continued to be an important area for us during 2011. The ministries include 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.

#### **8 International Outreach**

We continued to be involved with other related churches around the world and to play our part in supporting the release of church planters. We have also regularly contributed financially to the wider ministry through New Frontiers.

## **CLARENDON TRUST LIMITED**

### **Trustees' Report – continued**

#### **FINANCIAL REVIEW**

The accounts on pages 9 to 21 comply with statutory requirements of the Memorandum and Articles of Association

The Consolidated Statement of Financial Activities on page 9 shows total net outgoing resources of £276,046 (2010 £61,785, incoming) 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 £1,193,967 (2010 £1,401,677) 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 12 and 13 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 2011, free reserves were £523,499 compared to a figure of £587,855 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 2011 we continued to meet through three Sunday Services until August We then launched another meeting in Shoreham and reduced back to two at our main venue – the Clarendon Centre The Leadership of the Trust have a strategic and financial plan which is shaping major decisions

## CLARENDON TRUST LIMITED

### Trustees' Report – continued

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 are also looking to start a new charity which will be known as The Oak Trust. The process of creating this new charity will happen during 2012. 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 trustees' 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. Under that law the trustees have elected to prepare the financial statements 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 charitable company and of the income and expenditure of the charitable company for that period.

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 company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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 26/6/12 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 2010 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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://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 2011, 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  
Epsom  
United Kingdom

Date 26 June 2012

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 2011

INCOMING RESOURCES	Notes	Unrestricted funds	Restricted funds	Total funds 2011	Total funds 2010
		£	£	£	£
<b>Incoming resources from generated funds</b>					
Voluntary income	2	1,961,194	52,992	2,014,186	2,034,353
Investment income		8,259	-	8,259	6,503
<b>Incoming resources from charitable activities</b>					
Supported Housing		-	239,907	239,907	250,139
Conferences and other events		156,178	-	156,178	130,458
Trading activities		27,680	-	27,680	31,034
<b>Total incoming resources</b>		<u>2,153,311</u>	<u>292,899</u>	<u>2,446,210</u>	<u>2,452,487</u>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Fundraising and publicity		29,627	-	29,627	27,105
<b>Charitable activities</b>					
Conference costs		90,447	-	90,447	41,632
Bookshop costs		21,898	-	21,898	25,442
Pastoral costs		1,335,649	69,856	1,405,505	1,256,540
Mission support costs		856,036	47,665	903,701	788,710
Supported Housing Unit		-	256,315	256,315	234,379
<b>Governance Costs</b>	4	<u>17,763</u>	<u>-</u>	<u>17,763</u>	<u>16,894</u>
<b>Total resources expended</b>	3	<u>2,351,420</u>	<u>373,836</u>	<u>2,725,256</u>	<u>2,390,702</u>
<b>Net (outgoing)/incoming resources before transfers</b>		(198,109)	(80,937)	(279,046)	61,785
Transfers		<u>(9,601)</u>	<u>9,601</u>	<u>-</u>	<u>-</u>
Net movement in funds		(207,710)	(71,336)	(279,046)	61,785
Fund balances brought forward at 1 January 2011		<u>1,401,677</u>	<u>1,864,859</u>	<u>3,266,536</u>	<u>3,204,751</u>
<b>Fund balances carried forward at 31 December 2011</b>	14	<u><u>1,193,967</u></u>	<u><u>1,793,523</u></u>	<u><u>2,987,490</u></u>	<u><u>3,266,536</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 12 to 21 form part of these financial statements

## CLARENDON TRUST LIMITED

## Balance Sheets at 31 December 2011

	Notes	2011 Group £	2010 Group £	2011 Charity £	2010 Charity £
<b>FIXED ASSETS</b>					
Tangible assets	7	2,472,789	2,401,251	2,468,045	2,396,310
<b>CURRENT ASSETS</b>					
Stock	8	10,327	11,830	10,327	11,830
Debtors	9	123,630	363,172	118,503	358,832
Cash at bank and in hand		471,876	703,283	455,595	669,939
		<u>605,833</u>	<u>1,078,285</u>	<u>584,425</u>	<u>1,040,601</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	<u>(91,132)</u>	<u>(113,000)</u>	<u>(76,180)</u>	<u>(97,983)</u>
<b>NET CURRENT ASSETS</b>		<u>514,701</u>	<u>965,285</u>	<u>508,245</u>	<u>942,618</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,987,490	3,366,536	2,976,290	3,338,928
<b>CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	11	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
<b>NET ASSETS</b>		<u>2,987,490</u>	<u>3,266,536</u>	<u>2,976,290</u>	<u>3,238,928</u>
<b>FUNDS</b>					
<b>Unrestricted funds</b>					
General funds	12	767,613	697,166	767,613	697,166
Designated funds	12	426,355	704,511	426,355	704,511
<b>Restricted funds</b>	13	<u>1,793,522</u>	<u>1,864,859</u>	<u>1,782,322</u>	<u>1,837,251</u>
<b>TOTAL FUNDS</b>	14	<u>2,987,490</u>	<u>3,266,536</u>	<u>2,976,290</u>	<u>3,238,928</u>

Approved by the trustees, signed on their behalf by and authorised for issue on 26/6/12

N D Ring (Trustee)



The notes on pages 12 to 21 form part of these financial statements

# CLARENDON TRUST LIMITED

## Consolidated Cash Flow Statement For the year ended 31 December 2011

	Notes	2011		2010	
		£	£	£	£
<b>Reconciliation of net movement in funds to net cash flows from operating activities</b>					
Net movement in funds		(279,046)		61,785	
Investment income		(8,259)		(6,503)	
Depreciation	7	128,331		95,969	
Decrease in stock		1,503		3,093	
Decrease in debtors		239,542		(200,944)	
Decrease in creditors		(121,868)		(29,171)	
<b>Net cash (outflow) from operating activities</b>			<b>(39,797)</b>		<b>(75,771)</b>
<b>Returns on investments and servicing of finance</b>					
Investment income received		8,259		6,503	
<b>Net cash inflow from returns on investments and servicing of finance</b>			<b>8,259</b>		<b>6,503</b>
<b>Capital expenditure</b>					
Purchase of tangible fixed assets	7	(199,869)		(23,286)	
<b>Net cash outflow from capital expenditure</b>			<b>(199,869)</b>		<b>(23,286)</b>
<b>(Decrease) in cash in the year</b>			<b>(231,407)</b>		<b>(92,554)</b>
<b>Reconciliation of net cash flow to movement in net cash funds</b>					
Net funds at beginning of the year			703,283		795,837
Change in net funds during the year			(231,407)		(92,554)
<b>Net funds at end of the year</b>			<b>471,876</b>		<b>703,283</b>

The notes on pages 12 to 21 form part of these financial statements

## **CLARENDON TRUST LIMITED**

### **Notes to the Financial Statements For the Year Ended 31 December 2011**

#### **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 £2,446,210 (2010 £2,452,487) and its net outgoing resources were £279,046 (2010 incoming £61,785)

##### **(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 2011

#### (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 2011 was £119,225 (2010: £106,176).

#### (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

	2011	2010
	£	£
Donations and other funding	1,619,748	1,639,685
Grant from New Frontiers International Trust Ltd	341,446	318,602
Restricted donations and grants	52,992	76,066
	<u>2,014,186</u>	<u>2,034,353</u>

## CLARENDON TRUST LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2011

#### 3 TOTAL RESOURCES EXPENDED

	Depreciation	Staff Costs	Other Costs	Total 2011	Total 2010
	£	£	£	£	£
Conference costs	-	6,389	84,058	90,447	32,557
Bookshop costs	888	6,389	14,621	21,898	33,322
Fundraising and publicity	-	25,558	4,069	29,627	27,732
Pastoral costs	90,254	909,061	406,190	1,405,505	1,269,577
Mission Support costs	33,346	370,866	499,489	903,701	766,638
Supported Housing Unit	3,843	184,080	68,392	256,315	228,148
Governance Costs	-	-	17,763	17,763	16,830
	<u>128,331</u>	<u>1,502,343</u>	<u>1,094,582</u>	<u>2,725,256</u>	<u>2,374,804</u>

#### 4 GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total 2011	Total 2010
	£	£	£	£
Legal and professional fees	3,500	-	3,500	2,493
Audit fee	14,263	-	14,263	14,337
	<u>17,763</u>	<u>-</u>	<u>17,763</u>	<u>16,830</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	£13,433	(2010 – nil)	£719	(2010 – nil)
S J Horne	£43,645	(2010 – £41,656)	£3,273	(2010 – £3,124)
N Jones	£44,613	(2010 – £43,525)	£4,461	(2010 – £4,354)
N D Ring	£37,482	(2010 – £42,656)	£16,007	(2010 – £9,346)

All Pension contributions were paid under a defined contribution scheme

In addition, remuneration was paid to two related parties amounting to £38,091 as permitted by the constitution

There were no reimbursed expenses paid to trustees (2010 – nil)



## CLARENDON TRUST LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2011

#### 6 STAFF COSTS

Group	2011 £	2010 £
Gross salaries	1,264,745	1,175,169
Social security costs	118,373	109,454
Pension costs	119,225	106,176
	<u>1,502,343</u>	<u>1,390,799</u>

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

	2011 Number	2010 Number
Pastoral and Mission Support	27	28
Jubilee Books and Music	1	1
Supported Housing Unit	8	8
Support and administration	18	18
	<u>54</u>	<u>55</u>

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2011

### 7 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings and office equipment £	Total £
<b>COST</b>			
Parent Company			
At 1 January 2011	3,477,585	673,823	4,151,408
Additions	-	196,223	196,223
Disposals	-	-	-
At 31 December 2011	<u>3,477,585</u>	<u>870,046</u>	<u>4,347,631</u>
Subsidiary at 1 January 2011	-	21,999	21,999
Additions	-	3,646	3,646
Subsidiary at 31 December 2011	-	<u>25,645</u>	<u>25,645</u>
Group at 31 December 2011	<u>3,477,585</u>	<u>895,691</u>	<u>4,373,276</u>
<b>ACCUMULATED DEPRECIATION</b>			
Parent Company			
At 1 January 2011	1,210,462	544,636	1,755,098
Charge for the year	59,406	65,082	124,488
At 31 December 2011	<u>1,269,868</u>	<u>609,718</u>	<u>1,879,586</u>
Subsidiary			
At 1 January 2011	-	17,058	17,058
Charge for the year	-	3,843	3,843
At 31 December 2011	-	<u>20,901</u>	<u>20,901</u>
Group at 31 December 2011	<u>1,269,868</u>	<u>630,619</u>	<u>1,900,487</u>
<b>NET BOOK VALUES</b>			
Parent Company at 31 December 2011	<u>2,207,717</u>	<u>260,328</u>	<u>2,468,045</u>
Subsidiary at 31 December 2011	-	<u>4,744</u>	<u>4,744</u>
Group at 31 December 2011	<u>2,207,717</u>	<u>265,072</u>	<u>2,472,789</u>
At 31 December 2010	<u>2,267,123</u>	<u>134,128</u>	<u>2,401,251</u>

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2011

### 8 STOCK

Group and parent company	2011 £	2010 £
Goods for resale	10,327	11,830

### 9 DEBTORS

	2011 Group £	2010 Group £	2011 Charity £	2010 Charity £
DUE WITHIN ONE YEAR				
Other debtors	13,828	252,600	13,828	252,600
Prepayments and accrued income	109,802	110,572	104,675	106,232
	<u>123,630</u>	<u>363,172</u>	<u>118,503</u>	<u>358,832</u>

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

	2011 Group £	2010 Group £	2011 Charity £	2010 Charity £
Taxation and social security	1,716	6,066	1,716	6,066
Accruals and deferred income	89,416	106,934	74,464	91,917
	<u>91,132</u>	<u>113,000</u>	<u>76,180</u>	<u>97,983</u>

### 11 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and charity	2011 £	2010 £
Other creditors	-	100,000

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2011

### 12 UNRESTRICTED FUNDS

Group and Charity	Balance at 1 January 2011 £	Movement in resources			Balance at 31 December 2011 £
		Incoming £	Outgoing £	Transfers £	
<b>Designated fund</b>					
Gift Day fund	144,715	457,445	(170,794)	(285,747)	145,619
Apostolic fund	-	12,459	-	-	12,459
Missions fund	58,889	12,762	(23,162)	-	48,489
Urban Impact fund	6,030	-	(1,030)	(5,000)	-
Impact student fund	4,644	-	(11,482)	25,000	18,162
Alternatives fund	1,827	-	-	16,399	18,226
Contingency fund	5,117	824	(23,061)	27,426	10,306
Building fund	462,356	-	(131,288)	(174,849)	156,219
Recession emergency fund	20,933	105	(4,163)	-	16,875
<b>General fund</b>	697,166	1,669,717	(1,986,440)	387,170	767,613
	<u>1,401,677</u>	<u>2,153,312</u>	<u>(2,351,420)</u>	<u>(9,601)</u>	<u>1,193,968</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 **Urban Impact fund** was established to provide an opportunity for ongoing activities designed to benefit communities in the Brighton & Hove area

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 proposed building work

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

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2011

### 13 RESTRICTED FUNDS

Group	Balance at	Movement in resources			Balance at
	1 January 2011 £	Incoming £	Outgoing £	Transfers £	31 December 2011 £
Building fund	1,575,003	-	(45,148)	-	1,529,855
Alternatives	1,081	21,818	(24,688)	9,601	7,812
Supported Housing Unit	258,920	-	(18,311)	-	240,609
Oasis En Gedi	2,135	30,461	(29,355)	-	3,241
BSL course	112	313	(20)	-	405
Embracing the Poor	-	400	-	-	400
Charity sub total	1,837,251	52,992	(117,522)	9,601	1,782,322
Friends First	27,608	239,907	(256,315)	-	11,200
	1,864,859	292,898	(373,836)	9,601	1,793,522

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 **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 2011

### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
<b>Restricted funds</b>				
Building fund	1,531,526	(1,671)	-	1,529,855
Alternatives	-	7,812	-	7,812
Supported Housing Unit fund	692,405	(451,796)	-	240,609
Oasis En Gedi	-	3,241	-	3,241
BSL Course	-	405	-	405
Embracing the Poor fund	-	400	-	400
Charity sub total	2,223,931	(441,609)	-	1,782,322
Subsidiary				
Residents' benefit	-	-	-	-
Friends First	4,744	6,456	-	11,200
	2,228,675	(435,153)	-	1,793,522
<b>Unrestricted funds</b>				
General funds	244,114	523,499	-	767,613
Designated funds	-	426,355	-	426,355
	2,472,789	514,701	-	2,987,490

### 15 CONNECTED CHARITY

The charitable company is connected with New Frontiers International Trust Limited (of The Matrix Complex, 91 Peterborough Road, London, SW6 3BU) in that the charities have two common trustees. During the year, New Frontiers International Trust Limited (Newfrontiers) made a grant of £341,447 (2010 - £318,353) to Clarendon Trust Limited and Clarendon Trust Limited gave £106,616 (2010 - £90,454) to Newfrontiers. The trustees do not consider that Clarendon Trust Limited controls New Frontiers International Trust Limited.

Included in debtors within one year is an amount of £3,828 owing from New Frontiers.

Several 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.

## CLARENDON TRUST LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2011

#### 16 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

#### 17 COMMITMENT

At 31 December 2011, the group was committed to making the following payment under a non-cancellable operating lease in the year to 31 December 2011

	2011	2010
	£	£
Operating lease which expires		
Less than 1 year	-	3,547
Within 2 to 5 years	£8,569	-
	<u>          </u>	<u>          </u>

#### 18 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 2011 were £11,200 (2010 £27,608). During the year ended 31 December 2011, Friends First generated incoming resources of £239,907 and expended resources of £256,315.

#### 19 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.