

**Report and  
Financial Statements**

**For the year ended 31 December 2010**

**Church Society  
(A company limited by guarantee)**

**Company No 213142  
Charity Registration No 249574**

**Report and  
Financial Statements**

**For the year ended 31 December 2010**

**Church Society  
(A company limited by guarantee)**

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# Church Society

## Financial statements for the year ended 31 December 2010

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### Council members

D R L Boyd  
The Revd J A Cheeseman  
Cllr T D Cox (to 6 July 2010)  
J R Crabtree (Chairman)  
The Revd G R Curry  
M de Semlyen  
The Revd R W Farr  
The Revd Dr J B Hall  
The Revd A F Hogarth  
The Revd R K Mody  
The Revd D L Moore  
The Revd Dr M J Ovey  
The Revd A Price (from 11 May 2010)  
The Revd G Townsend  
The Revd N J C Tucker  
The Revd Canon M W Walters  
The Revd S J Walton (to 11 May 2010)  
The Revd G L Warren

### Secretary

The Revd D K Phillips

### Charity number

249574

### Company number

213142

### Registered office

Dean Wace House  
16 Rosslyn Road  
Watford  
WD18 0NY

### Auditors

Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

### Principal address

Dean Wace House  
16 Rosslyn Road  
Watford  
WD18 0NY

# Church Society

## Financial statements for the year ended 31 December 2010

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Bankers	The Royal Bank of Scotland plc London Fleet Street Branch 1 Fleet Street London EC4Y 1BD
	Barclays Bank plc 62/64 High Street Watford WD17 2BT
Investment Managers	CCLA (Central Board of Finance) 80 Cheapside London EC2V 6DZ
Solicitors	Trowers & Hamlins Sceptre Court 40 Tower Hill London EC3N 4DX

# Church Society

## Trustees' and directors' report For the year ended 31 December 2010

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The directors present their report and the financial statements for the year ended 31 December 2010

### Charity's objectives

Church Society is a registered charity. Its objectives are set out in the Company's governing document, the Memorandum of Association. The charity constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The overall purpose of the Society is to maintain the character of the Church of England as a reformed and national Church witnessing to and seeking to serve the entire nation for the benefit of all. In particular by;

- upholding the supremacy, sufficiency and authority of Scripture;
- equipping and encouraging parochial clergy and lay people in their ministries;
- supporting local churches;
- administering and holding funds and properties with local and national benefits;
- contending for the reformed worship and doctrine of the 39 Articles and Book of Common Prayer;
- uniting all who share these principles;
- promoting friendship with all churches which accept the supreme authority of God's word written;
- opposing all practices which are contrary to reformed doctrine;
- taking all manner of action, including legal and political, to pursue these objectives.

Church Society is working towards these objectives through publishing, parish support, campaigning and administering trusts. Wherever possible this is done in consultation and co-operation with other groups and organisations. In carrying out activities the directors confirm that they have had due regard to the guidance issued by the Charity Commission relating to public benefit and believe that Church Society provides benefit to the public in a variety of ways.

Through its allied company, Church Society Trust, the Society is involved in the patronage work of the Church of England. The Trust is responsible for 113 Livings, many of which are on a shared basis.

Church Society manages a number of financial trusts with various objectives including:

- supporting the training and education of ordinands and clergy;
- providing convalescent care or holidays for sick children;
- Christian work in various parishes or locations subject to certain conditions

Through other trusts the Society owns various properties on behalf of others, in particular 2 Proprietary Chapels (one in Germany) and an Independent Evangelical Church. It acts as holding trustees and appoints some of the trustees for one Church, one Hall and a school. A further trust provides offices for the Society and accommodation for staff.

The operations of Church Society are controlled by a Council of up to 20 people elected annually by the members of the Society. The Churchman Editorial Board and Church Society Trust Directors operate largely as committees of the Council. In addition there is a finance committee. The Council must approve appointments of Church Society Trust Members and the membership of certain other charitable trusts.

There were two full-time and one half-time staff employed throughout the year. Volunteers also assist in many areas and their efforts are much appreciated. The Society is an association of members who share a common vision and members do much of the work of the Society.

### Activities and achievements

During the course of the year Church Society was actively involved in fulfilling its primary objectives of promoting the protestant reformed faith which is the backbone of the Church of England and the established religion of the United Kingdom, of supporting individuals, parishes and other organisations in similar vein, and in challenging and opposing teaching and actions which run counter to this faith.

Local churches and clergy have been helped in their ministry through some of the resources and literature produced by the Society, through advice given on a range of issues, through personal contact, speaking engagements and assistance in appointments.

The Society again acted with the Protestant Truth Society and Christian Watch to run a stand at the Conservative Party Conference. With limited financial and staff resources it was only possible to attend one such conference and this was deemed to be the most beneficial. Sixteen hundred copies were handed out of a booklet entitled "Why Broken Britain Needs Strong Families" and there were many helpful conversations held. The team attended a number of fringe events at which questions were asked to highlight areas of concern. Through the literature and conversations the aim was to explain to delegates, cabinet members, MPs and prospective candidates the collapse of family life, the harm to

# Church Society

## Trustees' and directors' report For the year ended 31 December 2010

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individuals and the nation and teaching of God's Word on this matter. Conversations also presented a number of evangelistic opportunities.

The erosion of Christian influence in society and the unwillingness of many key leaders in churches to uphold Biblical teaching in the public arena is of great concern to many Christians. The General Secretary of Church Society and some other Council members had a number of opportunities to respond to media enquiries during the year. Wherever possible the aim is not simply to put a Biblical perspective but to present Christ. The Society also issues a few press releases each year and the range covered by these in 2010 illustrate the particular areas of concern – women bishops, sexuality and the Papal visit.

In July the General Synod voted to pass to Dioceses the legislation to consecrate women as Bishops. The Society had repeatedly called for adequate provision for those who could not in conscience accept this innovation and had also briefed General Synod members on the issues. Once again the majority of Synod were in favour of better provision but the vote was lost because the House of Clergy voted against. Diocesan Synods will consider the matter in 2011 and the Society has produced briefings to those involved.

In the run up to the Autumn General Synod elections Church Society had been very active in trying to get conservative evangelicals elected. Though it was again difficult to get people to stand the end result appears to be a more conservative Synod and the possibility that the women Bishops legislation may fail in General Synod in 2012.

The issue of the promotion of homosexual practice continues to divide the Church of England and the Anglican Communion. Over a number of years Liberals in the Communion have sought to prevent any decisions being reached and the Society has highlighted this danger. In particular we warned two years ago that the proposed Anglican Covenant was part of this delaying tactic and would never achieve what people hoped it would. We were pleased to discover that in November the primates of the larger and more conservative provinces of the Communion had finally come to the same conclusion.

Alongside the above issues the Society faces the question of how closely to work with Anglo-catholics. Over the years it has been willing to take up common cause on issues such as women priests and sexuality, but been unwilling to go any further. With the re-alignment of Anglicanism around the world and the possible nature of provision for opponents of women Bishops this issue becomes more prevalent. This year saw the 175<sup>th</sup> anniversary of the founding of the Protestant Association, our oldest forebear and a reminder that the Society began its life very definitely standing for the doctrines of the Church of England and against Roman Catholic influence. The Society did not take a prominent role in protesting against the state visit of the Pope in 2010 but we did explain in a press release and other literature why the visit was entirely inappropriate. We fear that the pressure of secularism and liberalism in the Church is making many see Rome as a safe haven and ignoring the gross doctrinal and political errors of that Church. Likewise within the Church of England the Society continues to oppose the influence of Anglo-catholic doctrine and teaching by upholding Biblical teaching and the formularies of the Church of England. This will form the theme of our conference in 2011.

Our conference in 2010 had the title "Living and Witnessing in a Pagan World" looking at the consequences for Christians of the shift in our culture from a Christian basis to a growing antagonistic secularism. The focus was not on battering down the hatches but on proclaiming Christ in an alien world, just as the early Christians did. The event was again appreciated by those who attended but numbers were not as high as had been hoped.

Publishing continues to be a major part of the work of the Society with our regular diet of the quarterly theological journal *Churchman*, our members' magazine *Cross†Way*, our news website and our main Church Society website. The latter now has 2,000 pages of information and articles. This year saw the first two volumes in what we hope will be a growing series of books under the name "Reformed Evangelicals Anglican Library" (REAL). This was the brainchild of Lee Gatiss who also did the hard work of selecting and editing sermons of George Whitefield to put into the first two volumes. We co-operated again with Phil Roberts of Tentmaker Publications to make these available in an attractive casebound format and look forward to the next in the series.

Church Society Trust is an associated company holding patronage rights in 113 parishes and an involvement in the appointment of ministers for four other chapels. The concern of the Trust Directors, who meet most months, is to promote gospel ministry. The Directors are appointed annually by the Council of Church Society from among the members of the Trust. Further details are included in the Trust's own Annual Report and Accounts. During 2010 the Directors handled matters to do with 19 different vacancies. Due to the increasing suspension of presentation and patronage which is held jointly or by turns, not all such appointments are made by the Trust. Consideration was given to changes to 22 parishes. The task for the Trust grows harder as reductions in clergy numbers lead to more instances of suspension of patrons rights or shared patronage.

The Directors of Church Society Trust are the shareholders of the Kirchengrundstücksgesellschaft mbH which owns the buildings and appoints the minister for Christ Church, Düsseldorf. The Trust is also represented on the Trustees of St. John's School in Blackpool. The Council appoint the majority of the Trustees of St. James Ryde and the Society hold the buildings on behalf of the Trustees. The Council appoint the Trustees of the Luckley Oakfield School Trust and one Council member is also a Governor. The Council appoint the majority of the Trustees of the Hollabury Mission Hall (in the parish of Poughill, Bude). The Council are required by a High Court Order to approve the increase in the remuneration of the Director of the Llewelin Machine Company Ltd of Bristol.

# Church Society

## Trustees' and directors' report For the year ended 31 December 2010

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The Society actively works with other groups through various bodies and in relation to specific issues. A joint Councils meeting was held with Reform in December to discuss matters of common concern and greater co-operation. The General Secretary serves on the Council of Reform, The Fellowship of Word and Spirit and has an ex-officio place on the Church of England Evangelical Council.

During the course of the year the Council successfully proved and registered its title to a plot of land in the parish of St. Catharine's Wigan which is held on trust for the recreational use of the people of Wigan or for the work of the Society.

A large part of the work of the Society is done by members of the Council, the Finance Committee, Church Society Trust and the Churchman Editorial Board who give their time and energy to serving Christ through pursuing the various objectives of the Society. Other volunteers assist in such things as gift aid processing, stuffing mailings and the compilation of the prayer diary. The office staff are David Phillips (General Secretary) David Meager (Administrative Assistant) and Mike Locke (part-time Finance Assistant). We are particularly grateful for the continuing weekly help of Geoff Cooper. Many other individuals help in other and various ways to assist the work of the Society and Trust.

### Financial Review

The assets under the control of the Society fall into two broad categories: those used directly in facilitating the work of the Society itself, and those that are administered by the Society for the benefit of others (managed funds).

There are four funds which relate directly to the Society's own work. The General is an unrestricted fund. The Beynon and Dean Wace Memorial funds are permanent endowment and the Patronage fund has been classified as restricted. During 2010 the Maidstone St Faith fund also benefitted Church Society in accordance with the terms of that trust.

Once again the Society has run a deficit for the year. Income from investments remained low for most of the year and a decision was taken for four of our larger managed funds to jointly invest in a rental property in south London which is expected to yield a higher income and long term capital growth. An appeal was again made to members towards the end of the year and we are pleased the income from members has shown a sustained increase in recent years though the actual number of members has declined. The Society ended the year with insufficient general reserves to cover the expected deficit for 2011 and the Council have drawn up and considered various proposals to deal with this which will be acted upon during the year if the overall position does not improve.

The Society also has shares in the Southsea Mortgage and Investment Company Ltd. that were given to the Society about 30 years ago. No income was received from these shares for the second year running. The income from the Dean Wace Memorial Fund is included in the General Fund reserve but has been designated by the Council as a building repairs reserve.

### Managed Funds

Most of the managed funds are subsidiary charities for which the Council acts as Trustees (or sometimes as joint Trustees). In each case a trust deed or scheme sets the parameters within which the fund is to be used. A brief description of each can be found on pages 20 and 21 of the accounts. Several funds consist solely of freehold properties including churches, houses or halls. Because many of these are long-standing funds there are often issues that arise and the Society has been undertaking a gradual programme of clarifying the precise nature of each trust. There have been some significant matters that have come to light as a result of this which have taken time and money to resolve. The General Secretary made visits to some of the properties during the year to check on their condition.

The Council has no authority to expend permanent endowment funds but is under an obligation to make attempts to expend the income from those trusts. Other funds contain capital that the Council can spend should they so choose. In most cases the decision has been made not to spend capital unless there is a pressing reason to do so. Wherever income or capital is spent the Council must act within the terms of the Trust. In many instances the trusts were established with very clear terms as to how they should be used. The Council is very aware of the need to honour this in making grants or payments today.

The administration of these funds can be a significant burden in particular where they trust deed has theological restrictions which have to be assessed and where properties are involved. The Council has taken steps to reduce this burden in particular by setting up two of the trusts as separate charities much as happened with Luckley Oakfield School forty years ago. The possibility of doing this for at least two of the other trusts is under consideration.

A list of the grants made from funds can be found on page 11. These will be seen to include such things as holidays for sick children, paying or contributing to salaries, evangelistic work, student grants, building maintenance and more.

In line with common practice the Society charges an administration fee against managed funds. This is set at present at 1% on the balance of invested funds at the start of the year.

The Finance Committee monitored the spread of investments during the course of the year and has made changes where appropriate. As indicated above this has included the purchase of a flat as an investment. All the other funds are with the CCLA although this arrangement has also been reviewed during the year.

# Church Society

## Trustees' and directors' report For the year ended 31 December 2010

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Financial decisions are the responsibility of the Council but the Finance Committee, which includes considerable experience in a range of financial areas, advises them in this.

### Statement on risks

The trustees confirm that they have given consideration to the major risks to which the charity is exposed and that systems have been designed and established to mitigate those risks.

### Statement of trustees'/directors' responsibilities

The trustees (who are also the directors of Church Society Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

### Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

### Auditors

Skingle Helps & Co resigned as auditors during the year due to a change in focus and no longer carrying out audit work. After considering various options the Council appointed Jacob, Cavenagh and Skeet as auditors for 2010 and it is expected that a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small entities.

Approved by the Trustees  
and signed on their behalf by

Mr J R Crabtree  
Trustee  
1st March 2011

# Independent auditors' report to the members on the audited financial statements of Church Society

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We have audited the financial statements of Church Society for the year ended 31 December 2010 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, 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 charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and to its 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, 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 Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2010 and of its 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.

## 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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 and take advantage of the small companies exemption in preparing the Trustees' Annual Report

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

**Andrew Hazael BA FCA (Senior Statutory Auditor)**  
For and on behalf of Jacob Cavenagh & Skeet  
Statutory Auditors

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# Church Society

## Statement of financial activities For the year ended 31 December 2010

	Notes	Un- restricted funds £	Restricted funds £	Endow- ment funds £	2010 Total £	2009 Total £
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
<i>Voluntary income:</i>						
Donations		63,937	10,829	-	74,766	71,703
Legacies		-	-	-	-	500
<i>Activities for generating funds:</i>						
Rent receivable		-	246	-	246	150
Fee and other income		1,116	-	-	1,116	12,345
<i>Investment income:</i>						
Investment income		3,191	29,755	-	32,946	21,775
		<b>68,244</b>	<b>40,830</b>	<b>-</b>	<b>109,074</b>	<b>106,473</b>
<b>Incoming resources from charitable activities:</b>						
Subscriptions, publications and conference		19,810	1,243	-	21,053	12,340
<b>Other incoming resources:</b>						
Transfer in of Wigan Recreation Ground	19	-	-	1,000	1,000	-
<b>Total incoming resources</b>		<b>88,054</b>	<b>42,073</b>	<b>1,000</b>	<b>131,127</b>	<b>118,813</b>
<b>Resources expended</b>						
<b>Costs of generating funds:</b>						
Fundraising and publicity		4,045	-	-	4,045	3,214
<b>Charitable activities:</b>						
Grant funding of activities	3	-	55,124	-	55,124	22,577
Activities undertaken directly		96,072	8,574	-	104,646	96,534
<b>Governance costs</b>						
		20,913	2,300	-	23,213	31,215
<b>Other outgoing resources</b>						
Transfer out of Hollabury Mission Hall charity	19	-	-	-	-	1,000
<b>Total resources expended</b>	4	<b>121,030</b>	<b>65,998</b>	<b>-</b>	<b>187,028</b>	<b>154,540</b>
Net incoming/(outgoing) resources before transfers		(32,976)	(23,925)	1,000	(55,901)	(35,727)
Transfers between funds		7,625	(7,625)	-	-	-
Transfer fund management fees		7,875	(7,875)	-	-	-
Transfers to correct opening balances		-	(12,190)	12,190	-	-
Net incoming/(outgoing) resources for the year		<b>(17,476)</b>	<b>(51,615)</b>	<b>13,190</b>	<b>(55,901)</b>	<b>(35,727)</b>
Other recognised gains (losses) and transfers						
Investments - unrealised gains		-	13,016	31,054	44,070	27,012
Investments – realised gains/(losses)		-	991	-	991	29,955
Investments -unrealised gains-adjustment to prior years		1,265	634	(2,475)	(576)	-
Net movement in funds		<b>(16,211)</b>	<b>(36,974)</b>	<b>41,769</b>	<b>(11,416)</b>	<b>21,240</b>
<b>Reconciliation of funds</b>						
Balance at 1 January 2010		76,791	303,973	1,676,471	2,057,235	2,035,995
Net movement in funds		(16,211)	(36,974)	41,769	(11,416)	21,240
<b>Balances carried forward at 31 December 2010</b>		<b>60,580</b>	<b>266,999</b>	<b>1,718,240</b>	<b>2,045,819</b>	<b>2,057,235</b>

The notes on pages 9 to 22 form part of these financial statements.

All operations are continuing operations.

# Church Society

## Income and expenditure account For the year ended 31 December 2010

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Total income of continuing operations	130,127	118,813
<b>Expenditure</b>		
Total expenditure of continuing operations	187,028	153,540
<b>Net expenditure for the year before transfers and investment asset</b>	<u>(56,901)</u>	<u>(34,727)</u>
Transfer from endowment fund	1,000	(1,000)
<b>Net expenditure for the year before investment asset disposals</b>	<u>(55,901)</u>	<u>(35,727)</u>
Surplus/(deficit) on disposal of investment assets	991	29,955
<b>Net expenditure for the year</b>	<u><u>(54,910)</u></u>	<u><u>(5,772)</u></u>
 <b>Statement of total recognised gains and losses</b>		
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Net expenditure for the year	(54,910)	(5,772)
Unrealised gains on revaluation of investments	43,494	27,012
<b>Total recognised (losses)/gains relating to the year</b>	<u><u>(11,416)</u></u>	<u><u>21,240</u></u>

The results for the above financial years as set out have been derived entirely from continuing operations.

# Church Society

## Balance Sheet As at 31 December 2010

	<i>Notes</i>	<i>2010</i>		<i>2009</i>	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	6		1,034,770		1,033,927
Fixed asset investments	7		<u>929,596</u>		<u>574,720</u>
			1,964,366		1,608,647
<b>Current assets</b>					
Stocks	8	5,365		4,826	
Debtors	9	3,827		2,636	
Bank and short term deposits		<u>83,654</u>		<u>452,099</u>	
		92,846		459,561	
<b>Creditors: amounts falling due within one year</b>	10	<u>(11,393)</u>		<u>(10,973)</u>	
<b>Net current assets</b>			<u>81,453</u>		<u>448,588</u>
<b>Total assets less current liabilities</b>			<u>2,045,819</u>		<u>2,057,235</u>
<b>Funds</b>					
Endowment funds	11,15		1,718,240		1,676,471
Restricted funds	12,16		266,999		303,973
Unrestricted funds	13,17		<u>60,580</u>		<u>76,791</u>
			<u>2,045,819</u>		<u>2,057,235</u>

Included in the fund balances above are revaluation reserves of £719,364 in Endowment funds, £20,770 in Restricted funds and £17,570 in Unrestricted funds

The notes on pages 9 to 22 form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 1st March 2011 and were signed on its behalf by:

Mr J R Crabtree  
Chairman

Mr D R L Boyd  
Chairman, Finance Committee

Company No. 213142

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

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### 1. Accounting policies

The following accounting policies are considered material in relation to the charitable company's financial statements.

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets), and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

#### 1.2 Classification of funds

Permanent endowments represents those funds where the capital is required to be retained but the income from those funds can be spent for the benefit of Church Society or others subject in certain cases to specific restrictions contained in the original endowment.

Restricted funds represent the accumulated income of managed funds whose use is restricted to specific purposes according to the terms on which the funds were received.

General fund represents unrestricted income which may be spent generally for furthering the religious and charitable work of Church Society.

#### 1.3 Depreciation of tangible assets

Depreciation is provided on all tangible assets, except freehold property, at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment: 33% on a straight line basis

No depreciation is provided on freehold land. It is the policy of the Society to maintain these at least to their current standard and to charge the Statement of Financial Activities the cost of maintenance as incurred. In the opinion of the Council, the depreciation charge is not material because the residual value is not materially different from the carrying amount of the asset. The useful economic lives and residual values are reviewed at the end of each year.

Inalienable fixed and investment fixed assets are not depreciated.

#### 1.4 Investments

Investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and market value at the start of the year, or subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market value during the year and are charged or credited to the statement of financial activities based on the market value at the year end.

#### 1.5 Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or effective stock where appropriate.

#### 1.6 Incoming resources and resources expended

Income and expenditure is accounted for on the accruals basis. Direct charitable expenditure comprises all expenditure directly relating to the charitable objectives. Fundraising and publicity costs and management and administration costs include a proportion of the salaries of staff engaged in those activities and an apportionment of property costs.

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

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### 1.7 Intangible income

The contribution to the administration of Church Society supplied in the form of voluntary services is acknowledged with gratitude but not recognised in these financial statements.

### 1.8 Pension costs

Defined benefit scheme – Contributions payable are charged to the statement of financial activities so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

Defined contribution scheme – The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

### 1.9 Grants

Grants are included at the amounts paid from the funds during the year.

### 1.10 Allocation of costs

Wherever applicable, costs associated with relevant training are charged to the Amalgamated Ordination and Training Fund. Likewise wherever applicable, costs associated with patronage work are charged to the Patronage Fund.

### 1.11 Taxation

The charity is exempt from corporation tax on its charitable activities.

### 1.12 Investment Properties

In accordance with SSAP 19:

- i. investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- ii. no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investments with over 20 years to run.

The Directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise be shown cannot be separately identified or quantified.

## 2. Investment Income

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Investment properties	3,224	-
Common investment funds	28,112	9,229
Cash deposits	1,610	12,546
	<u>32,946</u>	<u>21,775</u>

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# Church Society

## Notes to the financial statements For the year ended 31 December 2010

3 Grants paid	2010	
	£	£
<b>Amalgamated Ordination and Training Fund</b>		
Scholarships	3,000	
Book grants	493	
	<u>3,493</u>	3,493
<b>Birchington Convalescent Benefit Fund</b>		
Grants (4 individuals)		800
<b>Brighton Emmanuel Church</b>		
Grants to churches	2,000	
	<u>2,000</u>	2,000
<b>Düsseldorf Chaplaincy</b>		
Travel costs	95	
	<u>95</u>	95
<b>Gloucester Mariners Housing Fund</b>		
Expenses in relation to chaplain	3,896	
Expenditure relating to Mariner Chapel	4,676	
	<u>8,572</u>	8,572
<b>Hove Holy Trinity</b>		
Grant to wind up trust		4,208
<b>Leamington Spa, Christ Church</b>		
Grants to St. Mark's	30,192	
	<u>30,192</u>	30,192
<b>Paddock Wood Parochial Hall Trust</b>		
Costs of Ashcroft Road property		1,418
<b>Ryde Ecclesiastical Charity</b>		
Donation to St James Ryde	4,000	
Costs of Ryde Trustees	136	
	<u>4,136</u>	4,136
<b>Walthamstow Penrhyn Hall</b>		
Expenditure on hall	210	
	<u>210</u>	210
		<u>55,124</u>
2009 comparative		<u>22,577</u>

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

4 Total resources expended	<i>Distribu- tions and grants</i>	<i>Staff costs</i>	<i>Depre- ciation</i>	<i>Other costs</i>	<i>Total 2010</i>	<i>Total 2009</i>
	£	£	£	£	£	£
Fundraising and publicity	-	-	-	4,045	4,045	3,214
Activities undertaken directly:	55,124	52,585	1,156	50,905	159,770	120,111
Governance costs	-	14,159	-	9,054	23,213	30,215
	<u>55,124</u>	<u>66,744</u>	<u>1,156</u>	<u>64,004</u>	<u>187,028</u>	<u>153,540</u>
<b>Other costs</b>					<b>2010</b>	<b>2009</b>
					£	£
Fundraising and publicity					4,045	3,214
Establishment and property					19,374	15,014
Publications					18,382	18,609
Meetings and conferences					11,860	10,038
Other staff costs					1,409	1,544
Professional and management fees					-	-
Auditors' remuneration – audit services					3,480	4,289
Miscellaneous					5,454	4,446
					<u>64,004</u>	<u>57,154</u>
<b>Staff costs</b>					<b>2010</b>	<b>2009</b>
					£	£
Wages and salaries					52,381	51,364
Social security costs					3,854	3,777
Pension costs (see note 20)					10,509	9,158
					<u>66,744</u>	<u>64,299</u>

The average number of persons employed by the charitable company during the year was 2.5 (2009: 2.5). No employee earned more than £60,000.

### 5 Trustee remuneration and related party transactions

Council members receive no remuneration for their services. Their travelling expenses are reimbursed in respect of expenses incurred on either Church Society or Church Society Trust business. In the year ended 31 December 2010, 10 Council Members claimed reimbursement of travelling expenses totalling £4,185 (2009: £4,116).

The charitable company does not have indemnity insurance to protect it from loss arising from neglect or defaults of its trustees, employees or agents or to indemnify the trustees or officers against the consequences of any neglect or default on their part.

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

### 6 Tangible fixed assets

	<i>Freehold property – for the charity's own use</i>	<i>Freehold property – held for charitable purposes</i>	<i>Fixtures fittings and equipment</i>	<i>Total</i>
	£	£	£	£
<b>Cost or valuation</b>				
As at 1 January 2010	750,000	282,000	31,126	1,063,126
Additions	-	1,000	999	1,999
Disposals	-	-	-11,271	-11,271
Revaluation	-	-	-	-
As at 31 December 2010	750,000	283,000	20,854	1,053,854
<b>Accumulated depreciation</b>				
As at 1 January 2010	-	-	29,199	29,199
Provision for the year	-	-	1,156	1,156
Eliminated on disposals	-	-	-11,271	-11,271
As at 31 December 2010	-	-	19,084	19,084
<b>Net book value</b>				
As at 31 December 2010	750,000	283,000	1,770	1,034,770
As at 31 December 2009	750,000	282,000	1,927	1,033,927

#### **Freehold property – for the charity's own use**

Dean Wace House, Watford – valued in November 1999 by Rumball Sedgwick Chartered Surveyors at a value of £350,000 (historic cost plus cost of improvements £375,892). Value updated as at 31 December 2007 and confirmed as at 31 December 2010 by the directors to £750,000.

#### **Freehold property – held for charitable purposes**

Ashcroft Road, Paddock Wood – valued in 1996 by Ecclesiastical Insurance Group at £80,000 (historic cost £12,561). Value updated as at 31 December 2007 and confirmed as at 31 December 2010 by the directors to £275,000.

The following properties have all been shown in the balance sheet at a notional amount of £1,000. In each case, the property is an asset of an endowment fund and its sale is subject to significant restrictions or is not permitted under any circumstances.

#### **Not inalienable – expendable endowment**

Lightbowne Evangelical Church  
Gloucester Mariners Hall  
St Andrews, Montserrat  
Southfields Scout Hut  
Wigan St Catharine, Recreation Ground

#### **Not inalienable – permanent endowment**

Gloucester Mariners Church

#### **Inalienable – permanent endowment**

Penrhyn Hall, Walthamstow  
Old Hill Hall

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

### 7 Fixed asset investments

	<i>Freehold property – Commercial Road, Paddock Wood</i>	<i>Shares in Southsea Mortgage and Investment Company Limited</i>	<i>Flat in Trevithick House</i>	<i>Listed Investments</i>	<i>Total</i>
	£	£	£	£	£
Cost or valuation					
Valuation at 1 January 2010	25,000	20,000	-	529,720	574,720
Additions			193,560	138,570	332,130
Disposals				(21,324)	
Revaluation	-	-	-	44,070	-
Market valuation at 31 December 2010	<u>25,000</u>	<u>20,000</u>	<u>193,560</u>	<u>691,036</u>	<u>929,596</u>
<b>Historic cost</b>	<u>-</u>	<u>2,430</u>	<u>193,560</u>	<u>620,336</u>	<u>816,326</u>

Commercial Road, Paddock Wood – valued in November 1995 by Ibbett Mosely Chartered Surveyors at a value of £3,000 (historic cost £nil). Value updated as at 31 December 2007 and confirmed as at 31 December 2010 by the directors to £25,000.

The flat in Trevithick house was bought in 2010 as a joint investment between four funds. All costs and income are shared equally. The flat is leasehold property.

The shares in the Southsea Mortgage and Investment Company Limited have been re-valued and assigned a value based on long-term income. The shares can only be sold or transferred to another shareholder of Southsea Mortgage and Investment Company Limited.

All listed investments are investments placed with CCLA Investment Management Limited - The CBF Church of England Funds. Of the above market value total, £459,546 is held in Investment Funds, £90,145 in the UK Equity Funds and £141,345 is held in the Global Equities Fund.

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

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<b>8</b>	<b>Stocks</b>	<b>2010</b>	<b>2009</b>
		£	£
	Publications for resale	5,365	4,826
		<hr/>	<hr/>
<b>9</b>	<b>Debtors</b>	<b>2010</b>	<b>2009</b>
		£	£
	Prepayments	1,265	1,603
	Other debtors	2,562	1,033
		<hr/>	<hr/>
		3,827	2,636
		<hr/>	<hr/>
<b>10</b>	<b>Creditors: amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
		£	£
	Other creditors	1,487	1,528
	Deferred income	3,010	2,679
	Accruals	6,896	6,766
		<hr/>	<hr/>
		11,393	10,973
		<hr/>	<hr/>

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

### 11 Endowment funds

### Movement in funds

	<i>Balance 1 January 2010</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Gains/ (losses)</i>	<i>Balance 31 December 2010</i>
	£	£	£	£	£	£
<b>Permanent endowment funds</b>						
E A Beynon Fund	100,663	-	-	-	2,460	103,123
Birchington Convalescent Benefit	54,776	-	-	-	3,378	58,154
Brighton Emmanuel	170,071	-	-	11,616	7,592	189,279
Gloucester Mariners Church	1,000	-	-	-	-	1,000
Leamington Spa, Christchurch	54,910	-	-	(2,437)	3,362	55,835
Maidstone, St Faith Parish Room	120,507	-	-	-	3,817	124,324
Old Hill Hall	1,000	-	-	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	-	-	1,000
	503,927	-	-	9,179	20,609	533,715
Dean Wace Memorial	763,258	-	-	-	818	764,076
	1,267,185	-	-	9,179	21,427	1,297,791
<b>Expendable endowment funds</b>						
Lightbowne Evangelical Church,	1,000	-	-	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	-	-	1,000
St Andrews, Montserrat	1,000	-	-	-	-	1,000
Southfields Scout Hut	1,000	-	-	-	-	1,000
Düsseldorf Chaplaincy	4,804	-	-	-	277	5,081
Gloucester Mariners Residence	103,493	-	-	-	6,875	110,368
Paddock Wood Parochial Church	296,989	-	-	3,011	-	300,000
Wigan Recreation Ground	-	1,000	-	-	-	1,000
	1,676,471	1,000	-	12,190	28,579	1,718,240

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

### 12 Movement on restricted funds

	<i>Movement in funds</i>					<i>Balance 31 December 2010</i>
	<i>Balance 1 January 2010</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Gains/ (losses)</i>	
	£	£	£			
Amalg. Ord. and Training Fund	172,349	5,900	(3,610)	(3,716)	7,531	178,454
Birchington Convalescent Benefit	589	2,359	(941)	(552)	348	1,803
Brighton Emmanuel Trust	12,891	6,473	(2,118)	(16,416)	(699)	131
Dean Wace Memorial	5,839	598	(2,640)	-	-	3,797
Düsseldorf	187	185	(95)	(48)	-	229
Gloucester, Mariners Hall	179	46	(40)	-	17	202
Gloucester Mariners Residence	909	10,071	(8,570)	(1,044)	77	1,443
Hove, Holy Trinity	4,167	2	(4,208)	(3)	42	-
Leamington Spa, Christchurch	46,372	4,025	(30,311)	4,993	3,083	28,162
Maidstone, St Faith Parish Room	4,146	3,839	-	(7,425)	-	560
Paddock Wood Parochial Church	14,689	631	(1,418)	(3,131)	1,089	11,860
Patronage Fund	802	1,145	(5,330)	-	-	(3,383)
Publications	4,161	1,262	(2,358)	-	864	3,929
Ryde Ecclesiastical Charity	23,694	4,974	(4,135)	(228)	1,391	25,696
Walthamstow, Penrhyn Hall Trust	3,585	158	(217)	(36)	302	3,792
Walthamstow, St John	9,414	405	(7)	(84)	596	10,324
	<b>303,973</b>	<b>42,073</b>	<b>(65,998)</b>	<b>(27,690)</b>	<b>14,641</b>	<b>266,999</b>

Patronage fund: deficit arising from expenditure prior to an appeal

### 13 Movement on unrestricted

	<i>Movement in funds</i>					<i>Balance 31 December 2010</i>
	<i>Balance 1 January 2010</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Gains/ (losses)</i>	
	£	£	£	£	£	
General Fund	44,620	95,929	(121,030)	39,796	1,265	60,580
Legacies Fund	32,171	-	-	(32,171)	-	-
	<b>76,791</b>	<b>95,929</b>	<b>(121,030)</b>	<b>7,625</b>	<b>1,265</b>	<b>60,580</b>

### 14 Net assets held by funds

	<i>Un- restricted funds</i>	<i>Restricted funds</i>	<i>Endow-ment funds</i>	<i>Total funds</i>
	£	£	£	£
Tangible fixed assets		1,770	-	1,033,000
Fixed asset investments		20,000	48,390	170,170
Other fixed assets		-	191,681	499,355
Current assets		50,047	27,084	15,715
Current liabilities		(11,237)	(156)	-
		<b>60,580</b>	<b>266,999</b>	<b>1,718,240</b>
				<b>2,045,819</b>

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

### 15 Net assets held by endowment funds

	<i>Fixed assets</i>	<i>Other Invest- ments</i>	<i>Net Current assets</i>	<i>Total</i>
	£	£	£	£
<b>Permanent endowment funds</b>				
E A Beynon Fund	48,390	53,124	1,609	103,123
Birchington Convalescent Benefit Fund	-	58,154	-	58,154
Brighton Emmanuel	48,390	139,342	1,547	189,279
Gloucester Mariners Church	1,000	-	-	1,000
Leamington Spa, Christchurch	-	55,835	-	55,835
Maidstone, St Faith Parish Room	48,390	74,324	1,610	124,324
Old Hill Hall	1,000	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	1,000
	148,170	380,779	4,766	533,715
Dean Wace Memorial	750,000	14,076	-	764,076
	898,170	394,855	4,766	1,297,791
<b>Expendable endowment funds</b>				
Lightbowne Evangelical Church, Manchester	1,000	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	1,000
St Andrews, Montserrat	1,000	-	-	1,000
Southfields Scout Hut	1,000	-	-	1,000
Düsseldorf Chaplaincy	-	4,132	949	5,081
Gloucester Mariners Residence Fund	-	100,368	10,000	110,368
Paddock Wood Parochial Church Hall Trust	275,000	25,000	-	300,000
Wigan Recreation Ground	1,000	-	-	1,000
	1,178,170	524,355	15,715	1,718,240
Original cost	533,623	449,538	15,715	998,876
Revaluations	644,547	74,817	-	719,364
	1,178,170	524,355	15,715	1,718,240

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

### 16 Net assets held by restricted funds

	<i>Fixed asset investment</i>	<i>Other Invest- ments</i>	<i>Net Current assets</i>	<i>Total</i>
	£	£	£	£
Amalgamated Ordination and Training Fund	48,390	119,318	10,746	178,454
Birchington Convalescent Benefit Fund	-	-	1,803	1,803
Brighton Emmanuel Trust	-	-	131	131
Dean Wace Memorial	-	-	3,797	3,797
Düsseldorf	-	-	229	229
Gloucester, Mariners Hall	-	-	202	202
Gloucester Mariners Residence Fund	-	-	1,443	1,443
Hove, Holy Trinity	-	-	-	-
Leamington Spa, Christchurch	-	25,849	2,313	28,162
Maidstone, St Faith Parish Room	-	-	560	560
Paddock Wood Parochial Church Hall Trust	-	9,685	2,175	11,860
Patronage Fund	-	-	-3,383	-3,383
Publications	-	-	3,929	3,929
Ryde Ecclesiastical Charity	-	23,967	1,729	25,696
Walthamstow, Penrhyn Hall Trust	-	3,609	183	3,792
Walthamstow, St John	-	9,253	1,071	10,324
	<b>48,390</b>	<b>191,681</b>	<b>26,928</b>	<b>266,999</b>
Original cost	48,390	170,911	26,928	246,229
Revaluations	-	20,770	-	20,770
	<b>48,390</b>	<b>191,681</b>	<b>26,928</b>	<b>266,999</b>

### 17 Net assets held by unrestricted funds

	<i>Fixed assets</i>	<i>Invest- ments</i>	<i>Net Current assets</i>	<i>Total</i>
	£	£	£	£
General fund	1,770	20,000	38,810	60,580
	<b>1,770</b>	<b>20,000</b>	<b>38,810</b>	<b>60,580</b>

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

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### 18. Purpose of funds

Amalgamated Ordination and Training Fund	To assist with and promote the educational and training needs of those persons who are, or are training to become, ministers in the established Church of England who subscribe to the conservative, evangelical tradition.
E A Beynon Fund	For the general purposes of the National Church League which in 1950 merged with Church Association to become Church Society.
Birchington Convalescent Benefit Fund	To make grants to enable poor children and in default of poor children other poor persons to obtain convalescent treatment after illness.
Brighton, Emmanuel Church	To maintain Christian and missionary work on Scriptural Protestant and Evangelical lines so far as practicable in the Brighton and Hove area and Subject thereto elsewhere.
Patronage Fund	To pay for work in relation to Church Society's patronage activities (in particular those of Church Society Trust).
Dean Wace Memorial Fund	To provide land and buildings for Church Society and money for the Society's general purposes.
Düsseldorf Chaplaincy	To pay for the expenses of Christ Church, Düsseldorf in relation to both the upkeep of buildings and the employment of staff.
Gloucester Mariners Residence	To provide a residence for the chaplain of the Mariner's Chapel or to provide for the general work of the Mariners Chapel.
Leamington Spa, Christ Church	For the augmentation of the stipend of the Incumbent of St Mark's, Leamington Spa, so long as the doctrine and worship in the parish of St Mark's are evangelical in character.
Maidstone, St Faith Parish Room	So long as St Faith's Maidstone maintains a protestant reformed tradition, to provide funds for the Church and otherwise for the general purposes of Church Society.
Paddock Wood Parochial Church Hall Trust	To provide funds for evangelical purposes in or in connection with the parish of St. Andrew's Paddock Wood.
Publications Fund	Established in 2003 to further the publishing work of Church Society including the production, marketing and distribution of material for sale or free distribution.
Ryde Ecclesiastical Charity	To further the religious and other charitable work of the Church of England in the Ecclesiastical Parish of Ryde.
Walthamstow, Penrhyn Hall Trust	To permit the Penrhyn Hall to be used under the direction and control of the vicar of St. John's Walthamstow so long as it is used consistently with evangelical principles.

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

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### 18. Purpose of funds (continued)

Walthamstow, St John	To support any work within the parish of St. John's Walthamstow, either being part of church activities or in support of charities operating within the parish.
Freeholds held on behalf of Churches or other charities.	Lightbowne Evangelical Church, Manchester, Gloucester Mariners Hall, Hollabury Mission Hall Poughill, Cornwall, St Andrews, Montserrat, Southfields Scout Hut, Old Hill Hall, St Catharine's Recreation Ground, Wigan.

### 19. Pension Schemes

Church Society participates in the Church of England Funded Pensions Scheme and employs one member of the Scheme out of a total membership of approximately 9,000 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but Church Society is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2009. This revealed a shortfall of £262 million, with assets of £605 million and a funding target of £867 million, assessed using the following assumptions:

- An investment strategy of:
  - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from nil at 31 December 2009 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and
  - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
- Investment returns of 4.4% pa on gilts and 5.9% pa on equities;
- RPI inflation of 3.8% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 3.8% pa; and
- Post-retirement mortality in accordance with 80% of the S1NA tables, with allowance for future improvements according to the "medium cohort" projections, and subject to a minimum annual improvement in mortality rates of 1.5% for males and 1.0% for females.

For schemes such as the Church of England Funded Pension Scheme, paragraph 9(b) of FRS 17 requires Church Society to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the 2006 valuation, Church Society's contribution rate was set at 39.7% of pensionable stipends with effect from 1 April 2008. The contribution rate was subsequently increased to 45% of pensionable stipends with effect from 1 January 2010, reflecting unfavourable investment experience and changes in financial conditions. Following the valuation of the Scheme as at 31 December 2009, and some agreed changes to benefits, the contribution rate has been set at 38.2% with effect from 1 January 2011.

The next valuation of the Scheme will be due as at 31 December 2012.

During the year contributions to the Church of England Funded Pensions Scheme totalled £9,037 (2009: £7,741).

Additionally, during the year defined contribution pension costs of £1,472 (2009: £1,417) were paid on behalf of 2 (2009: 2) employees to the Church of England Defined Contribution Scheme section of the Church Workers Pension Fund.

### 20. Capital commitments and contingent liabilities

The charitable company had no material capital commitments nor contingent liabilities at 31 December 2010. (2009: £nil).

# Church Society

## Notes to the financial statements For the year ended 31 December 2010

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### 21. Luckley-Oakfield School Trust

The Council of Church Society appoints the Trustees of the Luckley-Oakfield School Trust which owns a school near Woking. In the event of the Trust being wound up the assets would revert to Church Society for educational purposes.

### 22. Ryde, St James

The Council of Church Society appoints three of the five trustees of the Ryde, St James Trust. The Trust owns the Church and a house in Ryde, Isle of Wight, which are held by Church Society on their behalf.

### 23. Hollabury Mission Hall Trust

The Council of Church Society appoints three of the five trustees of the Hollabury Mission Hall Trust. The Trust owns the Hollabury Mission Hall, Poughill, Bude, which is held by Church Society on their behalf.