



# report and financial statements

## for the year ended 30 April 2009

**CHURCH PASTORAL AID SOCIETY**  
**Athena Drive Tachbrook Park Warwick CV34 6NG**

*A company limited by guarantee Registered in England no. 2673220  
Registered office at the above address  
Registered charity no. 1007820 (England & Wales) SC039082 (Scotland)*

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## Report of the Trustees

### CHURCH PASTORAL AID SOCIETY (CPAS)

**Registered office** Athena Drive Tachbrook Park Warwick CV34 6NG  
**Registered company number** 2673220  
**Registered charity numbers** 1007820 (England & Wales) SC039082 (Scotland)

**Patron:** Her Most Gracious Majesty The Queen

**President:** The Rt Rev James Jones

#### **Vice-presidents**

The Rt Rev George Cassidy  
 The Rt Rev Graham Cray  
 The Rt Rev Mike Hill

#### **Vice-presidents emeriti**

The Rev Dr J R W Stott

#### **Vice-patrons**

The Archbishop of Armagh  
 Lord MacKay of Clashfern  
 The Archbishop of York

#### **Trustees during year to 30 April 2009 and at 9 September 2009**

Mr Jeremy Clack (from 9/9/09)  
 The Rev Steve Davies (from 12/10/04)  
 The Rev John Ellison (from 12/10/04) *Treasurer*  
 The Ven Peter Hancock (from 12/10/04) *Chair*  
 The Rev Andrea Irvine (from 26/1/06)  
 The Ven Dr Gordon Kuhrt (from 23/1/08)  
 Mrs Elizabeth Langmead (from 12/10/04)

The Rev Canon John Moore (to 27/1/09)  
 Mr Richard Owen (from 26/1/06)  
 Mrs Helen Simpson (from 23/1/07) *Vice-Chair*  
 The Rev Mike Talbot (from 12/10/04)  
 The Rev Dr Richard Turnbull (to 27/1/09)  
 Mrs Rachel Westall (from 23/1/08)

#### **Recruitment Group as at 9 September 2009**

Miss Joan Botterill  
 The Rev Dr Richard Turnbull (to 27/1/09)  
 The Rt Rev Mike Hill (to 23/2/09)

The Rev Canon Gary Jenkins *Chair*  
 The Rt Rev James Jones  
 The Ven Gordon Kuhrt

The Rev John Risdon  
 The Ven Peter Hancock (to 18/3/09)  
 Mrs Rachel Westall (from 18/3/09)

#### **Council of Reference as at 9 September 2009**

The Rev Moira Astin *Vice Chair*

The Rev Jonathan Jee

The Rt Rev Gavin Reid *Chair* (to 27/11/08)

The Rev Ian Ballentine  
 Mrs Iona Birchall  
 Mr Peter Brierley  
 Mr Peter Caldwell  
 Mr Nigel Chetwood  
 Miss Mavis Gibbons  
 The Rev Canon Ken Gordon  
 The Rev Mike Goss

The Rev Canon Gary Jenkins  
 Mrs Mary Judkins  
 The Ven Alistair Magowan  
 The Ven Hugh McCurdy  
 The Rev Mark Norris (to 10/4/09)  
 The Rev Brian Parfitt  
 The Rev Paul Perkin  
 The Rev Preb David Perryman

Mrs Sue Richardson  
 The Rev John Risdon  
 Mr Dennis Sadler  
 Mr Ian Smith (to 29/7/09)  
 The Rev Dr James Steven  
 The Rev Rod Thomas  
 Mrs Clare Wells  
 The Rt Rev Keith Sinclair *Chair* (from 27/11/08)

The Rev David Holloway

The Rev Andrew Petit

#### **General Director**

The Rev John Dunnett

#### **Senior Management Team**

The Rev John Coyne  
 Mr Martyn Sargeant

Mr David Hart

The Rev James Lawrence

#### **Professional Advisers**

##### **Bankers**

The Royal Bank of Scotland plc London City Office 62/63 Threadneedle Street London EC2R 8LA

##### **Auditors**

Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

##### **Solicitors**

Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

##### **Investment Advisers**

CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ

## Structure, Governance and Management

### Constitution and Governance

CPAS was founded as an unincorporated charity in 1836 and was incorporated on 19 December 1991 as a company limited by guarantee, having no share capital. The company took over the operations of the Society on 1 April 1992, the assets being transferred by a Charity Commission scheme dated 25 March 1993. In the event of a winding-up, each member is liable to contribute a sum not exceeding £10 towards the assets of the Society.

CPAS's governing document is its Memorandum and Articles of Association. The current Articles were adopted as from 12 October 2004 and amended at an Extraordinary General Meeting held on 1 October 2005 and further amended at the Annual General Meetings on 30 November 2006 and on 27 November 2007. The members are the President, Vice-Presidents, Trustees and Council of Reference; as at 30 April 2009 there were 44 members and as at 9 September 2009 there were 41 members.

There are up to twelve Trustees, elected by the members on the basis of skills and experience, from recommendations made by a Recruitment Group established for the purpose of identifying suitable candidates. Under the provisions of the Companies Act 2006 the Trustees are the directors. Newly-elected Trustees receive a comprehensive information pack, and participate in a programme of briefing meetings. Trustees meet at least six times a year. All major decisions regarding strategy, policy and finance are the responsibility of the Trustees. The implementation of decisions of the Trustees is delegated to the staff.

A Council of Reference, representative of the Anglican parishes and churches that the Society is established to serve pursuant to its object, advises the Trustees as to the needs of the beneficiaries of the Society.

CPAS and CPV Ltd hold insurance to indemnify the Trustees against the consequences of any neglect or default on their part.

### Operational Structure

- *General Director* – leads the organisation in delivery through the management team and promotes/represents CPAS externally.
- *Management team* – shapes and leads the organisation; leads, manages and develops staff; ensures delivery of agreed strategy; works with and supports trustees, enabling them in their role.
- *Operations team* – initiates, develops and maintains support services that facilitate the work of CPAS, particularly in the areas of finance, IT, facilities, communications, fundraising and human resources; overseeing and controlling financial matters.
- *Local and regional delivery team:*
  - initiates and develops relationships with leaders in churches
  - implements training and courses that enable leadership development
  - informs the design and development of CPAS courses and programmes
  - facilitates the appointment and leadership development of incumbents.
- *Development team:*
  - holds and develops corporate thinking on Christian leadership development
  - initiates and develops courses and programmes to develop leaders
  - delivers national courses and programmes in conjunction with the local and regional delivery team
  - has responsibility for specialist leadership development in key strategic areas.

### Financial Instruments

The financial instruments of CPAS and its subsidiary comprise cash, liquid resources and various other items such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to finance the operations of CPAS and its subsidiary. The nature of these financial instruments means that they are not subject to price risk or liquidity risk.

In addition, CPAS and its subsidiary have investments with the Central Board of Finance of the Church of England. These investments are subject to price risk arising on the underlying investment portfolio. The trustees review the performance of the investments against market returns to ensure that price risk exposure is kept to a minimum.

### Risk Assessment

The Trustees carry out an annual review of the risks to CPAS. A comparable review is conducted by the CPV Trustees. Although there are a number of ongoing, underlying risks to the activities of both CPAS and CPV, at the time of writing, the principal risks are as follows:

- the impact of the economic downturn on donation income from both churches and individuals
- the continued transition into new ways of working and a clearly-defined focus on the development of Christian leaders in order to facilitate evangelism
- proposals to, implementation of, and reaction to a merger between CPAS and CPV
- the failure, following the implementation of the outcomes of a ministry review of Ventures, to reverse the gradual decline in numbers attending

- irreconcilable division within the Anglican church and/or evangelical constituency and CPAS being identified with one particular group.

### Connected Organisations

**CYFA Pathfinder Ventures Ltd** (registered company number 1184850, registered charity number 271391)

CYFA Pathfinder Ventures Ltd ('CPV' or 'CPV Ltd') became a wholly owned subsidiary of the Church Pastoral Aid Trust (CPAT) (see below) in June 1994. CPAT retains beneficial ownership of all the share capital of CPV. CPAS Trustees are members of CPV for the duration of their service as Trustees. Each member, including CPAT, has one vote. The principal activity of CPV is the provision of Christian education for young people through house parties and camps. Residential activities known as Falcon Camps are designed for children and young people from deprived or disadvantaged areas. CPV's operations are conducted in close co-operation with those of CPAS. Trustees as at 30 April 2009:

Mrs Jenny Bray	The Rev Geoffrey Firth	Mr Richard Owen	Mrs Jill Ridgewell
The Rev Tim Crook	Miss Ruth Hassall	The Rev Andrew Porter	Mr Rod Street
The Rev John Dunnett			

**Church Pastoral Aid Trust** (registered company number 41145)

The Church Pastoral Aid Trust (CPAT) was incorporated on 12 May 1894. It acts solely for or under the direction of the Church Pastoral Aid Society. Certain investments and properties held in trust by the Society for other bodies remain registered in the name of the Trust. The Directors are appointed by the Trustees of CPAS. Directors as at 30 April 2009:

Miss Joan Botterill	The Rev John Dunnett	The Ven Peter Hancock <i>Chair</i>	The Rev Canon David Wheaton
The Rev John Ellison	The Rev Preb John Skinner		

**Church Pastoral Aid Society Patronage Trust** (registered company number 906861)

The Church Pastoral Aid Society Patronage Trust is an Association incorporated on 24 May 1967. Its object is to hold and administer the patronage of benefices, including in particular the appointment of clergy. Trustees as at 30 April 2009:

The Rev Canon Steve Allen	The Rev Lesley Riley	The Rev Preb Nick McKinnel	The Rev Canon Andrew Dow <i>Chair</i>
The Rev David Banting	The Rev Canon Gary Jenkins	Mrs Gill Morrison	Mr John Truscott <i>Vice Chair</i>
The Rev Jackie Cray	Mr Ross Johnstone	Mrs Nadine Parkinson	The Rev Andrew Perry <i>(from 23/4/09)</i>
			<i>Secretary: The Rev Canon John Alderman</i>

## Objectives and Activities

CPAS is an evangelical Anglican mission agency working mainly with local Anglican churches across the United Kingdom and Republic of Ireland. Its purpose and powers are outlined in the following extracts from its Memorandum:

'The object for which the Society is established is:

To advance the Christian Gospel by providing human and material resources to Anglican parishes and churches throughout the world and in particular in England, Wales, Scotland and Ireland, in order to encourage and increase their effectiveness as worshipping communities committed to nurture, training, evangelism, growth and service and seeking to glorify God working under the supreme authority of Scripture and in accordance with the Protestant and Evangelical doctrines and principles of the Church of England as set forth in the Book of Common Prayer and the Thirty-nine Articles of Religion read in conjunction with the Society's Basis of Faith dated 27 February 1990.'

The 2007/8 strategic review set out the priorities of the organisation for this time, reaffirming the longstanding commitment to enable the church to take the 'gospel to every person's door, with a single eye to the glory of God':

**Identity:** *Answering the question 'who are we?'*

CPAS is an Anglican evangelical mission agency working with churches, mainly in the UK and Republic of Ireland.

**Values:** *Answering the question 'what principles drive how we do things at CPAS?'*

We seek to honour God in everything we do, affirming the centrality of our faith in Jesus Christ, the supreme authority of the Bible, the transforming work of the Spirit and the power of prayer. Therefore, as an organisation and as individuals:

- we value relationships of respect and integrity
- we value relevance, creativity and excellence
- we value individual responsibility and team delivery
- we value wise use of all God entrusts to us.

**Mission:** *Answering the question 'why do we exist?'*

CPAS enables churches to help every person hear and discover the good news of Jesus Christ.

**Vision:** *Answering the question 'where are we going?'*

We long to see a Christ-centred, Bible-based, mission-focused church: where leaders are clear about their call to discipleship, growing in Christ-like character and competent to lead in a time of rapid change; where leaders discern God's direction, enable action, build teams, develop leaders, facilitate communication, and nurture people; where leaders work in teams, reflecting the diversity of ministries, and model themselves on the servant character of Jesus; where leaders help transform inherited churches, pioneer emerging churches and deliver creative residential ministry, effectively helping children, young people and adults hear and discover the good news of Jesus Christ.

Our vision for the next five years is to be at the forefront of leadership development in churches:

- (A) Developing 25,000 men and women to become more effective in leadership.
- (B) Equipping churches to train a generation of children and young people for leadership.
- (C) Helping 600 18-25 year olds aspire to and prepare for leadership.
- (D) Inspiring 150 leaders under the age of 30 to offer themselves for ordination, including pioneer ministry.
- (E) Equipping 8,500 leaders to be effective in reaching and discipling children and young people through Ventures and Falcon Camps.
- (F) Working with our 514 patronage churches to develop effective leadership.
- (G) Promoting research and sharing expertise on issues of church leadership.

To realise this, we will develop mutually supportive relationships with churches and individuals and develop the staff team to fulfil our God-given priorities.

Over the 173 years CPAS has been in existence, its core focus has remained unchanged – a commitment to enabling people to come to know Jesus Christ. Over that period, the ways in which CPAS has equipped churches for this evangelistic task has shifted, according to the particular and prevailing needs of the time. For the next few years, the Trustees believe God's call for CPAS is to help develop leadership in churches. Research shows there is an important link between church growth/evangelistic effort and effective leadership at all levels in churches. CPAS is committed to the development of leaders, so that churches will be effective in mission and evangelism.

The priorities during 2009/10 focus on moving to a place of full implementation of the strategic objectives, recognising the priority during the preceding year had been to make the transition into a new structure, with the new vision outlined above.

## Staffing

There were significant changes during the course of the year, due largely to the restructure precipitated by the strategic review. The staffing reorganisation resulted in a number of posts being made redundant and, as a result, several staff left CPAS: Alison Berry, Kelly Betteridge, Alastair King, Jo King, Geoff Harley-Mason, Tony Hardy, Richard Higginbottom, Paul Mileham and Richard Zair. Earlier in the year, Yvonne Scott left her post as children's ministry adviser, to take up the post of children's minister at Bracknell Family Church, and David Banbury left his post as evangelism adviser to become director of mission and faith development at Holy Trinity, Stratford-upon-Avon.

The trustees and management team would particularly want to recognise the contribution and 27 years service of Alastair King, the last serving member of staff to have made the move from London to Leamington Spa in 1991.

As a result of the new focus, a number of appointments were also made to strengthen the staff team:

- Charles Burgess, regional leadership development adviser for the South-west and South Wales
- Andrew Castle, leadership development adviser
- The Rev Andrew Cowley, senior leadership development adviser
- The Rev John Coyne, director of local and regional delivery
- Oly Du Croz, communications and web officer
- Rachel Davenport, receptionist
- The Rev John Fisher, regional leadership development advise for the Midlands
- The Rev Chris Kellock, regional leadership development advise for Scotland and the North
- The Rev Mark Norris, leadership development adviser (vocations)
- Karen Parker, finance assistant
- Kevin Phipps, caretaker

- Martyn Smith, caretaker
- Alexandra Volcansek, leadership development adviser

CPAS acknowledges with gratitude those whose work in a voluntary capacity has contributed to all that has been achieved during the year, including all who support the work of the regional leadership development advisers; those who have assisted with training events and interviews; many who have written articles for inclusion in publications; parish representatives and others who promote the ministries of CPAS at local-church level; friends who have given of their time in an administrative capacity; and members of advisory committees supporting various aspects of the ministry.

In particular, the trustees wish to express their appreciation to the Rt Rev Gavin Reid, who has been chair of the Council of Reference since its formation in 2005 and who stood down in November 2008. The Rt Rev Keith Sinclair has succeeded him as chair.

## Achievements and Performance

Although ministry delivery has continued during the year, much focus and effort has been given over to the transition to a new working structure. This has included retraining for some staff, as well as development of new products and initiatives. Work continued to be delivered through the previous structure up until September 2008 but the report below focuses on work carried out under the new vision from that point onwards.

### Local and regional delivery

Regional leadership development advisers have worked across their respective areas, offering support, consultancy and training for lay and ordained leaders in churches. This has included mentoring, consultancy/advice, training sessions/courses, and strategic planning and vision setting.

In conjunction with the development team, the advisers have also developed and piloted a new resource for use in local churches: *Leadership Matters* is an audit tool, enabling local churches to review their existing leadership arrangements. A further resource, *Leading Edge*, is under development and offers a series of facilitated days for small groups of senior leaders from a range of churches, able to come together to discuss issues of common interest.

CPAS is responsible for 514 (2008: 514) Church of England benefices, ranging from Guernsey to Gateshead, from the Isle of Man to Lowestoft. During the year, 37 (2008: 39) appointments were made. At the end of the year there were 54 (2008: 45) vacant positions and 106 (2008: 86) clergy on the EPCC Register looking for a move. Alongside its involvement in short listing, interviewing and selecting incumbents, CPAS has started to develop mechanisms for supporting and developing clergy and their teams beyond the appointments process.

### Development

The work of the development team has focused around a number of principle areas:

- Growing Leaders:** this course has continued to be used in churches across the country and further afield. Six 'training the trainer' days were held during the year. The highlight of the year was the launch of *Growing Leaders – Youth Edition* in March 2009, together with two new books by Ruth Hassall – *Ready to Lead* and *Growing Young Leaders*. The first 'training the trainers' day was held at Tachbrook Park in March and further days are scheduled for 2009/10.
- Vocations:** the longstanding work in this area continued with over 100 people considering God's call on their lives at *You and Ministry* events and 16 new incumbents attending *The Buck Stops Here* conference.
- Arrow:** the eighth cohort of the *Arrow Leadership Programme* finished in October 2008, with the ninth group continuing throughout the year and the tenth starting in March 2009. 2009 is the tenth anniversary of Arrow in the UK and to mark this there was a 'refresher event' – *Arrow Reloaded* – which took place at The Hayes with over 70 attendees. It is hoped this conference can be run in future on a biennial basis. An independent study of the effectiveness of *Arrow* was also conducted, the results of which will be used to shape the programme in future.
- Women leaders:** September 2008 saw the launch of Rosie Ward's book, *Growing Women Leaders*, in partnership with Bible Reading Fellowship. Later in the year this was accompanied by an associated downloadable study guide for small groups. A women in leadership blog was also launched during the year.
- Church Leadership:** the long-running leadership resource took on a new look in 2008, to reflect the new CPAS brand, and also introduced its own blog. In February 2009, *CL* initiated a seven-part focus on the respective aspects of the CPAS 'leadership doughnut', which highlights seven areas of focus for Christian leaders.

### Communications and fundraising

In a year of significant change, this newly-formed team has focused its activities in seven areas: fundraising, marketing/promotion, data management, brand identity, website development, internal communications and supporter communications. Despite all the changes taking place at CPAS and the economic downturn across the economy, donation income was fairly steady, although income from churches was starting to decline towards year-end. Of particular note was the introduction of a new brand identity for CPAS, with all CPAS activities being brought within the new identity, the website being relaunched accordingly, and a range of new promotional material.

### Financial Review

#### Investments

The object includes the following investment powers:

'To invest the monies of the Society not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.'

CPAS's investments are held in Collective Investment Scheme Units of the Central Board of Finance of the Church of England, the income from which is used for the Society's ministries. Ethical considerations form an integral part of the management of these funds. No specific investment objectives are set but results are monitored against market returns. Investment Units achieved an income yield of 5.3%.

#### Fixed Assets

The Society's fixed assets include the following:

- premises in Warwick housing CPAS's offices and those of CPV
- office and other equipment necessary to fulfil the Society's ministries
- six freehold properties held to house some staff members who have joined CPAS following service in tied accommodation
- a shared equity scheme assisting one former member of staff with housing
- one property which housed a former member of staff
- land bequeathed to the Society currently held as tenanted farmland.

#### Reserves

CPAS holds reserves to fund its working capital and to cover fluctuations in levels of incoming resources needed to maintain the Society's normal operations in the short term. During the year general funds (excluding fixed assets) decreased from £4,253,000 (CPAS), £4,785,000 (Group) to £2,895,000 (CPAS), £3,401,000 (Group). This figure includes an unrealised loss in the value of general fund investments of £1,085,000 (CPAS) and £1,112,000 (Group). Part of these funds are held on deposit, giving an effective hedge against fluctuations in the stock market.

In 2004 the Trustees agreed that a proportion of these funds should be expended over a period of eight to ten years. This includes funding a budgeted deficit for the year to April 2010, and by strategic new staff appointments (see *Achievements and Performance* above).

The Trustees do not believe it is necessary to hold additional reserves for use in the event of serious unforeseen circumstances necessitating curtailment of the Society's operations, as in such circumstances sufficient funds, currently employed in fixed assets as well as in investments, would be released automatically to cover redundancy and other closure costs.

### CPAS

#### All Funds

The results for the year showed an overall loss of £298,000 as compared with a gain of £100,000 in 2007/08 before revaluation of investments and actuarial gains and losses on the defined benefit pension scheme. Excluding profit on sale of properties, the deficit was £357,000 as compared with £155,000 in 2007/08.

#### Unrestricted Funds

The loss of £346,000 (excluding profit on sale of properties and movement in funds) compared with a loss in 2007/08 of £169,000. Donations from churches were £18,000 less than in 2007/08 and from individuals £9,000 less. Receipts from legacies were £42,000 more than in 2007/08. CPAS continues to rely heavily on the generous voluntary giving of supporters, without which its ministry would not be sustainable, and the Society expresses its gratitude to all who have made donations or included CPAS in their Will during the year. Expenditure was £123,000 more than 2007/08.

#### Restricted Funds

The combined totals for the restricted funds resulted in a loss of £11,000 (excluding movement in funds), as compared with the gain of £14,000 in 2007/08. Donations were £4,000 less than in 2007/08, and £29,000 of legacy income was received. Each of these funds carried forward surpluses which will support commitments for the training and grant-making programmes currently under way.

**CPV**

Both Falcon Camps and Ventures produced losses for the year. The Ventures loss was £26,000 (1.6% of total costs), compared with a surplus of £89,000 in 2007/08. Falcon Camps loss was £22,000, meaning the fund finished the year with a surplus of £210,000 (2007/08: £259,000). This will ensure adequate underwriting of the cost of this work for the next few years. The overall result for the year was therefore a loss of £48,000, before revaluation of investments. CPV reimbursed to CPAS £234,000 in respect of office occupancy costs. Income decreased by £289,000 from 2007/08 whilst expenditure increased by £52,000 (2.9%) compared with 2007/08. The value of investments arising from the donation of £90,000 by CPAS to CPV in 2001/2002 decreased by £27,000 (this decrease is unrealised) during the year.

**Commitments**

Financial projections indicate that the Society's general fund reserves are adequate for it to continue in operation for the foreseeable future. The realisable value of assets is believed to be adequate to meet liabilities in the event of a major curtailment of activities or of liquidation. Information concerning pension contributions and other commitments is contained in notes 1 and 5.

**Plans for the year to 30 April 2010**

Following a period of transition and recruitment to new positions, full attention switches to delivery of the five year strategy, for which 2009/10 will effectively be year one.

The agreed strategy for the next five years is as follows:

**(A) Developing 25,000 men and women to become more effective in leadership by:**

- (i) arranging 150 regional leadership development training events
- (ii) arranging 50 regional development training events for those involved in youth or children's ministry leadership
- (iii) offering 2,500 leadership consultancy sessions
- (iv) each member of ministry staff coaching/mentoring two overall leaders per annum
- (v) facilitating 200 strategic church leadership reviews
- (vi) co-ordinating national leadership conference 2011 (CPAS 175<sup>th</sup> Anniversary)
- (vii) resourcing 200 first-time incumbents through conferences such as The Buck Stops Here
- (viii) running five Arrow Leadership Programmes
- (ix) piloting a leadership development programme for over 45s
- (x) enabling 1,000 churches to run *Growing Leaders*
- (xi) developing and delivering events to develop women in leadership roles
- (xii) sponsoring the National Anglican Larger Churches Conferences in 2009 and 2011
- (xiii) providing vocational development conferences for over 30s.

**(B) Equipping churches to train up a generation of children and young people for leadership by:**

- (i) enabling 500 churches to run *Growing Leaders - Youth Edition*
- (ii) *developing* *Growing Leaders - Children's Edition*
- (iii) running three specialist leadership development Ventures.

**(C) Helping 600 18 to 25 year olds aspire to and prepare for leadership by:**

- (i) *piloting a leadership development programme for 18 to 25s*
- (ii) *initiating a CPAS intern scheme for fifteen participants*
- (iii) *developing the leadership skills of 500 young VFC leaders for roles within the wider Church.*

**(D) Inspiring 150 leaders under the age of 30 to offer themselves for ordination, including pioneer ministry, by:**

- (i) running three vocational discernment conferences for those under 30
- (ii) developing a web tool to help people assess their suitability for ordination
- (iii) resourcing church leaders to identify suitable candidates for ordination.

**(E) Equipping 8,500 leaders to be effective in reaching and discipling children and young people through Ventures and Falcon Camps by:**

- (i) providing the co-ordination and framework within which 600 Ventures and Falcon Camps can reach 16,000 children and young people
- (ii) providing eighteen training events at which overall leaders from every Venture and Falcon Camp are represented each year
- (iii) enabling 450 overall leaders to train and develop their teams.

**(F) Working with our 514 patronage churches to develop effective leadership by:**

- (i) appointing effective leaders committed to evangelism
- (ii) providing leadership development support for 1/3<sup>rd</sup> of new appointments and their leadership teams
- (iii) investing in the leadership development of 10% of existing appointments.

**(G) Promoting research and sharing expertise on issues of church leadership by:**

- (i) commissioning research and articles/books as appropriate
- (ii) providing a UK church leadership resource, including podcasts and fortnightly e-bulletin
- (iii) developing a website to promote, resource, develop and support leadership.

More detailed delivery plans are outlined in the 2009/10 business plan. Strategy objectives where no work is programmed during 2009/10 are highlighted above in italics.

In order to facilitate delivery and develop the organisation, focus will also be given to the following activities, which sit outside the main strategy:

- formation of an organisational development group, particularly looking at performance measurement and organisational health/culture
- working towards Investors in People accreditation
- development of an organisational learning and development plan
- working towards the merger of CPAS and CPV
- launch of a new website
- refurbishment of the office space
- implementation of the communications strategy.

## **Statement of the Directors' Responsibilities**

### **Directors' responsibilities in relation to the financial statements**

The directors (being the Trustees of the Society) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 Society and of its incoming resources and application of resources, including the income and expenditure, of the Society for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business (see below).

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

The Trustees confirm that these financial statements comply with these requirements.

### **Statement of disclosure to the auditors**

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the auditors are aware of that information

### **Going concern**

The Society is almost entirely dependent on voluntary income to finance its continued operations. Financial projections, based on the best judgements of the staff and Trustees in relation to likely income and anticipated changes, indicate that the Society's resources are adequate for it to continue in operation for the foreseeable future. Accordingly the going concern basis continues to be adopted in preparing financial statements.

## **Auditors**

A resolution will be proposed at the Annual General Meeting that Hazlewoods LLP be reappointed as auditors for the coming year.

*Peter Hancock*  
*Chairman, on behalf of the Directors*

*9 September 2009*

## Independent Auditors' Report to the Members of Church Pastoral Aid Society

We have audited the financial statements of the Church Pastoral Aid Society for the year ended 30 April 2009 which comprise the Statement of Financial Activities, the Balance Sheets and related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely for the charitable company's members, as a body, in accordance with Section 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 auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Trustees and auditors

The Trustees' (who are also directors of the Church Pastoral Aid Society for the purposes of company law) responsibilities for preparing the report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

### Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2009 and of their incoming resources and application of resources, including their income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

## Statement of Financial Activities for the year to 30 April 2009

	Notes	CPAS 2009			Group 2009			CPAS 2008	Group 2008
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds	Total Funds	Total Funds
		£000	£000	£000	£000	£000	£000	£000	
<b>INCOME &amp; EXPENDITURE</b>									
<b>ACCOUNT</b>									
<b>INCOMING RESOURCES</b>									
	2	<i>Incoming resources from generated funds</i>							
Voluntary income		1,080	41	1,121	1,692	183	1,875	1,146	2,138
Investment income		260	6	266	289	12	301	298	341
Incoming resources from charitable activities		180	73	253	1,152	110	1,262	229	1,281
Other incoming resources: profit on sale of properties		<u>59</u>	<u>0</u>	<u>59</u>	<u>59</u>	<u>0</u>	<u>59</u>	<u>255</u>	<u>255</u>
<b>Total Incoming Resources</b>		<b><u>1,579</u></b>	<b><u>120</u></b>	<b><u>1,699</u></b>	<b><u>3,192</u></b>	<b><u>305</u></b>	<b><u>3,497</u></b>	<b><u>1,928</u></b>	<b><u>4,015</u></b>
<b>RESOURCES EXPENDED</b>									
	3								
Charitable activities		1,639	131	1,770	3,186	325	3,511	1,659	3,356
Governance costs		110	0	110	143	4	147	117	151
Costs of generating funds		<u>117</u>	<u>0</u>	<u>117</u>	<u>176</u>	<u>9</u>	<u>185</u>	<u>52</u>	<u>115</u>
<b>Total Resources Expended</b>		<b><u>1,866</u></b>	<b><u>131</u></b>	<b><u>1,997</u></b>	<b><u>3,505</u></b>	<b><u>338</u></b>	<b><u>3,843</u></b>	<b><u>1,828</u></b>	<b><u>3,622</u></b>
Gross transfers between funds		0	0	0	0	0	0	0	0
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR before other recognised gains / (losses)</b>									
		<b>(287)</b>	<b>(11)</b>	<b>(298)</b>	<b>(313)</b>	<b>(33)</b>	<b>(346)</b>	<b>100</b>	<b>393</b>
<b>Other recognised gains / (losses)</b>									
Revaluation of investments	7	(988)	(97)	(1,085)	(988)	(124)	(1,112)	(431)	(438)
Actuarial gains / (losses) on defined benefit pension scheme	5	<u>(110)</u>	<u>0</u>	<u>(110)</u>	<u>(110)</u>	<u>0</u>	<u>(110)</u>	<u>(372)</u>	<u>(372)</u>
<b>NET MOVEMENT IN FUNDS</b>	10	<b>(1,385)</b>	<b>(108)</b>	<b>(1,493)</b>	<b>(1,411)</b>	<b>(157)</b>	<b>(1,568)</b>	<b>(703)</b>	<b>(417)</b>
Total funds brought forward		<u>7,391</u>	<u>557</u>	<u>7,948</u>	<u>7,923</u>	<u>816</u>	<u>8,739</u>	<u>8,651</u>	<u>9,156</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>6,006</u></b>	<b><u>449</u></b>	<b><u>6,455</u></b>	<b><u>6,512</u></b>	<b><u>659</u></b>	<b><u>7,171</u></b>	<b><u>7,948</u></b>	<b><u>8,739</u></b>

Restricted funds include £158,000 representing permanent endowment funds (note 10).

All gains and losses recognised in the year are included above.

All the activities of the Group are continuing activities, and there were no acquisitions in the year.

## Consolidated and Company Balance Sheets as at 30 April 2009

<i>Notes</i>	<i>CPAS 2009 £000</i>	<i>Group 2009 £000</i>	<i>CPAS 2008 £000</i>	<i>Group 2008 £000</i>
<b>FIXED ASSETS</b>				
Tangible fixed assets	6 3,111	3,111	3,138	3,138
Investments (unlisted)	7 <u>3,108</u>	<u>3,186</u>	<u>4,193</u>	<u>4,298</u>
<b>Total Fixed Assets</b>	6,219	6,297	7,331	7,436
<b>CURRENT ASSETS</b>				
Stock	49	49	33	33
Debtors	8 124	317	121	268
Deposits repayable on demand	171	601	219	599
Cash at bank and in hand	<u>67</u>	<u>295</u>	<u>336</u>	<u>706</u>
<b>Total Current Assets</b>	411	1,262	709	1,606
<b>LIABILITIES</b>				
Creditors falling due within 1 year	9 169	382	92	303
<b>Net Current Assets</b>	<u>242</u>	<u>880</u>	<u>617</u>	<u>1,303</u>
<b>NET ASSETS BEFORE PENSION ASSET/(LIABILITY)</b>				
	<b>6,461</b>	<b>7,177</b>	<b>7,948</b>	<b>8,739</b>
Defined benefit pension scheme asset/(liability)	5 (6)	(6)	0	0
<b>NET ASSETS INCLUDING PENSION ASSET/( LIABILITY)</b>	<u><b>6,455</b></u>	<u><b>7,171</b></u>	<u><b>7,948</b></u>	<u><b>8,739</b></u>
<b>FUNDS</b>				
Permanent endowment	10 121	121	121	121
Permanent endowment revaluation	<u>37</u>	<u>37</u>	<u>92</u>	<u>92</u>
	158	158	213	213
Restricted	263	485	274	518
Restricted revaluation	<u>28</u>	<u>16</u>	<u>70</u>	<u>85</u>
	291	501	344	603
Unrestricted:				
Designated	0	34	0	23
General	6,016	6,488	6,407	6,916
General revaluation	(4)	(4)	984	984
Pension reserve	5 <u>(6)</u>	<u>(6)</u>	<u>0</u>	<u>0</u>
	6,006	6,512	7,391	7,923
<b>TOTAL FUNDS</b>	<u><b>6,455</b></u>	<u><b>7,171</b></u>	<u><b>7,948</b></u>	<u><b>8,739</b></u>

Signed on behalf of the Trustees on 9 September 2009

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies

#### Basis of preparation

The financial statements are presented in accordance with the requirements of the *Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)* (SORP), issued by the Charity Commission in 2005, applicable accounting standards and the Companies Act 2006. In line with the SORP, the CYFA Pathfinder Ventures Ltd results for the year are consolidated with those of CPAS on a line by line basis. A copy of the full Report and Accounts for CPV Ltd is available from its secretary at CPAS's address (see page 3).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments, adopting the policies set out below.

CPAS is a company limited by guarantee and CPV Ltd a company limited by shares. The Trustees of CPAS and Board of CPV are directors for the purposes of the Companies Act 2006 and are trustees of their respective charities within the meaning of the Charities Acts (see pages 3 and 5 for full lists).

#### Incoming resources

Donations represent amounts received during the year, together with any associated tax refund. Legacies are credited to the statement of financial activities in the year in which they are received or, if earlier, the year in which the Society is notified of its legal entitlement and where the monetary value can be measured with adequate reliability.

Income due from both investments and deposits but not received during the year is included in the statement of financial activities. Investments are stated at market value at the balance sheet date. Monies placed in deposit funds are classified as short term deposits as they are repayable on demand.

Grants receivable for specific purposes are credited to the statement of financial activities in the year to which they relate as soon as conditions for receipt have been met. Unspent balances are carried forward to subsequent years within restricted funds. Grants for immediate financial support, or received against costs previously incurred, are recognised immediately in the statement of financial activities. Voluntary income is shown gross before deduction of fundraising expenditure.

#### Resources expended

All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category. Support costs attributable to more than one activity are apportioned on the basis of expenditure relating directly to those activities.

Governance costs comprise legal fees, audit fees and charges for audit advice, servicing of trustees and other governance bodies, bank charges, and overheads and staff costs apportioned on the basis of time expended on governance work.

Costs of generating voluntary income comprise costs of fundraising mailings, consultancy fees, and staff costs apportioned on the basis of time expended on fundraising activities.

The Society makes no donations for charitable purposes outside the scope of its own work, neither are any donations made for any political purpose.

#### Assets

**Fixed assets** are capitalised if they are valued at more than £1,000 and are included at cost.

**Depreciation** is charged to write off the cost less the estimated residual value of fixed assets on a straight line basis over the periods of time shown below, commencing in the year of acquisition:

- |   |                 |
|---|-----------------|
| • freehold property - Tachbrook Park, Warwick:          |                 |
| land  | no depreciation |
| building  | 50 years        |
| • staff houses (see below)                              | no depreciation |
| • mechanical/electrical equipment and building fixtures | 20 years        |
| • furniture etc Tachbrook Park offices                  | 10 years        |
| • computer equipment                                    | 3 years         |
| • other equipment                                       | 5 years         |

Depreciation is not provided on staff or shared equity houses. The Trustees consider that the residual value is not materially different from the carrying value shown in the financial statements, and consequently any depreciation charge would be immaterial.

**Investments** are included at market value. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**Stocks** are stated at the lower of cost and net realisable value.

#### Funds

The following types of fund are available for use by the Trustees or Board:

- permanent endowment fund, the income only being available for the general purposes of the Society
- restricted funds, being applied solely for the purpose of the fund
- general funds, available for the general purposes of the Society.

**Pensions**

Staff who are ordained Church of England clergy are included in the Church of England Funded Pensions Scheme administered by the Church of England Pensions Board. No funding liability currently arises for the Society in respect of them. Financial Reporting Standard (FRS) 17 requires the employer to account for pension costs on the basis of contributions actually payable to the scheme during the year (see note 5 – *pensions*).

For other staff the Society operates a funded, defined benefit pension scheme (see note 5 – *pensions*). Pension costs and the pension provision for the defined benefit pension scheme are calculated on the basis of actuarial advice and are charged to the statement of financial activities on a basis to spread the costs over the employees' working lives. Any asset or liability arising is shown on the balance sheet in accordance with FRS17.

Any contributions to an employee's personal pension scheme in place of contributions to its own scheme are treated as expenditure when paid (see note 5 – *pensions*).

**Operating leases**

The cost of operating leases is charged in the statement of financial activities on a straight line basis over the lease term.

**Group accounts**

The consolidated financial statements comprise the financial statements of CPAS and its subsidiary made up to 30 April 2009.

**2 Incoming resources**

	CPAS 2009			Group 2009			CPAS 2008	Group 2008
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000	Total funds £000	Total funds £000
Incoming resources from generated funds:								
Voluntary income								
Donations – Churches	589	0	589	592	43	635	616	670
– Individuals	313	12	325	922	111	1,033	329	1,267
Legacies	158	29	187	158	29	187	116	116
Grants – Mabledon Charity	20	0	20	20	0	20	55	55
– Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30</u>	<u>30</u>
	<u>1,080</u>	<u>41</u>	<u>1,121</u>	<u>1,692</u>	<u>183</u>	<u>1,875</u>	<u>1,146</u>	<u>2,138</u>
Investment income and interest:								
Central Board of Finance								
Investments - note 7	159	6	165	159	10	169	195	199
Central Board of Finance								
Deposits	10	0	10	26	0	26	25	38
Bank and other interest	5	0	5	18	2	20	11	37
Net return on pension -note 5	<u>86</u>	<u>0</u>	<u>86</u>	<u>86</u>	<u>0</u>	<u>86</u>	<u>67</u>	<u>67</u>
	<u>260</u>	<u>6</u>	<u>266</u>	<u>289</u>	<u>12</u>	<u>301</u>	<u>298</u>	<u>341</u>
Incoming resources from charitable activities:								
Publications	46	12	58	46	12	58	51	51
Training events	24	61	85	24	61	85	67	67
Subscriptions and affiliations	30	0	30	30	0	30	34	34
Ventures and camps	0	0	0	972	37	1,009	0	1,052
Rent from land & properties	69	0	69	69	0	69	67	67
Miscellaneous	<u>11</u>	<u>0</u>	<u>11</u>	<u>11</u>	<u>0</u>	<u>11</u>	<u>10</u>	<u>10</u>
	<u>180</u>	<u>73</u>	<u>253</u>	<u>1,152</u>	<u>110</u>	<u>1,262</u>	<u>229</u>	<u>1,281</u>
Other incoming resources:								
Profit on sale of properties	<u>59</u>	<u>0</u>	<u>59</u>	<u>59</u>	<u>0</u>	<u>59</u>	<u>255</u>	<u>255</u>
<b>Total incoming resources</b>	<b>1,579</b>	<b>120</b>	<b>1,699</b>	<b>3,192</b>	<b>305</b>	<b>3,497</b>	<b>1,928</b>	<b>4,015</b>

As at 30 April 2009 the Society had not been notified of any residuary legacy, which has not been included in the financial statements due to uncertainty as to the amount receivable (2008: no residuary legacy).

CPAS aims to make its publications and training events available to as many churches and individuals as possible. Amounts charged for these resources (above) do not, therefore, include staff costs.

### 3 Analysis of Total Resources Expended

	Staff costs		Other costs		Total 2009 £000	Total 2008 £000
	Unrestricted £000	Restricted £000	Unrestricted £000	Restricted £000		
<b>CPAS</b>						
<i>Charitable activities:</i>						
Evangelism	0	0	0	0	0	209
Children and youth	30	0	6	49	85	247
Leadership	413	0	133	9	555	192
Parish support	661	0	302	0	963	478
<i>Resourcing activities</i>						
Publications	0	0	55	0	55	171
Training events	0	0	39	56	95	345
Ventures and camps	0	0	0	0	0	0
<i>Grants paid</i>						
Ministers in training	0	0	0	17	17	17
CPV	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	1,104	0	535	131	1,770	1,659
<i>Governance costs:</i>						
Legal fees	0	0	6	0	6	7
Audit fee	0	0	14	0	14	13
Trustees	0	0	9	0	9	10
Bank charges and interest payable	0	0	3	0	3	5
Other costs	<u>31</u>	<u>0</u>	<u>47</u>	<u>0</u>	<u>78</u>	<u>82</u>
	31	0	79	0	110	117
<i>Cost of generating funds</i>	<u>42</u>	<u>0</u>	<u>75</u>	<u>0</u>	<u>117</u>	<u>52</u>
<b>Total resources expended</b>	<b>1,177</b>	<b>0</b>	<b>689</b>	<b>131</b>	<b>1,997</b>	<b>1,828</b>

Group	Staff costs		Other costs		Total 2009 £000	Total 2008 £000
	Unrestricted £000	Restricted £000	Unrestricted £000	Restricted £000		
<i>Charitable activities:</i>						
Evangelism	0	0	0	0	0	209
Children and youth	30	0	6	49	85	247
Leadership	413	0	133	9	555	192
Parish support	661	0	302	0	963	478
<i>Resourcing activities</i>						
Publications	0	0	55	0	55	171
Training events	0	0	39	56	95	345
Ventures and camps	135	17	1,412	177	1,741	1,697
<i>Grants paid</i>						
Ministers in training	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>	<u>17</u>	<u>17</u>
	1,239	17	1,947	308	3,511	3,356
<i>Governance costs:</i>						
Legal fees	0	0	6	0	6	7
Audit fee	0	0	18	0	18	17
Trustees	0	0	12	0	12	12
Bank charges and interest payable	0	0	11	1	12	14
Other costs	<u>45</u>	<u>3</u>	<u>51</u>	<u>0</u>	<u>99</u>	<u>101</u>
	45	3	98	1	147	151
<i>Cost of generating funds</i>	<u>47</u>	<u>2</u>	<u>129</u>	<u>7</u>	<u>185</u>	<u>115</u>
<b>Total resources expended</b>	<b>1,331</b>	<b>22</b>	<b>2,174</b>	<b>316</b>	<b>3,843</b>	<b>3,622</b>

*Staff costs:* these include salaries, National Insurance, pension contributions, staff housing and other staff-related costs (see note 4).

*Charitable activities*

*Grants:* Ministers in training grants are made to individuals and are of amounts not exceeding £800. Support costs for the award of grants are included in the total for leadership.

*Subsidies* are granted to assist individuals to attend *Ventures* and *Falcon Camps* and to contribute to the general costs of running Falcon Camps (CPV Ltd). During the year subsidies, totalling £41,000 (2008: £38,000) were granted in respect of *Ventures*, and £11,000 (2008: £10,000) in respect of *Falcon Camps*, each of the amounts not exceeding £100.

*Support costs*

Support costs for specific areas of ministry are allocated directly to that ministry; non-specific costs are allocated in proportion to the total known costs for each area of ministry. Charitable activities include support costs of £724,000 for CPAS and £1,013,000 for the Group. (2008:CPAS £573,000 and Group £832,000).

*Governance costs – directors' emoluments and transactions*

CPAS: No director was interested in any transaction, contract or other arrangement with the Society. Travel expenses totalling £3,000 (2008:£2,000) were reimbursed to 11 (2008:9) directors; these amounts are included in *Trustees* above.

Group: No director received any payment (2008: nil) in respect of the production of promotional materials supplied to the Company. No other director had an interest in transactions, contracts or other arrangements with the Company. Travel expenses totalling £5,000 (2008:£3,000) were reimbursed to 15 directors (2008:12); these amounts are included in *Trustees* above.

*Other costs*

£16,000 (2008: £13,000) in respect of operating lease costs for office equipment is included in *Support costs* above.

£34,000 (2008: £42,000) in respect of operating lease costs for motor vehicles is included in *Charitable Activity costs* above.

**4 Staff Numbers and Costs**

	<b>CPAS</b>		<b>Group</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Average staff numbers</b> (full time equivalent)				
Charitable activities	27	30	33	36
Governance	2	2	2	2
Cost of generating funds	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<b><u>30</u></b>	<b><u>33</u></b>	<b><u>36</u></b>	<b><u>39</u></b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Costs of employment of staff</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salaries	956	917	1,094	1,050
National Insurance contributions	70	73	80	82
Pension costs (see notes 1 and 5 – <i>pensions</i> )	103	152	131	178
Staff housing	25	34	25	34
Other	<u>23</u>	<u>26</u>	<u>23</u>	<u>26</u>
	<b><u>1,177</u></b>	<b><u>1,202</u></b>	<b><u>1,353</u></b>	<b><u>1,370</u></b>

No employee received emoluments in excess of £60,000.

**5 Pensions** (see note 1)**Church of England Funded Pensions Scheme**

CPAS participates in the Church of England Funded Pensions Scheme. Contributions (up to an agreed threshold) in respect of clergy staff employed by the Society are paid for by the Archbishops' Council of the Church of England.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Society is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as at 31 December 2006. This revealed a shortfall of £141,000,000, with assets of £468,000,000 and technical provisions of £609,000,000, assessed using the following assumptions: investment returns 4.25% on gilts and 5.75% on equities, increase in pensionable stipends 4.6% per annum, pension increases 3.1% pa. The unfunded shortfall will result in future payments by participating employers.

For schemes such as the Church of England Funded Pensions Schemes, FRS 17 requires CPAS to account for pension costs on the basis of contributions actually payable to the Scheme in the year. The expense recognised in the Statement of Financial Activities, which is equal to the contributions due for the year, amounted to £nil (2008: £2,000).

**CPAS Pension and Life Assurance Scheme**

The defined benefit scheme operated by the Society for its non-clergy staff is funded by contributions to a managed fund contract issued by Guardian Pensions Management Ltd, part of AEGON UK group. The contributions to this scheme are determined with the advice of the scheme actuary (employed by Aegon Trustee Solutions) on the basis of triennial valuations.

The most recent actuarial valuation was conducted as at 1 August 2008 using the following main assumptions: valuation rate of interest 7.8% per annum (4.3% post retirement), and salary increases 5.8% per annum. The report was received in March 2009.

The statutory estimate of solvency, which allows for the cost of winding-up the scheme, indicates a solvency level of 88%. In the event of the scheme being wound up, this would enable the Pension Protection Fund benefits to be met in full and 58% of residual benefits.

The valuation showed that the regular contribution rate required was 25.3% of salaries.

For the purposes of Financial Reporting Standard 17 (FRS 17) Retirement Benefits, a valuation has been performed as at 30 April 2009. This valuation assesses scheme liabilities by considering corporate debt yields, whereas the actuarial valuation is based on equity returns. The scheme's liabilities as stated below should not be taken as an indication of the results of the valuation carried out on behalf of the scheme trustees for funding purposes. The excess of liabilities over assets as included in the balance sheet for CPAS is the same as that for the Group, since no analysis of the respective liabilities of the two organizations is available. The information required by FRS 17 is as follows:

<b>Principal actuarial assumptions:</b>	<b>2009</b>	<b>2008</b>
	<b>%</b>	<b>%</b>
Inflation assumption	3.4	3.7
Rate of salary increase	4.2	4.5
Rate of increase of pensions in payment (accrued between 6/4/1997 and 5/4/2005)	3.4	3.3
Rate of increase of pensions in payment (accrued after 5/4/2005)	2.3	2.1
Rate of increase of pensions in payment	3.4	3.7
Discount rate	7.0	7.0
Mortality	PNMA00/PNFA00 year of birth tables for males/females, long cohort projection with a 1% minimum improvement.	120% PNMA00/PNFA00 year of birth tables for males/females, medium cohort projection with a 1% minimum improvement.
Percentage of members married	90	90
Commutation of pension for cash on retirement	Yes	Yes
Age differences (males – females)	3 years	3 years
Explicit withdrawal assumption	No	No

**The amounts recognised in the balance sheet are as follows:**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Present value of the defined benefit obligation	(3,181)	(3,131)
Fair value of scheme assets	<u>3,175</u>	<u>4,123</u>
Surplus /(deficit)	<u>(6)</u>	<u>992</u>
Amounts in the balance sheet:		
Liabilities	(6)	0
Assets	0	992
Less: assets not recognised	<u>0</u>	<u>(992)</u>
Net asset/(liability)	<u>(6)</u>	<u>0</u>

As the pension asset at 30 April 2008 did not give rise to any reduction in the contributions payable to the scheme by the group, the asset of £992,000 was not recognised in the financial statements and was therefore adjusted in the actuarial gain/(loss) for that year included within "Other recognised gains/(losses)" in the Statement of Financial Activities as required by FRS17. That unrecognised surplus of £992,000 has been dealt with in the financial statements for year ended 30 April 2009 by firstly offsetting £48,000 against past service costs within "Total resources expended" in the Statement of Financial Activities and secondly by including £944,000 included within "Other recognised gains/(losses)" in the Statement of Financial Activities.

**The amounts recognised in the Statement of Financial Activities are as follows:**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Included in total resources expended:		
Current service cost	(122)	(156)
Past service cost	(48)	(16)
Less: unrecognised surplus	48	0
Past service costs (net)	<u>0</u>	<u>(16)</u>
Operating cost	<u>(122)</u>	<u>(172)</u>
Included in investment income and interest:		
Interest on obligation	(217)	(217)
Expected return on scheme assets	303	284
Net finance income	<u>86</u>	<u>67</u>
Total	<u>(36)</u>	<u>(105)</u>

The actual return on scheme assets for the year ended 30 April 2009 amounted to a loss of £605,000 (2008: gain of £26,000).

The actuarial gain/(loss) for the year included within "Other recognised gains/(losses)" in the Statement of Financial Activities comprised:

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Actuarial gain/(loss)	(1,054)	620
Asset not recognised	0	(992)
Unrecognised surplus	<u>944</u>	<u>0</u>
	<u>(110)</u>	<u>(372)</u>

The cumulative actuarial loss to 30 April 2009 included in "Other recognised gains/(losses)" amounts to £916,000

<b>Changes in the present value of the defined benefit obligation are as follows:</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Present value of obligation at start of year	3,131	4,018
Interest cost	217	217
Current service cost	122	156
Past service cost	48	16
Benefits paid	(458)	(367)
Charges paid	(25)	(31)
Actuarial (gain)/loss	<u>146</u>	<u>(878)</u>
Present value of obligation at end of year	<u>3,181</u>	<u>3,131</u>

<b>Changes in the fair value of the scheme's assets are as follows:</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Fair value of scheme assets at the beginning of year	4,123	3,604
Expected return on scheme assets	303	284
Contributions	140	891
Benefits paid	(458)	(367)
Charges paid	(25)	(31)
Actuarial gain/(loss)	<u>(908)</u>	<u>(258)</u>
Fair value of scheme assets at end of year	<u>3,175</u>	<u>4,123</u>

The scheme assets are invested in insurance policies with companies belonging to the AEGON UK group. The analysis of the underlying categories of investments in these policies, as a percentage of the total scheme assets, together with the expected rate of return (ROR) for each category, is shown below. The value of Additional Voluntary Contribution (AVC) policies is not included.

	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
	<b>% of total</b>	<b>Expected</b>	<b>% of total</b>	<b>Expected</b>
	<b>scheme assets</b>	<b>ROR %</b>	<b>scheme</b>	<b>ROR %</b>
			<b>assets</b>	
Equities	65	8.3	61	8.90
Corporate Bonds	12	7.0	13	7.00
Gilts	10	4.3	9	4.60
Cash/other	13	0.5	17	5.25

The basis for the expected ROR for each of the above is as follows:

**Equities** – the yield on 20 year fixed interest gilt plus allowance for the Equity Risk Premium.

**Corporate Bonds** – the yield available on AA rated corporate bonds which is represented by the yield on the iBoxx £ Corporate AA > 15 years Index.

**Gilts** – annualised yield derived from the FTSE Actuaries Securities 20-year Fixed Interest Index.

**Cash** – the Royal Bank of Scotland's Base Rate.

Contributions for CPAS and its subsidiary for the year ending 30 April 2010 are estimated to be £310,000; this includes an additional payment of £150,000 in order to reduce the pension scheme deficit.

**Amounts for the current and previous four years are as follows:**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Defined benefit obligation	(3,181)	(3,131)	(4,018)	(3,784)	(3,461)
Scheme assets	<u>3,175</u>	<u>4,123</u>	<u>3,604</u>	<u>3,331</u>	<u>1,780</u>
Surplus/(deficit)	<u>(6)</u>	<u>992</u>	<u>(414)</u>	<u>(453)</u>	<u>(1,681)</u>
Experience adjustments on scheme liabilities	(31)	(246)	(49)	(211)	21
Experience adjustments on scheme assets	(908)	(258)	(74)	320	17

During the year the Society made no contributions to any employee's personal pension scheme (2008: nil) (see note 1 – *pensions*).

## 6 Fixed Assets

	<i>Land and property bequests</i>	<i>Warwick premises land</i>	<i>Warwick premises building</i>	<i>Staff houses freehold</i>	<i>Houses shared equity</i>	<i>Office and other equipment</i>	<i>Total CPAS</i>	<i>Total Group</i>
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>								
At 1 May 2008	85	640	1,420	1,488	80	412	4,125	4,159
Additions	0	0	0	50	0	29	79	79
Disposals	(0)	0	0	0	(36)	(38)	(74)	(74)
<b>At 30 April 2009</b>	<b>85</b>	<b>640</b>	<b>1,420</b>	<b>1,538</b>	<b>44</b>	<b>403</b>	<b>4,130</b>	<b>4,164</b>
<b>Depreciation</b>								
At 1 May 2008	0	0	612	0	0	375	987	1,021
Charge for year	0	0	40	0	0	30	70	70
Disposals	0	0	0	0	0	(38)	(38)	(38)
<b>At 30 April 2009</b>	<b>0</b>	<b>0</b>	<b>652</b>	<b>0</b>	<b>0</b>	<b>367</b>	<b>1,019</b>	<b>1,053</b>
<b>Written down value</b>								
At 1 May 2008	85	640	808	1,488	80	37	3,138	3,138
<b>At 30 April 2009</b>	<b>85</b>	<b>640</b>	<b>768</b>	<b>1,538</b>	<b>44</b>	<b>36</b>	<b>3,111</b>	<b>3,111</b>

### Land and property bequests

Included within Land and Property Bequests is 22 acres of land in Devon, held as tenanted farmland.

### Warwick premises

Leases of parts of the Warwick premises were granted to J F W Deacon's Mabledon Charity on 20 August 1990 and 2 April 1992, both for 125 years, for premiums totalling £395,000. The premiums were based on independent professional valuations and have been applied to reduce the book value of the property. 'Mabledon' owns the leasehold of the entire conference facilities at Warwick, which are available for the use of evangelical church societies and similar bodies. A lease of a further part of the Warwick premises was granted to the Colonial and Continental Church Society, known as the Intercontinental Church Society (ICS), registered charity no 241111, on 1 March 1998 for a 20 year period for use as its administrative headquarters. No premium was received in respect of this lease; rents received are included in rental income from land and properties (see note 2).

### Shared equity

A shared equity scheme for assisting staff with housing was approved by the Council (now Trustees) on 15 March 1990. This enables the Society to provide a maximum of half of the price of houses purchased by a limited number of staff members, who then own their houses subject to a legally binding declaration of trust under which the Society will share in the eventual proceeds of sale in the proportion of its contribution in relation to the original total purchase price. No interest is receivable on monies contributed under the scheme, which are included in fixed assets. At 30 April 2009 1 former staff member participated in the scheme (2008: 2).

### CPV

CPV fixed assets comprise office and other equipment.

## 7 Investments (unlisted)

	<i>CPAS</i>		<i>Group</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	£000	£000	£000	£000
Market value at 1 May 2008	4,193	5,724	4,298	5,836
Additions/(Disposals)	0	(1,100)	0	(1,100)
Net Investment Gains/(Losses)	(1,085)	(431)	(1,112)	(438)
<b>Market value at 30 April 2009</b>	<b>3,108</b>	<b>4,193</b>	<b>3,186</b>	<b>4,298</b>
<b>Cost at 30 April 2009</b>	<b>3,046</b>	<b>3,046</b>	<b>3,136</b>	<b>3,136</b>

The investments, comprising the Collective Investment Scheme Units of the Central Board of Finance of the Church of England, are primarily held to provide a return where monies are not required immediately for the charities' activities. In addition CPAT (see note 12 – *Church Pastoral Aid Trust*) has beneficial ownership of shares of CPV Ltd on behalf of CPAS. At 30 April 2009 the cost of the shares held by CPAT (88 at £1) was £88 (2008: £88).

## 8 Debtors

	<i>CPAS</i>		<i>Group</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	£000	£000	£000	£000
Debtors falling due within one year:				
Trade debtors	6	7	6	7
Due from subsidiary	16	16	0	0
Other debtors	4	0	8	2

Prepayments	56	60	168	177
Accrued income	<u>42</u>	<u>38</u>	<u>135</u>	<u>82</u>
	<b><u>124</u></b>	<b><u>121</u></b>	<b><u>317</u></b>	<b><u>268</u></b>

## 9 Creditors

	CPAS		Group	
	2009 £000	2008 £000	2009 £000	2008 £000
Creditors falling due within 1 year:				
Trade creditors	85	58	96	70
Tax and National Insurance	37	9	37	9
Other creditors	0	0	0	0
Accruals	25	18	33	24
Deferred income	<u>22</u>	<u>7</u>	<u>216</u>	<u>200</u>
	<b><u>169</u></b>	<b><u>92</u></b>	<b><u>382</u></b>	<b><u>303</u></b>

## 10 Funds

	Balance	Other	Transfers	Incoming	Outgoing	Balance	Represented by		Net
	1 May 2008	gains / (losses)		resources	resources	30 April 2009	Invest- ments	Fixed assets	current assets
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>CPAS</b>									
<b>Permanent Endowment fund</b>	213	(55)	0	0	0	158	158	0	0
<b>Restricted funds</b>									
Augmentation	21	(4)	0	0	0	17	13	0	4
Ministers in Training	62	0	0	35	(17)	80	0	0	80
Bishop Stratton	20	(6)	0	0	0	14	14	0	0
LCEAS	131	(32)	0	0	0	99	93	0	6
Arrow	28	0	0	63	(65)	26	0	0	26
Children Matter	<u>82</u>	<u>0</u>	<u>0</u>	<u>22</u>	<u>(49)</u>	<u>55</u>	<u>0</u>	<u>0</u>	<u>55</u>
	344	(42)	0	120	(131)	291	120	0	171
<b>General fund</b>	7,391	(1,098)	0	1,579	(1,866)	6,006	2,830	3,111	65
<b>Total CPAS funds</b>	<b><u>7,948</u></b>	<b><u>(1,195)</u></b>	<b><u>0</u></b>	<b><u>1,699</u></b>	<b><u>(1,997)</u></b>	<b><u>6,455</u></b>	<b><u>3,108</u></b>	<b><u>3,111</u></b>	<b><u>236</u></b>
<b>CPV Ltd</b>									
<b>Restricted fund</b>									
Falcon Camp Subsidy	259	(27)	0	185	(207)	210	78	0	132
<b>Designated fund</b>									
CPV subsidy	23	0	50	2	(41)	34	0	0	34
<b>General fund</b>	<u>509</u>	<u>0</u>	<u>(50)</u>	<u>1,611</u>	<u>(1,598)</u>	<u>472</u>	<u>0</u>	<u>0</u>	<u>472</u>
<b>Total CPV funds</b>	<b><u>791</u></b>	<b><u>(27)</u></b>	<b><u>0</u></b>	<b><u>1,798</u></b>	<b><u>(1,846)</u></b>	<b><u>716</u></b>	<b><u>78</u></b>	<b><u>0</u></b>	<b><u>638</u></b>
<b>Total group funds</b>	<b><u>8,739</u></b>	<b><u>(1,222)</u></b>	<b><u>0</u></b>	<b><u>3,497</u></b>	<b><u>(3,843)</u></b>	<b><u>7,171</u></b>	<b><u>3,186</u></b>	<b><u>3,111</u></b>	<b><u>874</u></b>

Net current assets include £601,000 of monies invested on short term deposit (2008: £599,000).

## CPAS

**Permanent Endowment fund:** the income from this fund is available for general purposes.

### Restricted funds

*Augmentation fund:* this exists for the purpose of increasing the value of poor benefices in evangelical patronage (per CPAS's 1926 annual report).

*Ministers in Training fund:* this fund comprises donations and legacies received for the purpose of providing assistance to those in training for the ordained or licensed ministry.

*Bishop Stratton and LCEAS (London Clerical Education Aid Society) funds:* these funds are available for similar purposes to the Ministers in Training fund (see above).

*Arrow:* donations received and not yet expended in respect of the Arrow Leadership Programme, which offers high-quality, in-depth training to younger church leaders and potential leaders.

*Children Matter (previously named Children's Evangelism Initiative):* the balance of donations and expenditure for the project, addressing the decline in children's church attendance.

**General fund:** funds which are not subject to external restrictions or internally determined designations.

## CPV Ltd

### Restricted funds

*Falcon Camp Subsidy:* this assists young people with the costs of attending Falcon Camps and provides funds for the general running costs of the camps; it includes individual donations, the proceeds of sale of property at Pooley Bridge, Cumbria, gifted by CPAS to CPV in accordance with a decision of the Council (now Trustees) on 19 March 2002, and interest received.

### Designated fund

*CPV Subsidy:* comprises monies allocated to the fund by the Trustees from general fund reserves together with donations made to the fund; its purpose is to grant subsidies to assist young people with the costs of attending Ventures.

**General fund:** funds which are not subject to external restrictions or internally determined designations.

## 11 Future commitments

### Operating leases (see note 1 – operating leases)

Commitments for payments during the next year in respect of rentals under the terms of operating leases for motor vehicles and office equipment were, at 30 April 2009:

under leases expiring:	within next year	from 1 to 2 years	from 2 to 5 years	in more than 5 years	total
	<u>£9,000</u>	<u>£11,000</u>	<u>£16,000</u>	<u>nil</u>	<u>£36,000</u>

### Capital commitments

As at 30 April 2009 the Society had authorised but not contracted for, the purchase of a Staff House (completion of purchase in June 2009), the value of which was £292,000 (2008: nil).

### Other commitments

The Society had no material legally binding commitments except as shown above and those arising under staff contracts of employment and other obligations in the normal course of business.

The Society has issued a guarantee to the Royal Bank of Scotland for overdraft facilities to enable CPV to meet its outgoings prior to completion of overseas Ventures and the consequent release to it of the monies held by the Society as trustee (see note 12 – *CYFA Pathfinder Ventures Ltd*).

## 12 Related Parties

### CYFA Pathfinder Ventures Ltd

Details of the relationship between CPV Ltd and the Society appear in the Report of the Trustees (see page 5). Included within debtors is an amount of £16,000 due to CPAS (2008: £16,000). During the year CPV Ltd reimbursed salary, accommodation and other expenses totalling £234,000 (2008: £236,000) to CPAS.

CPAS acts as trustee for customers of CPV Ltd by holding monies in respect of overseas Ventures in accordance with the Package Travel, Package Holidays and Package Tours Regulations 1992. As at 30 April 2009 £1,000 (2008: £1,000) of these monies was separately deposited with the Royal Bank of Scotland and is not included in these financial statements.

### Church Pastoral Aid Trust

Certain non-operational properties of the Society remain registered in the name of Church Pastoral Aid Trust, a company limited by guarantee, which acts solely for or under the direction of the Church Pastoral Aid Society (see page 5 – *Report of the Trustees*).

### J F W Deacon's Mabledon Charity

This charity is administered by Church Pastoral Aid Trust as trustee acting under the direction of the Society. It provides grants and assistance for training, conferences, study leave, rest and special needs to evangelical church societies and to individuals engaged in similar work. Its figures are not consolidated in these financial statements. It made grants to the Society totalling £20,000 in the year to 30 April 2009 (2008: £55,000).

As at 30 April 2009 no balance was due to CPAS from J F W Deacon's Mabledon Charity (2008: nil).

### Other trusts

The Society administers a number of separate trusts purely as trustee without any legal right over their assets or income. Accordingly their figures are not consolidated with those of the Society as to do so would be inappropriate and misleading. Appointments of clergy to Church of England livings on behalf of certain of these trusts are administered by the Society through its Board of Patronage Trust (see page 5 – *Report of the Trustees*). Administration charges receivable from connected charities amounted to £10,000 in the year to 30 April 2009 (2008: £10,000).

