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**BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS**

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**TRUSTEES REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2004**

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# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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## CONTENTS

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	Page
<b>Legal and administrative information</b>	1 - 2
<b>Trustees' report</b>	3 - 8
<b>Auditors' report</b>	9 - 10
<b>Statement of financial activities</b>	11
<b>Balance sheet</b>	12
<b>Cash flow statement</b>	13
<b>Notes forming part of the financial statements</b>	15 - 29

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# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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## LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 December 2004

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### **Trustees**

Pastor C R Perry, Chairperson

Pastor E C Lowe, Executive secretary

Mr V Pilmoor, Treasurer

Mrs A Balderstone

Mr M Bayliss

Mr O Baxter

Pastor G M Bell

Pastor D G Boldeau

Pastor D Cox

Mr K A Davidson

Pastor L R Edwards

Pastor E R Francis

Mrs C Golding

Mr P Hammond

Mr A King

Dr D N Marshall

Pastor D Masih

Pastor D W McFarlane

Pastor C G Murphy

Mrs T Njoku

Mr A Officer

Dr D Penner

Pastor B P Phillips

Mr S Rivers

Pastor E Sackey

Mrs I Sharpe

Pastor I Sleeman

Pastor I Sweeney

Mr N Todd

Mrs E Wilson

Mr E Windrass (appointed 01/01/2004)

### **Charity Registered Number**

1044071

### **Principal Office**

Stanborough Park, Garston, Watford, Herts, WD25 9JZ

### **Auditors**

Colledge Redfern, 2 Nascot Street, Watford, Herts, WD17 4RB

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 December 2004

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#### **Advisers (continued)**

##### **Bankers**

HSBC Bank plc, 73 High Street, Watford, Herts, WD1 2DS

##### **Solicitors**

Penman Johnson, 5 George Street, Watford, Herts, WD18 0SQ

##### **Pension Scheme Advisors: Solicitors**

Sacker & Partners, 29 Ludgate Hill, London, EC4M 7JQ

##### **Pension Scheme Advisors: Actuarial & Administratives**

Mercer Human Resource Consulting Ltd, 5 Bedford Park, Croydon, Surrey, CR9 2ZT

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# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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## TRUSTEES' REPORT For the year ended 31 December 2004

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The Trustees submit their annual report and the financial statements of British Union Conference of Seventh-day Adventists (the charity) for the year ended 31 December 2004. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

The trustees also confirm that, where these do not conflict with statutory requirements, the financial statements are prepared in harmony with the accounting principles and practice of the General Conference of Seventh-day Adventists, as provided for in the Charity's constitution.

The attached financial statements are those of the charity alone. The consolidated financial statements of the charity and its subsidiary enterprises are published as a separate document.

### **Method of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the written constitution.

The executive committee members - its trustees for the purpose of the Charities Act 1993 - are elected/re-elected every five years at the occasion of the Charity's general assembly (Session), by delegates chosen from the various Seventh-day Adventist organisations and church congregations in the Charity's territory. The administrative officers (president, executive secretary, and treasurer) are also elected at the Session and are ex-officio members of the executive committee. They are charged with working with, and accounting to the executive committee for the day-to-day operation of the Charity. Between Sessions the trustees, through the vehicle of the executive committee, generally determine all matters of substance relating to the life and work of the Charity.

Trustees serving during the year are shown on the Legal and Administrative page.

The Charity's constitution provides for employed trustees, requiring that their remuneration rates and expense budgets be determined annually by a 'Remuneration Audit Committee' made up of non-trustees, and acting independently of the trustees. The executive committee may reduce (but not increase) the remuneration and expense levels so determined. No trustee received emoluments in excess of £30,000.00 for the year.

### **Constitution policies and objectives**

The British Union Conference of Seventh-day Adventists ("the Charity") is registered in England as a charity (No. 1044071) with its offices situated at Stanborough Park, Watford, Hertfordshire, WD25 9JZ. The Charity is an unincorporated association, whose governing instrument is its Constitution, and which is administered by a Board of Trustees ("the executive committee").

The principal object of the charity is to provide support to local congregations and local conferences of congregations of Seventh-day Adventists within the British Isles.

There have been no changes in the objectives since the last annual report.

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### Organisational structure and decision making

The Charity is the principal administrative body of the Seventh-day Adventist Church ("the church") for the United Kingdom and Republic of Ireland. It generally works in harmony with the policies of the church's international office, the General Conference of Seventh-day Adventists, Trans-European Division, situated at St Albans, Herts

Within its territory, the Charity carries out its objects both directly and through related organisations. Principally, the latter consist of three 'Missions' in Ireland, Scotland and Wales respectively (all branches of, and financially dependant upon the Charity), and two 'Conferences' in North and South England respectively (both registered charities in their own right and financially self-supporting).

Within these latter organisations the objects are pursued mainly through a network of local churches which are heavily dependent upon a large pool of voluntary lay support.

### Related party relationships

The following organisations have been charged with certain aspects of the charity's operations:

- § Adventist Development and Relief Agency (U.K.) (Humanitarian Relief and Development Aid)
- § Good Health Association (Scotland) Limited (Nursing Home, Residential Care, Health Education and Treatment, & Retirement Housing)
- § Seventh-day Adventist Association Limited (Titular Owner of the Charity's Land and Buildings)
- § Seventh-day Adventist Trust Company (Executor for Charity Members)
- § The Stanborough Press Limited (Publishers)
- § Stanborough School (Primary, Secondary and Boarding School)

### Review of activities and future developments

The church experienced a net growth in church membership of 1,105 taking its total membership figure at 31 December 2004 to 24,234. This represented a 4.78% growth rate for the year and was slightly down on the previous year. Growth continued to benefit from significant numbers of Seventh-day Adventists coming to live in the UK and the Republic of Ireland from overseas. The net transfer growth during the year stood at 628 - the highest annual figure to date. This has presented the church with the challenging opportunity of helping local churches to extend a warm and meaningful fellowship to these new members coming from many diverse cultural backgrounds. The Communication director wrote and implemented a major new membership database system for the whole church in the UK and the Republic of Ireland. This combined two separate membership databases thus reducing duplication of data and work.

In harmony with its strategic plan the British Union Conference's Ministerial Association continued to promote, develop and implement the LIFEdevelopment.info initiative and resource materials. This strategy is designed to help the church to communicate the Christian gospel effectively in the largely post-modern society where a large majority of the population do not attend church.

Emphasis during the year was placed on producing two series of television programmes entitle 'Evidence' and 'Mind the Gap'. The ten part 'Evidence' series was an innovative magazine style presentation each focusing on a different lifestyle value that was televised live from Newbold College, Bracknell, Berks, in March via satellite transmission. The ten programmes in the 'Mind the Gap' series which explored basic Christian themes in a discussion forum format were recorded during July with plans to have them transmitted in February 2005. A study guide was produced for the 'Mind the Gap' presentations and both programmes were produced in DVD format for use by church members. Five further issues of the new style LIFE.info magazine, launched in autumn 2002, rolled out in 2004 with a total print run of 352,000 copies as support material to run along side the satellite programmes.

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### Review of activities and future developments (continued)

Following discussions with the church's world headquarters transmission of the church's two 24/7 satellite broadcast programmes became available via the Hotbird satellite from 1 January 2004 to members and the general public who had the appropriate reception equipment. This has provided worship, training and outreach resources to Adventist churches and members in the British Isles. The Communication department, which is responsible for the running of the BUC MEDIA Centre, produced several short programmes and submitted other footage for use on one of the channels.

Working directly with pastors and congregations in Ireland, Scotland and Wales, and in a co-operative role with the South and North England Conferences the Personal Ministries department supported the strategic plan by focusing on five primary areas of activity developing resources and organising meetings for:

1. Training in home-based small group formation for the purpose of community-building, personal growth, spiritual formation and service to the wider community.
2. Facilitating the recognition and development of personal skills and gifts through discipleship workshops for the purpose of increasing the level of involvement of members in the life of the local church.
3. Promotion and training in the concepts of contemporary church-planting for the purpose of making the services of the church available to a wider cross-section of cultural groups within the UK.
4. Revitalising existing congregations for the purpose of raising awareness of community needs and the potential of such congregations to serve one or more of those needs.
5. Assisting ADRA (Adventist Development and Relief Agency) director in promoting and organising events for the annual public fund-raising appeal.

The second annual UK Church Planters' Exchange was held in February, attracting almost double the number of attendees compared with the previous year. The year also saw the introduction of two new church planting training programmes: the 6-part training "Matrix" for denominational leaders, and the bi-monthly NCI (New Church Incubators) one-day training events for new church planting teams. Among other things, this matrix has led to the creation of a system of assessment to identify the strengths and weaknesses of future church planters, plus a coaching network to provide ongoing support for active church planting teams.

LIFEdevelopment.info provided the larger context throughout 2004 for over 20 local one-day and residential weekend training events in activities 1 - 4 listed above. A total of more than 600 pastors and church members participated in these events.

No development took place in the materials and services provided by the Adventist Discovery Centre pending the appointment of a new manager.

During the year the Education Department continued to provide strategic development, support and monitoring to the heads and governing bodies of the primary and secondary schools operated by the charity and its related organisations in the UK and Republic of Ireland. This included assistance in the preparation for Ofsted Inspections, secondary curriculum development and INSET training.

A variety of health programmes for Church members and the general public in a range of settings across the United Kingdom were facilitated by the Health Ministries Director. These include: Carmarthen, SEC Weekend Health Retreat (Staverton Park), Welsh Mission Weekend Health Retreat (near Cardiff), Muswell Hill; four-night Health-Risk Reduction series at Nuneaton, Yardley, Huddersfield, Oxford (vegetarian dining club), Newbold College (Mentoring and Empowerment weekend with Drs K Kuntaraff and G Hopkins), Canterbury, Worthing, Peckham, and Amersham (one-day stress programme). The director participated in: the Loma Linda/GC Nursing Convention held at Coventry; a conference on Alcohol and Family Violence held at Northampton; the programmes of the Adventist International Medical Society held at Newbold College; and as the guest speaker for the Polish Union summer programmes held in the North and South of Poland during the month of August presenting Health-Risk Reduction measure, and special topics for the workers involved in the programmes.

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### Review of activities and future developments (continued)

As part of the net-working with other organisations the health ministries director took part in conferences organised by the Royal Society of Medicine, the Institute of Health Promotion and Education, and at two youth seminars held by the United Kingdom Alliance at the House of Commons on the topics of alcohol and drug prevention. Regular articles on various aspects of health have been published in the Messenger and Focus magazines and a book on Stress was prepared for publication by the Stanborough Press.

The Woman's Ministries department continued to experience significant growth in demand for its services and resources. Each Women's Ministries leader in the local church receive a manual, while the Adventist Woman magazine and retreat workshops addressed such issues as mentoring, sexuality, lone parenting, self-development, depression and conflict management. Leadership training was enhanced by the addition of a second tier Certificate II level programme that builds on the skills developed under the existing level one Certificate. The 'HeartCall' project, which seeks to reconnect those no longer attending church remained the focus of the department's evangelistic thrust. This was supported by the promotion of prayer ministries as an integral part of any outreach activity. A set of prayer posters "Take it to the Lord in prayer" were sent to each local congregation.

Every local church children's department received a quarterly newsletter highlighting: a children's prayer ministry, the need for male role models, promoted KCFS training and encouraged children's outreach. In addition two resource manuals were produced and the material was subsequently transferred onto disc format to reduce production and distribution costs. An 18-month promotion of child evangelism commenced in the autumn to help adults recognise the need to provide spiritual nurture from an early age and to equip children to share their faith. The BUC Child Protection (KCFS) policy was reviewed and updated by the NSPCC and training workshops were organised.

The Family Ministries department continued to provide a co-ordinating role to subsidiary units.

The Youth Department is endeavouring to bring youth ministry into the twenty-first century through the constant appraisal of the effectiveness of its resources. The task was not made easy by the changes in administration in the youth department throughout the territory. In addition to the regular and very successful ministry to the 5-15 years old through the Adventurer and Pathfinder programme, focus was given to heightening the importance of the ministry to the teenagers within its territory for whom the Pathfinder programme has limited interest. During July the department organised a nation-wide Pathfinder Camporee at which 779 participants were present from clubs throughout the United Kingdom and the Republic of Ireland.

Interest in volunteer services was fostered by hosting a project in Ghana in which 45 persons assisted to build a community hospital during June and July. Primary funding was provided by ADRA-UK, but each individual volunteer also contributed substantially to the project. Thousands of pounds worth of medical assistance was given to the hospital from the church and other organisations in the UK. A medical ministry to the people of Tamale was run concurrently and schools were visited to assist with health education for students. As a separate venture the volunteers conducted three evangelistic programmes during which thirty-five people were baptised.

Ministry for the young adults or senior youth continued to prove challenging to the church. However, a joint Youth Congress held in Poland in July was attended by over 100 young people from the church in the UK.

During the year the Communication department carried out the following core functions:

1. Providing news. This is done through the weekly email newsletter, BUC News, the Messenger, and occasional news releases. BUC News is sent to around 1,500 people each Friday.
2. Creating and maintaining official websites. The British Union Conference now runs several websites, which provide information about the Seventh-day Adventist Church in the United Kingdom and Ireland. Functions of these sites include news and information, historical archives, and databases of events, churches, and preaching plan information. In addition the Communication department maintains the ADRA-UK and LIFEdevelopment websites. Altogether there are around 10,000 files, which are maintained on these sites.

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### Review of activities and future developments (continued)

3. Running workshops and training. This year two professional training events were run in conjunction with the South England Conference.
4. Maintaining the office information infrastructure.
5. Marketing and Public Relations. Thousands of leaflets, booklets, or information packs and hundreds of promotional items such as pens and key rings were distributed. Display materials are provided on a loan basis to churches running shows or exhibitions.

The Ministerial Department hosted a Spiritual Retreat for all church based employees in the United Kingdom and the Republic of Ireland at the beginning of the year. Presentations included a varied series of workshops and plenary sessions related to the implementation of the above strategic plan.

### Finance report

The British Union Conference continued to be supported by its constituent charities, the South and North England Conferences, the churches in Ireland, Scotland and Wales. We are also in a mutual supportive relationship with the General Conference of Seventh-day Adventists through the Trans-European Division.

Tithe - the major source of our income grew by 5.9% (7.2%) overall during 2004 (2003). Direct tithe to the Irish Scottish and Welsh missions grew at a slower rate this year.

The total tithe contributed by members (including to the associated North England and South England conferences) was in the region of £12.75 million. This reflects increased stewardship by our members, and the increase in membership attendance. The church continues to benefit from new members arriving from various parts of Africa and Europe reflecting national migration trends this was less pronounced in 2004.

Gift Aid continues to be a valued and successful resource for our Conference, Mission and local Church operations.

The production of two television broadcasts series of ten programs each was a major event and cost of the year. The goal was to contextualise the message and values of Christianity for the needs of a post-modern public. Both series have been aired on the Hope Channel with DVD version being available for distribution.

Further progress was made in dealing with the challenges of our pension fund. Whilst the funds accessible to the Trustees show a deficit, the asset profile and particularly unencumbered property portfolio of the British Union and its associated charities is more than sufficient to guarantee the ultimate requirements of our pension commitments.

The operation of our church is people intensive. Most of our employees are Ministers of Religion who further the work of the church through proclamation, education, nurture and community building activities. They also operate as co-ordinators for the voluntary activities of our members within the church and the community at large. The British Union in particular serves as a leadership, people resource and support platform. Management and Administration is thus in the nature of what we do, although the costs of technical administration is kept to a minimum.

### Reserves policy

The trustees evaluated the charity's risk exposure. We consider that a combined general reserve of £2million is appropriate. We have particular commercial challenges with our operations in the Nursing and Health sector and anticipate large maintenance requirements at our School in Watford. We consider that a general reserve of £1.725 million would still be appropriate.

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### **Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks.

### **Operations of subsidiary organisations**

Stanborough School represents a major property investment on our home estate. The secondary school building is 10 years old and is suffering from its first natural replacement of fittings cycle which is likely to require significant resources. The primary school was built with a life expectancy of 30 years, and now operates by grace. Replacement of the roof, window, doors and drains are imminent contingencies.

The Stanborough Press has instituted operational efficiencies and is competing strongly in the African market where the church is expanding significantly. They continue to produce new books that are being well received. The major risks are the vagaries of currency exchanges and the low margins that can be expected in the markets we serve. This institution has filed a surplus in its operational accounts.

The Good Health Association discontinued Nursing Care in Scotland. Expansion of the Health Improvement program has expanded but has not yet reached break even.

The House to House collection in the name of ADRA-UK was particularly successful. Funds were transferred to the projects named within 3 months and reports are now available on the success of these development programs. The charity won 3 contracts from the British Department for International Development and 3 from the European Union. Church members made a significant contribution to Disaster relief associated with the Asian Tsunami.

### **Trustees' responsibilities**

Law applicable to charities in England/Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Trust will continue in operation).

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

This report was approved by the Trustees on 15 September 2005 and signed on its behalf, by:

Eric C Lowe, Executive Secretary

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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We have audited the financial statements of British Union Conference of Seventh-day Adventists for the year ended 31 December 2004 which comprise the Statement of Financial Activities, Balance Sheet and Cash Flow Statement, with the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

#### **RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS**

As described in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We have been appointed auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in October 2000. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' report 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 United Kingdom Auditing Standards 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.

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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#### **OPINION**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2004 and of the incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

#### **Colledge Redfern**

Chartered Certified Accountants

Registered Auditors

2 Nascot Street

Watford

Herts, WD17 4RB

Date: 19 September 2005

## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

### STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 December 2004

	Note	Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	Total Funds 2003
<b>INCOMING RESOURCES</b>					
Significant donations and grants	2	1,270,009	2,892,541	4,162,550	4,041,678
Other Donations, legacies and similar incoming resources	2	504,432	114,547	618,979	421,793
Activities in furtherance of the charity's objects	3	-	189,801	189,801	157,721
Investment income	4	-	154,694	154,694	122,132
<b>TOTAL INCOMING RESOURCES</b>		<b>1,774,441</b>	<b>3,351,583</b>	<b>5,126,024</b>	<b>4,743,324</b>
<b>RESOURCES EXPENDED</b>					
<i>CHARITABLE EXPENDITURE:</i>					
Grants payable - individual	5	-	67,015	67,015	49,787
Grants payable - institutional	6	1,110,029	825,732	1,935,761	1,965,030
Costs of activities in furtherance of the charity's objects	7	755,690	1,285,534	2,041,224	1,542,601
Support costs for grants and activities	8	-	279,710	279,710	338,573
Resources expended on managing and administering the charity	9	-	640,608	640,608	629,126
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,865,719</b>	<b>3,098,599</b>	<b>4,964,318</b>	<b>4,525,117</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>		<b>(91,278)</b>	<b>252,984</b>	<b>161,706</b>	<b>218,207</b>
Transfers between Funds	18	103,416	(103,416)	-	-
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED)</b>		<b>12,138</b>	<b>149,568</b>	<b>161,706</b>	<b>218,207</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>12,138</b>	<b>149,568</b>	<b>161,706</b>	<b>218,207</b>
TOTAL FUNDS AT 1 JANUARY 2004		944,939	5,962,666	6,907,605	6,689,398
<b>TOTAL FUNDS AT 31 DECEMBER 2004</b>		<b>957,077</b>	<b>6,112,234</b>	<b>7,069,311</b>	<b>6,907,605</b>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 29 form part of these financial statements.

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## BALANCE SHEET As at 31 December 2004

	Note	2004	2003
<b>FIXED ASSETS</b>			
Tangible fixed assets	12	2,283,431	2,160,242
Investments	13	1,066	1,066
Investment properties	14	140,000	140,000
		<u>2,424,497</u>	<u>2,301,308</u>
<b>CURRENT ASSETS</b>			
Stocks	15	25,063	32,255
Debtors	16	884,824	1,035,742
Cash at bank and in hand		4,557,388	4,171,268
		<u>5,467,275</u>	<u>5,239,265</u>
<b>CREDITORS:</b> amounts falling due within one year	17	<u>(822,461)</u>	<u>(592,968)</u>
<b>NET CURRENT ASSETS</b>		<u>4,644,814</u>	<u>4,646,297</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,069,311</u>	<u>6,947,605</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Other provisions		-	(40,000)
<b>NET ASSETS</b>	19	<u>£ 7,069,311</u>	<u>£ 6,907,605</u>
<b>CHARITY FUNDS</b>			
Restricted Funds	18	957,077	944,939
Unrestricted - Designated Funds	18	3,869,284	3,672,820
Unrestricted - General Funds	18	2,242,950	2,289,846
<b>TOTAL FUNDS</b>		<u>£ 7,069,311</u>	<u>£ 6,907,605</u>

The financial statements were approved by the trustees on 15 September 2005 and signed on their behalf, by:

V Pilmoor

The notes on pages 15 to 29 form part of these financial statements.

## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

### CASH FLOW STATEMENT For the year ended 31 December 2004

	Note	2004	2003
Net cash flow from operating activities	20	365,999	(168,630)
Returns on investments and servicing of finance	21	154,693	122,132
Capital expenditure and financial investment	21	(134,573)	21,282
		<hr/>	<hr/>
<b>CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>		<b>386,119</b>	<b>(25,216)</b>
Management of liquid resources	21	(382,763)	(4,404)
Financing	21	-	(1,556)
		<hr/>	<hr/>
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>£ 3,356</b>	<b>£ (31,176)</b>
		<hr/> <hr/>	<hr/> <hr/>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT For the year ended 31 December 2004

	2004	2003
Increase/(Decrease) in cash for the year	3,356	(31,176)
Cash outflow from decrease in liquid resources	382,763	4,404
Cash decrease from decrease in debt and lease financing	-	1,556
		<hr/>
<b>MOVEMENT IN NET FUNDS/DEBT IN THE PERIOD</b>	<b>386,119</b>	<b>(25,216)</b>
Net funds at 1 January 2004	4,171,268	4,196,484
		<hr/>
<b>NET FUNDS AT 31 DECEMBER 2004</b>	<b>£ 4,557,387</b>	<b>£ 4,171,268</b>
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The notes on pages 15 to 29 form part of these financial statements.

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITY USE For the year ended 31 December 2004

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	<b>Restricted Funds 2004</b>	<b>Unrestricted Funds 2004</b>	<b>Total Funds 2004</b>	<i>Total Funds 2003</i>
Net movement in funds for the year	<b>12,138</b>	<b>149,568</b>	<b>161,706</b>	<i>218,207</i>
Resources used for net acquisitions of tangible fixed assets	-	-	<b>123,189</b>	-
<i>Net movement in funds available for future activities</i>	<b>12,138</b>	<b>149,568</b>	<b>284,895</b>	<i>218,207</i>

The notes on pages 15 to 29 form part of these financial statements.

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# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

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### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

#### 1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

#### 1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### 1.4 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

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### 1. ACCOUNTING POLICIES (continued)

#### 1.5 Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Share in subsidiaries are valued at cost less provision for permanent impairment.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	1% to 4%	straight line
Fixtures & Fittings	-	5% to 20%	straight line

#### 1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### 1.8 Pensions

The charity operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 5 April 2001.

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	<i>Total Funds 2003</i>
Tithe donations from members of local congregations affiliated with the Charity's branches	-	844,482	844,482	816,380
Tithe-sharing grants from affiliated charities	-	1,878,187	1,878,187	1,774,044
Grants from General Conference of Seventh-day Adventists	164,616	169,872	334,488	329,592
Grants from affiliated charities towards pension scheme deficit	1,105,393	-	1,105,393	1,121,662
Subtotal detailed disclosure	<u>1,270,009</u>	<u>2,892,541</u>	<u>4,162,550</u>	<u>4,041,678</u>
Other donations	251,510	888	252,398	181,875
Legacies	11,947	500	12,447	16,733
Other grants	240,975	18,933	259,908	125,240
Government grants	-	94,226	94,226	97,945
Subtotal	<u>504,432</u>	<u>114,547</u>	<u>618,979</u>	<u>421,793</u>
Donations, legacies and similar incoming resources	<u><u>1,774,441</u></u>	<u><u>3,007,088</u></u>	<u><u>4,781,529</u></u>	<u><u>4,463,471</u></u>

### 3. INCOMING RESOURCES FROM ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	<i>Total Funds 2003</i>
Conventions income	-	62,521	62,521	35,196
Sale of literature	-	10,171	10,171	9,918
Property rents in the United Kingdom	-	100,544	100,544	98,719
Miscellaneous income	-	16,565	16,565	13,888
Total	<u>-</u>	<u>189,801</u>	<u>189,801</u>	<u>157,721</u>

### 4. INVESTMENT INCOME

	Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	<i>Total Funds 2003</i>
Bank interest in the United Kingdom	-	154,694	154,694	122,132

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 5. GRANTS PAYABLE - INDIVIDUAL

	Number	Total 2004	Number	Total 2003
Grants payable to individuals	62	67,015	43	49,787

### 6. GRANTS PAYABLE - INSTITUTIONAL

	Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	Total Funds 2003
Local congregations affiliated to the Charity's branches	-	79,552	79,552	70,141
Contributions to the Charity's group pension scheme for past deficits	1,110,029	-	1,110,029	1,251,799
Subsidiary entities for operating expenses	-	366,000	366,000	291,000
Regional conferences for operating expenses	-	159,000	159,000	162,000
General Conference of Seventh-day Adventists - tithe-sharing grants	-	169,745	169,745	159,861
	-	-	-	-
Grants to related educational institutions	-	8,197	8,197	-
Other grants	-	43,238	43,238	30,229
<b>Total</b>	<b>1,110,029</b>	<b>825,732</b>	<b>1,935,761</b>	<b>1,965,030</b>

### 7. CHARITABLE EXPENDITURE BY FUNCTIONS

#### SUMMARY BY EXPENDITURE TYPE

	Staff Costs 2004	Depreciation 2004	Other Costs 2004	Total 2004	Total 2003
Church ministries	315,821	-	301,167	616,988	511,244
Church communications	280,729	-	790,224	1,070,953	696,091
Education and school support	140,365	-	22,237	162,602	167,835
Welfare and community service	140,365	-	50,316	190,681	167,431
<b>Subtotal charitable functions</b>	<b>877,280</b>	<b>-</b>	<b>1,163,944</b>	<b>2,041,224</b>	<b>1,542,601</b>
Support costs for grants and activities	-	71,366	208,344	279,710	338,573
Resources expended on managing and administering the charity	526,367	-	114,241	640,608	629,126
<b>Total</b>	<b>1,403,647</b>	<b>71,366</b>	<b>1,486,529</b>	<b>2,961,542</b>	<b>2,510,300</b>

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 8. SUPPORT COSTS FOR GRANTS AND ACTIVITIES

	Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	<i>Total Funds 2003</i>
Depreciation	-	71,366	71,366	68,991
Office costs	-	204,716	204,716	190,312
Estate maintenance	-	16,924	16,924	39,270
Provision for legal claims	-	(13,296)	(13,296)	40,000
<b>Total</b>	<b>-</b>	<b>279,710</b>	<b>279,710</b>	<b>338,573</b>

### 9. RESOURCES EXPENDED ON MANAGING AND ADMINISTERING THE CHARITY

	Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	<i>Total Funds 2003</i>
Staff costs	-	526,367	526,367	495,743
Other personnel expenses	-	83,120	83,120	107,361
Professional fees	-	22,741	22,741	18,827
Trustees' expenses	-	8,380	8,380	5,084
Loss on currency exchange	-	-	-	2,111
<b>Total</b>	<b>-</b>	<b>640,608</b>	<b>640,608</b>	<b>629,126</b>

### 10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2004	2003
Depreciation of tangible fixed assets:		
- owned by the charity	75,904	69,028
Auditors' remuneration	5,583	2,000
Internal audit costs	5,479	8,785
	<b>86,966</b>	<b>80,813</b>

During the year, nine Trustees received remuneration totalling £265,594 (2003 - £350,378).

During the year, no Trustees received any benefits in kind (2003 - NIL).

Trustees received reimbursement of expenses amounting to £8,380 in the current year (2003 - £5,084).

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# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

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### 11. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2004	2003
Wages and salaries	1,203,000	1,134,373
Social security costs	119,348	110,529
Other pension costs	81,299	77,078
	<u>£ 1,403,647</u>	<u>£ 1,321,980</u>

The average monthly number of employees during the year was as follows:

	2004 No.	2003 No.
Charitable activities	33	31
Supporting activities	17	18
Management and administration	6	6
	<u>56</u>	<u>55</u>

No employee received remuneration amounting to more than £50,000 in either year.

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 12. TANGIBLE FIXED ASSETS

	Freehold property	Furniture, fittings and equipment	Total
<b>Cost</b>			
At 1 January 2004	2,915,180	283,963	3,199,143
Additions	167,561	33,159	200,720
Disposals	-	(8,625)	(8,625)
	3,082,741	308,497	3,391,238
<b>Depreciation</b>			
At 1 January 2004	864,569	174,332	1,038,901
Charge for the year	44,617	31,287	75,904
On disposals	-	(6,998)	(6,998)
	909,186	198,621	1,107,807
<b>Net book value</b>			
At 31 December 2004	<b>£ 2,173,555</b>	<b>£ 109,876</b>	<b>£ 2,283,431</b>
<i>At 31 December 2003</i>	<i>£ 2,050,611</i>	<i>£ 109,631</i>	<i>£ 2,160,242</i>

The market value of the land and buildings at 31 December 2003, based on their insured value is £8,705,000.

In addition to the above freehold property, the charity has an interest in land owned by a subsidiary charity and occupied rent-free by an associated charity. The benefit of any sale proceeds of such land accrues to the charity.

### 13. FIXED ASSET INVESTMENTS

		Share in group under- takings	Total
<b>Market value</b>			
At 1 January 2004 and 31 December 2004	£	1,066	£ 1,066
		1,066	1,066
<b>Investments at market value comprise:</b>			
		<b>2004</b>	<b>2003</b>
Group	£	1,066	£ 1,066
		1,066	1,066

All the fixed asset investments are held in the UK

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 13. FIXED ASSET INVESTMENTS (continued)

#### Valuation

The shares in the subsidiary company have been valued at the original cost of the investment.

### 14. INVESTMENT PROPERTIES

	Freehold property	Total
<b>Cost and valuation</b>		
At 1 January 2004 and 31 December 2004	<u>140,000</u>	<u>140,000</u>
<b>Comprising:</b>		
Cost	58,197	58,197
Annual valuation surplus/(deficit):		
2002	81,803	81,803
2003	-	-
2004	-	-
	<u>140,000</u>	<u>140,000</u>

The investment property is held for rent until such time as planning permission can be obtained to realise its development potential. It has been valued by a trustee of the charity on the basis of a multiple of the rentals received.

### 15. STOCKS

	2004	2003
Raw materials	£ <u>25,063</u>	£ <u>32,255</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 16. DEBTORS

	2004	2003
<b>Due after more than one year</b>		
Amounts owed by group undertakings	78,750	93,750
Amounts owed by associated charities	138,825	188,385
Other debtors	-	972
<b>Due within one year</b>		
Amounts owed by group undertakings	24,753	18,817
Amounts owed by associated charities	471,923	621,807
Other debtors	45,733	18,611
Prepayments and accrued income	122,259	72,599
Grants and legacies receivable	2,581	20,801
	£ 884,824	£ 1,035,742
	£ 884,824	£ 1,035,742

### 17. CREDITORS:

#### Amounts falling due within one year

	2004	2003
Amounts owed to group undertakings	145,566	86,948
Amounts owed to associated charities	166,040	102,734
Amounts owed local congregations	354,372	318,554
Other creditors	10,385	35,111
Accruals and deferred income	146,098	49,621
	£ 822,461	£ 592,968
	£ 822,461	£ 592,968

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 18. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers in/(out)	Carried Forward
<b>DESIGNATED FUNDS</b>					
Invested in property fund	2,218,436	4,150	77,532	196,574	2,341,628
Church buildings	823,880	389	-	68,390	892,659
Revolving investments	385,000	-	-	-	385,000
Conferences	215,084	-	-	6,424	221,508
Other designated funds	30,420	1,035	15,029	12,063	28,489
Subtotal	<u>3,672,820</u>	<u>5,574</u>	<u>92,561</u>	<u>283,451</u>	<u>3,869,284</u>
<b>GENERAL FUNDS</b>					
General funds	1,880,505	800,506	521,061	(352,775)	1,807,175
Tithe funds	409,341	2,545,503	2,484,977	(34,092)	435,775
Subtotal	<u>2,289,846</u>	<u>3,346,009</u>	<u>3,006,038</u>	<u>(386,867)</u>	<u>2,242,950</u>
Total unrestricted funds	<u>5,962,666</u>	<u>3,351,583</u>	<u>3,098,599</u>	<u>(103,416)</u>	<u>6,112,234</u>
<b>RESTRICTED FUNDS</b>					
Communication in Britain	508,311	460,768	682,634	14,283	300,728
Retirement funds	(10,439)	1,105,393	1,110,030	192,036	176,960
Church ministries in Britain	160,909	208,280	70,955	(109,489)	188,745
Retirement home in Wales	204,355	-	2,100	6,586	208,841
Assets revaluation fund	81,803	-	-	-	81,803
Subtotal	<u>944,939</u>	<u>1,774,441</u>	<u>1,865,719</u>	<u>103,416</u>	<u>957,077</u>
Total of Funds	<u>6,907,605</u>	<u>5,126,024</u>	<u>4,964,318</u>	<u>-</u>	<u>7,069,311</u>
<b>SUMMARY OF FUNDS</b>					
	Brought Forward	Incoming Resources	Resources Expended	Transfers in/(out)	Carried Forward
Designated Funds	3,672,820	5,574	92,561	283,451	3,869,284
General Funds	2,289,846	3,346,009	3,006,038	(386,867)	2,242,950
Subtotal	<u>5,962,666</u>	<u>3,351,583</u>	<u>3,098,599</u>	<u>(103,416)</u>	<u>6,112,234</u>
Restricted Funds	944,939	1,774,441	1,865,719	103,416	957,077
Total of Funds	<u>6,907,605</u>	<u>5,126,024</u>	<u>4,964,318</u>	<u>-</u>	<u>7,069,311</u>

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	<i>Total Funds 2003</i>
Fixed assets	-	2,283,431	2,283,431	2,160,243
Fixed asset investments	-	1,066	1,066	1,066
Investment properties	81,803	58,197	140,000	140,000
Debtors due after more than one year	-	375,075	375,075	283,107
Current assets	875,274	4,374,425	5,249,699	4,956,157
Creditors due within one year	-	(822,460)	(822,460)	(592,968)
Provisions	-	-	-	(40,000)
Difference	-	(157,500)	(157,500)	-
<b>Total</b>	<b>957,077</b>	<b>6,112,234</b>	<b>7,069,311</b>	<b>6,907,605</b>

### 20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2004	2003
Net incoming resources before revaluations	161,706	218,207
Returns on investments and servicing of finance	(154,693)	(122,132)
Depreciation of tangible fixed assets	75,904	69,028
Deficit on disposal of tangible fixed assets	1,628	2,568
Decrease in stocks	7,193	3,538
(Increase)/decrease in debtors	(57,592)	19,150
Decrease in amounts owed by group undertakings	72,814	13,145
Decrease in amounts owed by associated charities	69,547	(194,294)
Increase in creditors	71,750	13,567
Increase in amounts due to local congregations	35,818	27,250
Increase/(decrease) in amounts owed to group undertakings	58,618	(100,603)
Increase/(decrease) in amounts owed to associated charities	63,306	(158,054)
(Decrease)/increase in provisions	(40,000)	40,000
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS</b>	<b>£ 365,999</b>	<b>£ (168,630)</b>

### 21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2004	2003
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	£ 154,693	£ 122,132

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT (continued)

	2004	2003
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Sale of intangible fixed assets	-	-
Purchase of tangible fixed assets	(200,720)	(32,531)
Sale of tangible fixed assets	-	22,500
New loans to group undertakings	-	-
New loans to associated charities	(50,000)	(30,778)
Repaid loans from group undertakings	15,000	15,000
Repaid loans from associated charities	101,147	47,091
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE</b>	<b>£ (134,573)</b>	<b>£ 21,282</b>
<b>MANAGEMENT OF LIQUID RESOURCES</b>		
Cash placed on short-term deposit	£ (382,763)	£ (4,404)
<b>FINANCING</b>		
Repayment of loans	-	(530)
Principal payment under finance lease	-	(1,026)
<b>NET CASH FROM FINANCING</b>	<b>£ -</b>	<b>£ (1,556)</b>

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 22. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2004	Cash flow	Other non-cash changes	31 December 2004
Cash at bank and in hand:	4,171,268	386,120	-	4,557,388
Less: deposits treated as liquid resources	(3,608,045)	(382,763)	-	(3,990,808)
	563,223	3,357	-	566,580
<b>LIQUID RESOURCES :</b>				
Deposits included in cash	3,608,045	382,763	-	3,990,808
<b>DEBT :</b>				
<b>NET FUNDS</b>	£ 4,171,268	£ 386,120	£ -	£ 4,557,388

### 23. PENSION COMMITMENTS

The charity operates a defined benefit pension scheme.

The amounts in the financial statements for the year ending 31 December 2004, relating to pensions, are based on a full actuarial valuation dated 5 April 2001.

The contribution made for the year ended 31 December 2004 was £81,299 plus a special contributions of £1,110,029.. The agreed contribution rate for future years is 18.5% plus special contributions of £900,000 per annum.

The main financial assumptions used in the actuarial valuation were as follows:

	2004	2003
	%	%
Inflation	3.0	2.5
Rate of increase in salaries	4.0	3.0
Rate of increase for pensions	2.8	2.5
Discount rate for liabilities	5.0	5.5

# BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

### 23. PENSION COMMITMENTS (continued)

The assets in the scheme and the expected rates of return were:

	<b>Long-term rate of return expected at 2004 %</b>	<b>Value at 2004</b>	<i>Long-term rate of return expected at 2003 %</i>	<i>Value at 2003</i>
Bonds	<b>5.0</b>	<b>11,141,000</b>	<i>5.5</i>	<i>10,433,000</i>
Total market value of assets		<b>11,141,000</b>		<i>10,433,000</i>
Present value of scheme liabilities		<b>30,463,000)</b>		<i>24,104,000)</i>
Deficit in the scheme		<b>19,322,000)</b>		<i>13,671,000)</i>
Estimated amount recoverable from associated charities		<b>14,975,000</b>		<i>10,596,000</i>
Net pension liability		<b>£(4,347,000)</b>		<i>£(3,075,000)</i>
			<b>2004</b>	<i>2003</i>
Movements in year:				
Current year service cost			<b>(558,000)</b>	<i>(461,000)</i>
Interest on liabilities brought forward			<b>(1,205,000)</b>	<i>1,355,000</i>
Contributions			<b>1,668,000</b>	<i>2,281,000</i>
Expected return on scheme assets			<b>522,000</b>	<i>547,000</i>
Increase/(decrease) in expected amount recoverable from associated charities			<b>4,379,000</b>	<i>(887,000)</i>
Actuarial gain/(loss)			<b>(6,078,000)</b>	<i>-</i>
(Deficit)/surplus in scheme for the year			<b>£(1,272,000)</b>	<i>£ 2,835,000</i>

If the above amounts had been recognised in the financial statements the charity's reserves at the year end would be as follows:

	<b>2004</b>	<i>2003</i>
Total charity funds excluding pension asset	<b>7,069,311</b>	<i>6,907,605</i>
Pension deficit	<b>(4,347,000)</b>	<i>(3,075,000)</i>
Net funds	<b>£ 2,722,311</b>	<i>£ 3,832,605</i>

## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2004

#### 24. RELATED PARTY TRANSACTIONS

The charity is affiliated to the General Conference of Seventh-day Adventists (a USA non-profit organisation), whose local branch is at 119 St Peter's Street, St Albans, AL1 3EY (Secretary: H Wollan)

Local area conferencec affiliated to the charity are North England Conference of Seventh-day Adventists, 22 Zulla Road, Nottingham, NG3 5DB (Secretary: P Lockham), and South England Conference of Seventh-day Adventists, 25 St John's Road, Watford, WD1 1PY (Secretary: V Hulbert)

The charity has tithe-sharing arrangements with each of these associated charities. The following are the major transactions between associated charities

	General Conference	North England Conference	South England Conference	Group charities
Tithe-sharing grants received	-	554,371	1,323,816	-
Grants received for pension scheme deficit	-	311,834	774,646	74,553
Other grants received	334,488	-	-	-
Tithe-sharing grants made	169,745	-	-	-
Other grants made	-	60,000	99,000	366,000
Amounts due to charity:				
within one year	-	191,587	86,836	24,753
after one year	-	69,415	118,969	78,750
Amounts due by charity:				
within one year	150,784	-	-	145,566