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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 2007**

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

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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**Trustees**

Pastor D W McFarlane, Chairperson  
Pastor E C Lowe, Executive secretary  
Mr V Pilmoor, Treasurer  
Mr K T Abbequaye  
Me A A Adesina (appointed 20 September 2007)  
Dr C Benz  
Pastor E B Brooks  
Pastor R A Brooks  
Dr A Carbone (resigned 20 September 2007)  
Dr K Davidson  
Pastor S A Davis (appointed 20 September 2007)  
Pastor L R Edwards  
Mr P A C Emm  
Pastor D J Foster  
Pastor E R Francis  
Miss S Gillin  
Mr P Hammond  
Mr M Hayles (resigned 12 October 2007)  
Pastor V J Hulbert  
Dr S A Logan  
Pastor D N Marshall  
Pastor D N McCormac  
Dr R Muimo  
Mr R Murphy  
Pastor D Neal  
Mr A Officer  
Pastor E K Osei (resigned 20 September 2007)  
Dr D Penner  
Ms B A Plunkett  
Mr A B Stephenson (resigned 20 September 2007)  
Pastor J C Surridge  
Pastor H G Walters (resigned 20 September 2007)  
Ms A Wyjie

**Charity registered number**

1044071

**Principal office**

Stanborough Park  
Garston  
Watford  
Herts  
WD25 9JZ

**Auditors**

Colledge Redfern  
Chartered Certified Accountants  
2 Nascot Street  
Watford  
Herts, WD17 4RB

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2007

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**Charity details (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 & Administrative**

Barnett Waddingham LLP  
Chalfont Cout  
Hill Avenue  
Amersham  
Bucks, HP6 5BB

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

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The Trustees submit their annual report and the audited financial statements of British Union Conference of Seventh-day Adventists (the Charity) for the year ended 31 December 2007. 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 March 2005.

#### **Structure, governance and management**

##### **a. CONSTITUTION**

##### **b. 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 constitution.

##### **c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

New trustees are provided with the copies of the Charity's constitution, its Policy Book and Education Handbook, Pension Plan Explanatory Booklet and minutes of the executive committee meetings for the current year. In addition each trustee receives a copy of the Charity Commission document 'The Essential Trustee –what you need to know' and the ongoing Charity Commission Newsletter.

In as much as the majority of new trustees start their term of office at the commencement of each new quinquennium the primary induction is provided at the first meeting of the quinquennium, with further ongoing support. A residential induction and training weekend is being planned for February 2008.

##### **d. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Charity is the principal administrative body of the Seventh-day Adventist Church in the United Kingdom and the 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 in 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 dependent upon it), two 'Conferences' in North and South England respectively (both registered charities in their own rights 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.

Additionally, specialised aspects of the Charity's purposes are performed on its behalf by a number of subsidiary organisations.

##### **e. RELATED PARTY RELATIONSHIPS**

The following subsidiary organisations have carry out certain aspects of its operations:

Good Health Association (Scotland) Ltd  
(Health Education and Treatment)

Seventh-day Adventist Association Ltd  
(Titular Owner of the Charity's Land and Buildings)

Seventh-day Adventist Trust Company  
(Executor for Charity Members)

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2007

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Stanborough Press Ltd  
(Publishers)

Stanborough School  
(Primary, Secondary and Boarding School)

**f. 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.

**Objectives and Activities**

**a. POLICIES AND OBJECTIVES**

The Charity has adopted the following objectives in pursuit of its mission to proclaim the everlasting gospel of our Lord and Saviour Jesus Christ, to teach the commandments of God as the supreme rule of life and to persuade people to become his disciples and responsible members of the church and to support charitable and humanitarian work which is in harmony with the doctrines and principles of the Seventh-day Adventist Church:

Create a strong evangelistic vision in regional offices, institutions and local congregations.

Create and sustain an efficient pastoral team that will help to fulfil the mission of the church.

Develop diverse yet inclusive faith communities that are sensitive to the needs of their local communities.

**b. STRATEGIES FOR ACHIEVING OBJECTIVES**

A summary of the strategies used to achieve the above objectives have been to:

Provide financial, policy and administrative support to regional and institutional offices and boards.

Deliver a programme of Christian education that will prepare children for service to God and society at large.

Establish a Health Ministries Department that will serve as a resource for information and counsel on health affairs.

Develop the Adventist Discovery Centre correspondence school as an effective and significant resource.

Support Regional offices and local churches with training and resources in the areas of children, family, women and youth ministries.

**Achievements and performance**

**a. REVIEW OF ACTIVITIES**

The church experienced a net growth in church membership in all its regional sections during 2007. Total net growth for the year was 1,215 taking the total membership figure at 31 December 2007 to 28,110. Unfortunately this was only 81% of the targeted figure of 1,500. Nevertheless it did represent a 4.52% growth rate for the year and consolidated a trend experienced over the previous four years with growth rates of 5.39%, 5.31%, 4.78%, and 5.79%, respectively. The church continued to benefit from numbers of Seventh-day Adventists coming to live in the UK and the Republic of Ireland from overseas. However, with a net annual transfer for 2007 of 292 this indicated a significant slowing down in comparison with previous years.

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2007

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In harmony with its strategic plan there was continued promotion of the LIFEdevelopment initiative and resource materials 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. Five further issues of the LIFE.info magazine were produced in 2007 as support material for use along side the other resources and a major orientation and training weekend was attended by 68 individuals from thirty nationalities all resident in the UK.

Members and their friends continued to benefit from the church's two 24/7 satellite broadcast TV programmes available via the Hotbird satellite. These provided worship, training and outreach resources to Adventist churches and members in the British Isles. The Communication department that is responsible for the running the BUC Media Centre increased its production of the weekly programme, "In Conversation", and produced extra material for distribution by DVD and on its newly established website, [www.hopetv.org.uk](http://www.hopetv.org.uk). Email news letters and use of the churches website also expanded during the past year keeping the membership and other interested parties informed of church news and activities, and providing on-line resources for our members.

A major and much needed refurbishment of the Adventist Discovery Centre offices was successfully completed. The centre provides a range of online and correspondence courses free of charge on health, family life and biblical and archaeological topics. New methods of advertising its course using external agencies were experimented with and the pilot project exceeded its target enrolment of 5,000 responses.

The Ministerial Association continued to support the pastoral employees and local church elders throughout the British Isles. Distributed resources included books for pastors on relevant topics and the circulation of the 'Elders' Digest', a journal for local church elders. During 2007 the department completed work on a new Minister's Handbook which was published in a leather loose leaf binder. The handbook covers all the special services conducted in the church such as weddings, funerals, baby dedications etc. Work also continued on strengthening the ministerial internship programme and an annual induction seminar was conducted at Newbold College for post-graduate students commencing employment and for new ministerial employees. This was supplemented by a day seminar for intern supervisors.

The Adult Sabbath School Department produced four quarterly editions of the Mission DVD and distributed 250 copies each quarter to churches throughout the British Union. Adult Sabbath School Workshops were also conducted in various churches.

During the year the Education Department provided 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. The department also carried out a major overhaul and revision of the Education Handbook bringing this important resource for head teachers and school staff up-to-date with all the latest policies and procedures.

The key initiative of the Health Ministries Department was the launch of the Coronary Health Improvement Project (CHIP). This is an intensive programme which focuses on markedly reducing coronary risk factor levels through the adoption of better health habits and appropriate lifestyle changes. Forty-two leaders from all parts of the British Isles took part in the MicroCHIP training which equipped them to conduct the programme in their local churches.

In 2007 a joint training weekend took place for Family, Women's and Teens Ministries. Children's Ministries training primarily was done during the church officer training days and workshops in the local churches and at the regional Camp Meeting programmes. Regional Women's Ministries Directors and Sponsors were supported via an envisioning weekend.

The Kids in Discipleship strategy was successfully launched and the department ran two training programmes. The programme is designed to equip, support and empower parents and carers to be spiritual mentors to their children. The three strands of the programme challenge entire congregations to prayerfully lift up the children

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## BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2007

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in their church, and to support parents/caregivers in empowering children in worship, ministry, and mission; encourage parents/caregivers in their own walk with Jesus, and offer practical ways to make Christianity real in the home and provide models to assist families spend interactive time together journeying through seven exciting phases of discipleship; from building their relationship with Jesus, to personally making disciples for Jesus.

The Youth department joined forces with its counter parts in other European countries to conduct a youth survey that was launched in December 2006 and ran through to February 2007. The Valuegenesis survey was the largest investigation to date into the religious and social ideas of European Adventist youth. Unfortunately, due to the limited number of participants from within the British Isles the statistical analysis of these results had to be tempered with certain caveats.

The department's mission venture for 2007 was a building development at Kajiado Girls Rehabilitation School, Rift Valley Province Kenya. Twenty eight individuals participated in the event between 28 June and 17 July and gained valuable experience in development projects.

Later in the year a conference on teenager issues was hosted at Staverton Park Hotel. The conference attracted a wide cross section of faith communities including Muslim, Hindu and Christian. Seventy two individuals attended the workshops where they listened to presenters from several backgrounds speak on disciplines and issues designed to empower and equip participants working with teenagers.

The department continued to co-ordinate the church's youth ministries through its bi-annual youth advisories and participated in youth leadership training hosted by regional entities. Four editions of the Encounter magazine were produced during the year.

The trustees have reviewed the major risks to which its activities were exposed and are satisfied that adequate control mechanisms are in place.

#### **Financial review**

##### **a. RESERVES POLICY**

The trustees evaluated the charity's risk exposure. We have £3.2million in unrestricted fund assets, plus £2.9million invested in operational property. The British Union Conference portion of the long term pension liability is £3.9million which is offset by the market rather than book value of operational fixed assets. This actuarial deficit has increased being exposed to new mortality horizons and inflation risk.

Our working capital requirement is set at 30% of annual expenditure (£4.5million) which would be £1.35million with contingent cover for subsidiaries of £650,000 giving a reserve requirement of £2.0million. During the year our provision to manage the actuarial deficit has increased anticipating addition funding required for the next valuation period. On a short term basis our general reserves are in surplus, but when the long term requirement is included a deficit persists.

##### **b. PRINCIPAL FUNDING**

The British Union Conference is supported by associated constituent charities, the North and South England Conferences, and churches in Ireland, Scotland and Wales. We are also mutually supportive of the General Conference of Seventh-day Adventists and it's Trans-European Division.

Tithe – the major source of our income grew by 6.8% overall during 2007 (2006: 5.6%). Tithe growth in Ireland and Wales was 15% over the period whereas growth in Scotland remained at par following exceptional growth in 2006.

Gift Aid continues to make a significant contribution particularly to individual churches.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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The environment of the Pension Fund continues to be a challenge. During the year we changed Actuarial Advisors, processed the appointment of Member Nominated Trustees and reverted the payment of Pensions to our office. The tri-annual valuation became due and was conducted using new mortality tables, new economic assumptions and revised investment prospects. Further properties were committed to mitigate our Pension Protection Fund liability and provide evidence of the employers covenant to meet the liabilities created over past terms of service. Legislation with regard to closed institutions impacted on our sale of the Roundelwood Health Centre and subsidiaries who currently do not have active participants.

During the year we supported a significant marketing effort to establish Roundelwood Health Centre the results of which were disappointing. It became clear that the economic fortunes were unlikely to be significantly improved and that we were unable to afford the levels of support required. After appropriate advice, the institution was sold on December 10, 2007. Our Health education endeavour is now promoted through in-church enterprises including the Coronary Heart improvement program.

A new Director for the Adventist Discovery Centre was appointed. The centre itself was significantly rebuilt and modernised to accommodate the technology required for distance learning. New lines of marketing resulted in a significant uptake of response particularly to our Health Courses.

The work of the British Union Conference is mostly supervisory and facilitative of our partner charities the effectiveness of which is seen in collaboration with them.

#### **Plans for the future**

#### **Operations of subsidiary organisations**

Stanborough School represents a major investment on our estate. Renovations are likely to consume significant resources in coming years.

Stanborough Press has successfully expanded its range of Christian literature with a new emphasis on Children's materials. These are enthusiastically received in the markets that we serve. Credit control has been much improved with respect to foreign customers. Operational surpluses have been registered.

Our Humanitarian agency ADRA has experienced continued growth winning new projects in Somalia, Madagascar, Burkino Faso and Zambia.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that 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 prevention and detection of fraud and other irregularities.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in England/Wales governing the preparation and dissemination of financial statements and other information included in Annual reports may differ from legislation in other jurisdictions.

This report was approved by the Trustees on 18 September 2008 and signed on its behalf, by:

E C Lowe

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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 2007 which comprise the Statement of financial activities, the Balance sheet and the Cash flow statement, with the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees 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 Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

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

The responsibilities of the Trustees for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' responsibilities.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. 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 and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' annual report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' annual 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 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 judgments 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.

**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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2007 and of its 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

19 September 2008

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

**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account)  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Tithe donations from members of local congregations affiliated with the Charity	2	-	1,091,426	1,091,426	996,106
Tithe-sharing grants from affiliated charities	2	-	2,337,601	2,337,601	2,187,913
Grants from General Conference of Seventh-day Adventists	2	-	410,094	410,094	396,568
Funds for future retirement facilities transferred from subsidiary charity	2	-	-	-	390,323
Tax recoverable on Gift Aid donations	2	-	106,327	106,327	101,719
Other voluntary income	2	378,982	234,929	613,911	1,332,259
Investment income	3	-	300,374	300,374	193,853
Incoming resources from charitable activities	4	-	2,929,875	2,929,875	1,084,822
<b>TOTAL INCOMING RESOURCES</b>		<b>378,982</b>	<b>7,410,626</b>	<b>7,789,608</b>	<b>6,683,563</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	11	153,547	4,361,092	4,514,639	5,084,086
Governance costs	8	-	28,735	28,735	282,674
<b>TOTAL RESOURCES EXPENDED</b>		<b>153,547</b>	<b>4,389,827</b>	<b>4,543,374</b>	<b>5,366,760</b>
<b>NET INCOME BEFORE TRANSFERS</b>		<b>225,435</b>	<b>3,020,799</b>	<b>3,246,234</b>	<b>1,316,803</b>
Transfers between Funds	21	(163,665)	163,665	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>61,770</b>	<b>3,184,464</b>	<b>3,246,234</b>	<b>1,316,803</b>
Actuarial gains and losses on defined benefit pension schemes		-	(335,000)	(335,000)	(85,510)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>61,770</b>	<b>2,849,464</b>	<b>2,911,234</b>	<b>1,231,293</b>
<i>Total funds at 1 January 2007</i>		<i>1,312,228</i>	<i>3,401,978</i>	<i>4,714,206</i>	<i>3,482,913</i>
<b>TOTAL FUNDS AT 31 DECEMBER 2007</b>		<b>1,373,998</b>	<b>6,251,442</b>	<b>7,625,440</b>	<b>4,714,206</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 14 to 32 form part of these financial statements.

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

**BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	14		3,176,441		3,256,996
Investment property	15		140,000		140,000
Fixed asset investments	16		1,066		1,066
			3,317,507		3,398,062
<b>CURRENT ASSETS</b>					
Stocks	17	18,509		23,198	
Debtors	18	1,244,342		1,112,266	
Cash at bank and in hand		10,293,099		5,616,281	
		11,555,950		6,751,745	
<b>CREDITORS:</b> amounts falling due within one year	19		(2,815,640)	(1,211,841)	
<b>NET CURRENT ASSETS</b>			8,740,310		5,539,904
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			12,057,817		8,937,966
<b>CREDITORS:</b> amounts falling due after more than one year	20		(444,377)	(463,356)	
<b>NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)</b>			11,613,440		8,474,610
Defined benefit pension scheme liability	26		(3,988,000)	(3,760,404)	
<b>NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)</b>			7,625,440	4,714,206	
<b>CHARITY FUNDS</b>					
Restricted funds	21		1,373,998		1,312,228
Unrestricted funds:					
Unrestricted income funds	21	10,239,442		7,162,383	
Unrestricted funds excluding pension liability		10,239,442		7,162,383	
Pension reserve		(3,988,000)		(3,760,405)	
Total unrestricted funds			6,251,442	3,401,978	
<b>TOTAL FUNDS</b>			7,625,440	4,714,206	

The financial statements were approved by the Trustees on 18 September 2008 and signed on their behalf, by:

The notes on pages 14 to 32 form part of these financial statements.

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
Net cash flow from operating activities	23	1,789,182	433,817
Returns on investments and servicing of finance	24	298,065	56,255
Capital expenditure and financial investment	24	2,590,592	547,716
<b>CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>		<b>4,677,839</b>	<b>1,037,788</b>
Management of liquid resources	24	(3,975,341)	(1,326,794)
Financing	24	-	(29,700)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>702,498</b>	<b>(318,706)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 £	2006 £
Increase/(Decrease) in cash in the year	702,498	(318,706)
Cash outflow from decrease in liquid resources	3,975,341	1,326,794
Cash outflow from decrease in debt and lease financing	-	29,700
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>4,677,839</b>	<b>1,037,788</b>
Net funds at 1 January 2007	5,245,967	4,208,179
<b>NET FUNDS AT 31 DECEMBER 2007</b>	<b>9,923,806</b>	<b>5,245,967</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007

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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 March 2005 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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007

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**1. ACCOUNTING POLICIES (continued)**

**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.

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.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

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

**1.6 Investments**

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

Investments in subsidiaries are valued at cost less provision for impairment.

**1.7 Investment properties**

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the Trustees, necessary in order to give a true and fair view of the financial position of the charity.

**1.8 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.

**1.9 Pensions**

The charity operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 5 April 2004.

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. VOLUNTARY INCOME**

	<b>Restricted Funds 2007 £</b>	<b>Unrestricted Funds 2007 £</b>	<b>Total Funds 2007 £</b>	<i>Total Funds 2006 £</i>
Tithe donations from members of local congregations affiliated with the Charity	-	1,091,426	1,091,426	996,106
Tithe-sharing grants from affiliated charities	-	2,337,601	2,337,601	2,187,913
Grants from General Conference of Seventh-day Adventists	-	410,094	410,094	396,568
Funds for future retirement facilities transferred from subsidiary charity	-	-	-	390,323
Tax recoverable on Gift Aid donations	-	106,327	106,327	101,719
Subtotal detailed disclosure	-	3,945,448	3,945,448	4,072,629
Other donations	103,796	47,443	151,239	226,661
Legacies	272,105	104,193	376,298	822,085
Other grants	3,081	83,293	86,374	283,513
Subtotal	378,982	234,929	613,911	1,332,259
Voluntary income	378,982	4,180,377	4,559,359	5,404,888

**3. INVESTMENT INCOME**

	<b>Restricted Funds 2007 £</b>	<b>Unrestricted Funds 2007 £</b>	<b>Total Funds 2007 £</b>	<i>Total Funds 2006 £</i>
Investment income - local cash	-	284,943	284,943	177,056
Investment income - foreign cash	-	15,431	15,431	16,797
	-	300,374	300,374	193,853

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Restricted Funds 2007 £</b>	<b>Unrestricted Funds 2007 £</b>	<b>Total Funds 2007 £</b>	<i>Total Funds 2006 £</i>
Church ministry	-	273,853	273,853	304,354
Welfare	-	39,351	39,351	26,902
Sale of properties	-	2,616,671	2,616,671	753,566
	-	2,929,875	2,929,875	1,084,822

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**5. GRANTS TO INDIVIDUALS**

	<b>Number</b>	<b>Total 2007 £</b>	<i>Number</i>	<i>Total 2006 £</i>
Education	<u>          </u>	<u>100,775</u>	<u>          </u>	<u>76,554</u>

**6. LIST OF INSTITUTIONAL GRANTS PAYABLE**

<b>Name of institution/grant</b>	<b>Grant description</b>	<b>2007 £</b>	<i>2006 £</i>
Grants to local congregations	Support of church activities	<b>158,629</b>	129,942
Stanborough School	Educational needs	<b>438,721</b>	277,271
General Conference of Seventh-day Adventists	General operations	<b>299,744</b>	283,748
Adventist Development and Relief Agency	Humanitarian aid activities	<b>12,000</b>	12,000
Good Health Association (Scotland)_ Ltd	Promotion of healthful living	-	524,805
South England Conference	Evangelism	-	55,000
South England Conference	General operations	<b>92,000</b>	92,791
North England Conference	General operations	<b>56,000</b>	56,000
South England Conference	Retirement home	-	250,000
South England Conference	Local congregation needs	-	60,000
		<u><b>1,057,094</b></u>	<u>1,741,557</u>

**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	<b>Restricted Funds 2007 £</b>	<b>Unrestricted Funds 2007 £</b>	<b>Total Funds 2007 £</b>	<i>Total Funds 2006 £</i>
Church ministry	<b>46,597</b>	<b>1,532,630</b>	<b>1,579,227</b>	1,422,698
Education	-	<b>1,031,462</b>	<b>1,031,462</b>	865,061
Welfare	<b>5,457</b>	<b>479,945</b>	<b>485,402</b>	1,286,041
Church communication	<b>22,407</b>	<b>948,397</b>	<b>970,804</b>	1,077,474
Support of local congregations	-	<b>148,000</b>	<b>148,000</b>	148,791
Support of other geographical areas	<b>79,086</b>	<b>220,658</b>	<b>299,744</b>	284,021
	<u><b>153,547</b></u>	<u><b>4,361,092</b></u>	<u><b>4,514,639</b></u>	<u>5,084,086</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**7. EXPENDITURE BY CHARITABLE ACTIVITY (continued)**

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2007 £	Depreciation 2007 £	Other costs 2007 £	Total 2007 £	<i>Total 2006 £</i>
Church ministry	725,015	108,724	745,488	1,579,227	1,422,698
Education	246,229	9,416	775,817	1,031,462	865,061
Welfare	246,229	9,416	229,757	485,402	1,286,041
Church communication	492,457	18,832	459,515	970,804	1,077,474
Support of local congregations	-	-	148,000	148,000	148,791
Support of other geographical areas	-	-	299,744	299,744	284,021
	<u>1,709,930</u>	<u>146,388</u>	<u>2,658,321</u>	<u>4,514,639</u>	<u>5,084,086</u>

**8. GOVERNANCE COSTS**

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Internal audit	-	7,618	7,618	5,360
External audit	-	7,447	7,447	4,931
Quinquennial general meeting	-	-	-	259,522
Trustees meetings	-	13,670	13,670	12,861
	<u>-</u>	<u>28,735</u>	<u>28,735</u>	<u>282,674</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. DIRECT COSTS**

	Church ministry £	Education £	Welfare £	Communic £	Total 2007 £	Total 2006 £
Expected return on pension liabilities/assets	65,160	28,960	28,960	57,920	181,000	187,653
Staff travel	18,693	8,308	8,308	16,616	51,925	37,908
Other staff costs	28,017	12,452	12,452	24,904	77,825	96,813
Advisory meetings	8,920	3,964	3,964	7,929	24,777	22,658
Repairs & maintenance	24,980	11,102	11,102	22,204	69,388	96,459
Other accommodation	1,032	459	459	917	2,867	7,600
Office costs	29,762	13,227	13,227	26,454	82,670	60,910
Publicity	2,862	1,272	1,272	2,544	7,950	687
Supplies	160,402	71,289	71,289	142,579	445,559	414,972
Legal & professional	13,542	6,018	6,018	12,036	37,614	20,797
Depreciation	21,186	9,416	9,416	18,832	58,850	82,474
	<u>374,556</u>	<u>166,467</u>	<u>166,467</u>	<u>332,935</u>	<u>1,040,425</u>	<u>1,028,931</u>

**10. SUPPORT COSTS**

	Church ministry £	Education £	Welfare £	Communic £	Total 2007 £	Total 2006 £
Office supplies	95,351	42,379	42,379	84,757	264,866	232,526
Building maintenance	20,418	9,074	9,074	18,148	56,714	40,672
Administration	4,974	2,211	2,211	4,421	13,817	11,197
Repairs & maintenance	25,865	11,496	11,496	22,992	71,849	79,900
Insurance	18,782	8,348	8,348	16,696	52,174	48,446
Office costs	64,464	-	-	-	64,464	58,586
Bank charges	832	369	369	739	2,309	1,442
Legal & professional	5,145	2,286	2,286	4,573	14,290	10,793
Exchange differences	(7,778)	(3,457)	(3,457)	(6,914)	(21,606)	12,191
Wages and salaries	502,849	223,489	223,489	446,977	1,396,804	1,361,357
National insurance	51,166	22,740	22,740	45,480	142,126	135,496
Pension cost	171,000	-	-	-	171,000	161,734
Depreciation	87,538	-	-	-	87,538	82,703
	<u>1,040,606</u>	<u>318,935</u>	<u>318,935</u>	<u>637,869</u>	<u>2,316,345</u>	<u>2,237,043</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	<b>Activities undertaken directly 2007 £</b>	<b>Grant funding of activities 2007 £</b>	<b>Support costs 2007 £</b>	<b>Total 2007 £</b>	<i>Total 2006 £</i>
Church ministry	374,556	164,065	1,040,606	1,579,227	1,422,698
Education	166,467	546,060	318,935	1,031,462	865,061
Welfare	166,467	-	318,935	485,402	1,286,041
Church communication	332,935	-	637,869	970,804	1,077,474
Support of local conferences	-	148,000	-	148,000	148,791
Support of other geographical areas	-	299,744	-	299,744	284,021
<b>Total</b>	<b>1,040,425</b>	<b>1,157,869</b>	<b>2,316,345</b>	<b>4,514,639</b>	<b>5,084,086</b>

**12. NET INCOME**

This is stated after charging:

	<b>2007 £</b>	<i>2006 £</i>
Depreciation of tangible fixed assets: - owned by the charity	<b>146,020</b>	176,070
Auditors' remuneration	<b>7,447</b>	4,931
Internal audit costs	<b>7,619</b>	5,360

During the year, eleven trustees received remuneration (2006 - eleven trustees) - see below.  
During the year, no Trustees received any benefits in kind (2006 - £NIL).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**13. STAFF COSTS**

Staff costs, including trustees, were as follows:

Wages and salaries	<b>1,396,804</b>	1,361,357
Social security costs	<b>142,126</b>	135,496
Other pension costs (Note 26)	<b>171,000</b>	161,734
	<b><u>1,709,930</u></b>	<u>1,658,587</u>

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

	<b>No.</b>	<i>No.</i>
Charitable activities	<b>33</b>	31
Supporting activities	<b>16</b>	16
Management and administration	<b>6</b>	6
	<b><u>55</u></b>	<u>53</u>

No employee received remuneration amounting to more than £60,000 in either year.

**TRUSTEES' REMUNERATION**

	<b>2007</b>	2006
	<b>£</b>	£
C R Perry	-	23,742
D W McFarlane	<b>37,021</b>	11,871
E Lowe	<b>35,865</b>	34,502
V Pilmoor	<b>35,865</b>	34,502
D Boldeau	-	31,846
E Brooks	<b>34,062</b>	-
K Davidson	<b>34,062</b>	32,768
V Hulbert	<b>34,062</b>	10,923
D Neal	<b>29,313</b>	28,175
L Edwards	<b>29,313</b>	30,875
B P Phillips	-	20,583
J Surridge	<b>29,313</b>	10,292
	<b><u>298,876</u></b>	<u>270,079</u>
Total		

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2007	4,261,556	332,327	4,593,883
Additions	19,824	62,121	81,945
Disposals	(22,895)	(15,038)	(37,933)
	<u>4,258,485</u>	<u>379,410</u>	<u>4,637,895</u>
<b>Depreciation</b>			
At 1 January 2007	1,088,423	248,464	1,336,887
Charge for the year	94,520	51,500	146,020
On disposals	(6,415)	(15,038)	(21,453)
	<u>1,176,528</u>	<u>284,926</u>	<u>1,461,454</u>
<b>Net book value</b>			
At 31 December 2007	<u>3,081,957</u>	<u>94,484</u>	<u>3,176,441</u>
<i>At 31 December 2006</i>	<u>3,173,133</u>	<u>83,863</u>	<u>3,256,996</u>

The insured value of the land and buildings at 31 December 2007 was £14,000,000 (2006: £13,700,000).

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.

Land and buildings to a value of £18,100,000 have been charged to the pension fund trustees to secure the funding for the deficit referred to in note 27 below.

**15. INVESTMENT PROPERTY**

	Freehold property £
<b>Cost and valuation</b>	
At 1 January 2007 and 31 December 2007	<u>140,000</u>

The 2007 valuations were made by a trustee, on an open market value for existing use basis.

**16. FIXED ASSET INVESTMENTS**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

		Share in group under- takings £
<b>Market value</b>		
At 1 January 2007 and 31 December 2007		<b>1,066</b>
		<u><u>1,066</u></u>
<b>Investments at market value comprise:</b>		
	<b>2007</b>	2006
	£	£
Group	<b>1,066</b>	1,066
	<u><u>1,066</u></u>	<u><u>1,066</u></u>
The fixed asset investment comprises the whole of the issued share capital of The Stanborough Press Ltd (a Christian publishing house and is held in the UK		
<b>17. STOCKS</b>		
	<b>2007</b>	2006
	£	£
Raw materials	<b>18,509</b>	23,198
	<u><u>18,509</u></u>	<u><u>23,198</u></u>
<b>18. DEBTORS</b>		
	<b>2007</b>	2006
	£	£
<b>Due after more than one year</b>		
Amounts owed by group undertakings	<b>89,917</b>	109,667
Amounts owed by related charities	<b>40,273</b>	52,181
Other debtors	<b>2,078</b>	3,057
<b>Due within one year</b>		
Amounts owed by group undertakings	<b>23,321</b>	113,149
Amounts owed by related charities	<b>865,914</b>	503,530
Other debtors	<b>43,646</b>	17,656
Prepayments and accrued income	<b>124,147</b>	257,407
Grants Receivable	<b>55,046</b>	55,619
	<u><u>1,244,342</u></u>	<u><u>1,112,266</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**19. CREDITORS:  
Amounts falling due within one year**

	2007	2006
	£	£
Bank loans and overdrafts	653	1,674
Other loans	33,513	33,513
Amounts owed to group undertakings	1,468,309	391,725
Amounts owed to related charities	595,248	306,264
Amounts owed to local congregations	594,301	437,673
Other creditors	9,070	9,667
Accruals and deferred income	114,546	31,325
	<b>2,815,640</b>	<b>1,211,841</b>

**20. CREDITORS:  
Amounts falling due after more than one year**

	2007	2006
	£	£
Loans from lifetime tenants	335,127	335,127
Deferred income	109,250	128,229
	<b>444,377</b>	<b>463,356</b>

Creditors include amounts not wholly repayable within 5 years as follows:

	2007	2006
	£	£
Repayable other than by instalments	<b>268,342</b>	<b>287,141</b>

The charity lets some of its properties on life tenancies, in consideration of capital deposits. The above loan amounts represent the proportion of deposits repayable. The deferred income amounts represent the balance of deposits that are not repayable but are being credited to income over the estimated lifetime of each tenant.

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

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**21. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Invested in property	3,396,996	-	(146,388)	(302,812)	-	2,947,796
Church buildings	382,257	1,457	(9,864)	-	-	373,850
Provision for retirement facilities	-	-	-	2,899,247	-	2,899,247
Revolving investments	385,000	-	-	-	-	385,000
Future conferences	18,040	-	-	300,000	-	318,040
Other designated funds	25,231	61,695	(27,284)	(893)	-	58,749
	<u>4,207,524</u>	<u>63,152</u>	<u>(183,536)</u>	<u>2,895,542</u>	<u>-</u>	<u>6,982,682</u>
<b>General funds</b>						
Tithe fund	805,732	4,065,975	(4,104,713)	(155,061)	-	611,933
Other general funds	2,149,127	3,281,499	(208,982)	(2,576,816)	-	2,644,828
Pension reserve	(3,760,405)	-	107,404	-	(335,000)	(3,988,001)
	<u>(805,546)</u>	<u>7,347,474</u>	<u>(4,206,291)</u>	<u>(2,731,877)</u>	<u>(335,000)</u>	<u>(731,240)</u>
Total Unrestricted funds	<u>3,401,978</u>	<u>7,410,626</u>	<u>(4,389,827)</u>	<u>163,665</u>	<u>(335,000)</u>	<u>6,251,442</u>
<b>Restricted funds</b>						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Communications in Britain	362,561	288,141	(54,971)	(162,821)	-	432,910
Communications world-wide	-	79,086	(79,086)	-	-	-
Future church buildings	757,822	-	-	-	-	757,822
Future church buildings	191,845	11,755	(19,490)	(844)	-	183,266
	<u>1,312,228</u>	<u>378,982</u>	<u>(153,547)</u>	<u>(163,665)</u>	<u>-</u>	<u>1,373,998</u>
Total of Funds	<u><u>4,714,206</u></u>	<u><u>7,789,608</u></u>	<u><u>(4,543,374)</u></u>	<u><u>-</u></u>	<u><u>(335,000)</u></u>	<u><u>7,625,440</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (continued)**

A brief explanation of these funds follows:

The funds invested in property are not available for other charity use, and so are put aside as designated funds.

Funds are also set aside for the future acquisition of church buildings as needed in the Irish, Scottish and Welsh branches.

The revolving investment fund is set aside to provide loans to local conferences and subsidiary charities as needed.

The charity's Constitution calls for quinquennial general meetings of the members. Funds are set aside annually to meet the cost of these and other non-regular meetings.

Tithe funds are derived from members of the local congregations setting aside one tenth of their income for the work of the church. The denominational policy is to use these funds solely for evangelism and nurture. It is the denominational practice to maintain traceability of these funds, and they are separately accounted for within the general funds.

Funds received for communication of the gospel are held as funds restricted for this purpose, either to be used within Britain or by the wider world church.

Other funds are received for specific purposes in connection with the nurture of church members and the acquisition of church buildings, and are similarly held as restricted funds until they can be used for the purposes for which they were given.

Funds (mainly legacies) have been received for the purpose of building a retirement home in Wales. The terms of the wills give the executive committee of the charity discretion in using the funds for other purposes if this purpose cannot be fulfilled within a period of years.

**SUMMARY OF FUNDS**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
Designated funds	4,207,524	63,152	(183,536)	2,895,542	-	6,982,682
General funds	(805,546)	7,347,474	(4,206,291)	(2,731,877)	(335,000)	(731,240)
	<b>3,401,978</b>	<b>7,410,626</b>	<b>(4,389,827)</b>	<b>163,665</b>	<b>(335,000)</b>	<b>6,251,442</b>
Restricted funds	1,312,228	378,982	(153,547)	(163,665)	-	1,373,998
	<b>4,714,206</b>	<b>7,789,608</b>	<b>(4,543,374)</b>	<b>-</b>	<b>(335,000)</b>	<b>7,625,440</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Tangible fixed assets	-	3,176,441	3,176,441	3,256,996
Fixed asset investments	-	1,066	1,066	1,066
Investment properties	-	140,000	140,000	140,000
Creditors due within one year	-	132,268	132,268	164,904
Current assets	1,373,998	10,049,687	11,423,685	6,586,840
Creditors due within one year	-	(2,815,643)	(2,815,643)	(1,211,840)
Creditors due in more than one year	-	(444,377)	(444,377)	(463,356)
Provisions for liabilities and charges	-	(3,988,000)	(3,988,000)	(3,760,404)
	<u>1,373,998</u>	<u>6,251,442</u>	<u>7,625,440</u>	<u>4,714,206</u>

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Net incoming resources before revaluations	3,246,234	1,316,803
Returns on investments and servicing of finance	(298,065)	(56,255)
Amortisation of life tenancies	(8,923)	(20,689)
Funds transferred from group undertaking	-	(386,156)
Depreciation of tangible fixed assets	146,020	146,020
Deficit on disposal of tangible fixed assets	(2,616,671)	(753,565)
Decrease in stocks	4,689	60,001
Increase in debtors	(43,997)	(141,317)
Decrease in amounts owed by group undertakings	199,495	2,506
Decrease/(increase) in amounts owed by associated charities	(327,105)	97,822
Increase/(decrease) in creditors	71,583	(30,527)
	-	-
Increase in amounts owed to local congregations	156,628	135,169
Increase in amounts owed to group undertakings	750,659	289,118
Increase in amounts owed to associated charities	616,044	(146,946)
Increase in provisions	-	-
Movement in Pension Fund	(107,409)	(78,167)
<b>Net cash inflow from operations</b>	<u>1,789,182</u>	<u>433,817</u>

NOTES TO THE FINANCIAL STATEMENTS  
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24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2007 £	2006 £
<b>Returns on investments and servicing of finance</b>		
Interest received	300,374	65,740
Interest paid	(2,309)	(9,485)
	<u>300,374</u>	<u>65,740</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u>298,065</u>	<u>56,255</u>
	2007 £	2006 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(81,945)	(359,092)
Sale of tangible fixed assets	2,633,151	919,311
Purchase of investment properties	-	-
New loans to group undertakings	-	(47,500)
Repaid loans from group undertakings	19,750	16,583
New loans to associated charities	(18,000)	(20,000)
Repaid loans from associated charities	37,636	38,414
	<u>2,590,592</u>	<u>547,716</u>
<b>Net cash inflow capital expenditure</b>	<u>2,590,592</u>	<u>547,716</u>
	2007 £	2006 £
<b>Management of liquid resources</b>		
Cash placed on short-term deposit	(3,975,341)	(1,326,794)
	<u>(3,975,341)</u>	<u>(1,326,794)</u>
	2007 £	2006 £
<b>Financing</b>		
Repayment of loans	-	(29,700)
	<u>-</u>	<u>(29,700)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**25. ANALYSIS OF CHANGES IN NET DEBT**

	1 January 2007 £	Cash flow £	Other non-cash changes £	31 December 2007 £
Cash at bank and in hand:	5,616,281	4,676,818	-	10,293,099
Less: deposits treated as liquid resources	(5,099,827)	(3,975,341)	-	(9,075,168)
	<u>516,454</u>	<u>701,477</u>	<u>-</u>	<u>1,217,931</u>
Bank overdraft	(1,674)	1,021	-	(653)
	<u>514,780</u>	<u>702,498</u>	<u>-</u>	<u>1,217,278</u>
<b>Liquid resources:</b>				
Deposits included in cash	5,099,827	3,975,341	-	9,075,168
<b>Debt:</b>				
Debts due within one year	(33,513)	-	-	(33,513)
Debts falling due after more than one year	(335,127)	-	-	(335,127)
	<u>5,245,967</u>	<u>4,677,839</u>	<u>-</u>	<u>9,923,806</u>
<b>Net funds</b>				

**26. PENSION COMMITMENTS**

The charity operates a Defined benefit pension scheme.

The charity's total pension cost included within operating surplus was £171,000 (2006 - £171,000) £171,000 (2006 - £161,734) in respect of its Defined benefit pension scheme arrangements.

The amounts in the financial statements for the year ended 31 December 2007, relating to pensions, are based on a full actuarial valuation dated 5 April 2007.

**The main financial assumptions used in the actuarial valuation were:**

	2007 %	2006 %	2005 %
Inflation	3.3	3.0	3.0
Rate of increase in salaries	3.8	4.0	4.0
Rate of increase for pensions	3.0	2.8	2.8
Discount rate for liabilities	5.8	6.0	6.0
Commutation allowance	11.0	NIL	NIL
Rate of increase for deferred pensions	3.3	NIL	NIL
	<u>          </u>	<u>          </u>	<u>          </u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**26. PENSION COMMITMENTS (continued)**

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

	<b>Long-term rate of return expected at 2007 %</b>	<b>Value at 2007 £</b>	<i>Long-term rate of return expected at 2006 %</i>	<i>Value at 2006 £</i>	<i>Long-term rate of return expected at 2005 %</i>	<i>Value at 2005 £</i>
Bonds	<b>5.0</b>	<b>2,612,000</b>	5.0	2,501,868	5.0	2,393,785
Net current assets	-	<b>143,000</b>	-	81,486	-	46,733
Total market value of assets		<u><b>2,755,000</b></u>		<u>2,583,354</u>		<u>2,440,518</u>
Present value of scheme liabilities		<u><b>(6,743,000)</b></u>		<u>(6,343,758)</u>		<u>(6,193,579)</u>
Net pension liability		<u><b>(3,988,000)</b></u>		<u>(3,760,404)</u>		<u>(3,753,061)</u>

The following amounts have been recognised in the financial statements in the year to 31 December 2007 and 31 December 2006 under the requirements of FRS17:

	<b>2007 £</b>	2006 £
<b>Other finance income</b>		
Expected return on pension scheme assets	<b>132,000</b>	122,026
Interest on pension scheme liabilities	<b>(313,000)</b>	(309,679)
Net return	<u><b>(181,000)</b></u>	<u>(187,653)</u>
<b>Analysis of amount recognised in the SOFA</b>		
Actual return less expected return on pension scheme assets	<b>(66,000)</b>	(85,510)
Experience gains and losses arising on the scheme liabilities	<b>(220,000)</b>	-
Changes in assumptions underlying the present value of the scheme liabilities	<b>(49,000)</b>	-
Actuarial loss recognised	<u><b>(335,000)</b></u>	<u>(85,510)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**26. PENSION COMMITMENTS (continued)**

	2007 £	2006 £
<b>Movements in deficit during the year:</b>		
Surplus/(deficit) in scheme at beginning of year	<b>(3,760,404)</b>	(3,753,061)
Current year service cost	<b>(171,000)</b>	(161,734)
Contributions	<b>459,404</b>	427,554
Other finance income	<b>(181,000)</b>	(187,653)
Actuarial loss	<b>(335,000)</b>	(85,510)
Other items	-	-
	<hr/> <b>(3,988,000)</b> <hr/>	<hr/> (3,760,404) <hr/>

The full actuarial valuation at 05 April 2007 showed an increase in the deficit.

Contributions were increased to 16.9%, plus an annual lump sum of £1,048,000. The participating employers have agreed to fund this lump sum by a levy of 9% on tithe income received from members of the local congregations affiliated to each employer. Land and buildings have been pledged to secure the balance of funding deficit, as stated in note 15 above.

**History of experience gains and losses in the scheme**

	2007	2006	2005
Difference between the expected and actual return on scheme assets:			
Amount (£)	<b>(66,000)</b>	(85,510)	(161,184)
Percentage of scheme assets	<b>(2.4)%</b>	(3.3)%	(6.6)%
Experience gains and losses on scheme liabilities:			
Amount (£)	<b>(220,000)</b>	-	-
Percentage of the present value of the scheme liabilities	<b>(3.3)%</b>	%	%
Total amount recognised in the financial statements:			
Amount (£)	<b>(335,000)</b>	(85,510)	(1,034,404)
Percentage of the present value of the scheme liabilities	<b>(5.0)%</b>	(1.3)%	(16.7)%

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. RELATED PARTY TRANSACTIONS**

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

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

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

	<b>North England Conference £</b>	<b>South England Conference £</b>	<b>General Conference £</b>
Tithe-sharing grants received	654,100	1,533,812	227,668
Tithe-sharing grants made	-	-	154,012
Other grants received	-	-	185,607
Other grants made	56,000	92,000	79,466
Amounts due to charity:			
within one year	233,341	612,260	-
after one year	26,943	44,988	-
Amounts due by charity:			
within one year	-	-	325,925
	<u>                    </u>	<u>                    </u>	<u>                    </u>