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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 2008**

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The following pages do not form part of the statutory financial statements:

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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 2008**

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**Trustees**

Pastor D W McFarlane, Chairperson  
Pastor E C Lowe, Executive secretary  
Mr V Pilmoor, Treasurer  
Mr K T Abbequaye  
Mr A A Adesina  
Dr C Benz  
Pastor E B Brooks  
Pastor R A Brooks  
Dr K Davidson  
Pastor S A Davis  
Pastor L R Edwards  
Mr P A C Emm  
Pastor D J Foster  
Pastor E R Francis (resigned 3 July 2008)  
Miss S Gillin  
Mr P Hammond  
Pastor V J Hulbert  
Pastor E Jones-Larty (appointed 18 September 2008)  
Dr S A Logan  
Dr D N Marshall  
Pastor D W McCormac (resigned 18 September 2008)  
Dr R Muimo  
Mr R Murphy  
Pastor D Neal  
Mr A Officer  
Dr D Penner (resigned 18 September 2008)  
Ms B A Plunkett (resigned 18 September 2008)  
Dr J Sabes (appointed 18 September 2008)  
Pastor M D Smart (appointed 18 September 2008)  
Pastor J C Surridge  
Pastor I W W Sweeney (appointed 3 July 2008)  
Ms A Wije

**Charity registered number**

1044071

**Principal office**

Stanborough Park  
Garston, Watford  
Herts, WD25 9JZ  
and also at:  
Unit 11, Park Industrial Estate  
Frogmore, St Albans  
AL2 2DR

**Secretary**

E C Lowe

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2008

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**Charity details (continued)**

**Auditors**

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

**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 Court  
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 2008

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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 2008. 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**

There have been the following changes in the constitution since the last annual report:

The sub-committee which had been set up by the trustees to look at the way in which the church conducts its quinquennial session reported back to the executive committee in June. The executive committee approved the majority of the report's recommendations for a shorter two day session with a considerable amount of the election work being carried out prior to the full plenary session and referred the matter on to the standing Constitution Committee. This latter body prepared appropriate amendments to the constitution in order to facilitate these new procedures and these recommended amendments were approved by the trustees in December and referred on to an extra-ordinary BUC session which was called for 17 May 2009 for ratification

##### **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 was held in 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 carried out certain aspects of the charity's operations:

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2008

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

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

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.

Provide financial, policy and administrative support to a programme of Christian education that will prepare children and young people for service to God and society at large.

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

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**Achievements and performance**

**a. REVIEW OF ACTIVITIES**

During 2008 the church experienced a net growth in church membership in all its regional sections. Total net growth for the year was 940, taking the total membership figure at 31 December 2008 to 29,050. Unfortunately this was only 62.66% of the targeted annual growth figure of 1,500. Nevertheless it did represent a 3.34% growth rate for the year and consolidated a trend experienced over the previous five years. The church continued to benefit from numbers of Seventh-day Adventists coming to live in the UK and the Republic of Ireland from overseas. This provided a net annual transfer for 2008 of 305.

The 242 churches and 35 companies provided a variety of weekly worship services, meetings and programmes that are open to the communities in which they are located. Depending upon the size and resources of the congregation these would include family worship hours, bible study classes for all age ranging from infancy to adult, adventure, pathfinder and senior citizen clubs.

The Communication department, that is also responsible for running the BUC Media Centre, produced a weekly programme, "In Conversation", for use on one of the church's television channels, as well as submitting additional footage for use in other programmes. Email newsletters and use of the churches website also developed 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 and interested personnel.

The Adventist Discovery Centre offered individuals the opportunity to study from its 16 Health and Bible courses. Through lead generated advertising, the Centre saw a rise in registrations year on year of 11,650, an increase of 27.8% percent. Enrolments (students who progress beyond lesson one) also rose more modestly by 4.5% to 2,141 resulting in a 29.7% increase of graduates to 997 for the year. Additionally the Centre made a further four courses available via its online distance learning facility bringing the total to seven online courses and has succeeded in updating the website for internal and external use. Furthermore the centre facilitated the provision of one million Bible cards for distribution by churches and members and has worked closely with churches, prisons and hospitals in making its resources available throughout the UK and Ireland.

Training, equipping and empowering of the church membership continued to be the main focus of the Personal Ministries department with a view to helping each church member to be more outward looking and engaged in their immediate communities. This was provided via weekend workshops and seminar events which included two Interest Co-ordinator's workshops, a Core of Adventism seminar, a Church Plant training week and a Lay Bible Worker's Retreat. DVDs of the material were prepared so that participants could deliver similar training in the their local churches.

The Ministerial Association continued to support the pastoral employees and local church elders throughout the British Isles. The resources included books for pastors on relevant topics and an increased circulation of the 'Elders' Digest', a journal for local church elders. The annual induction programme for new ministerial employees has now become an established part of the annual diary.

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. 150 educators from across the UK and Ireland benefited from the department's Faith and Learning Conference which provided space for the participants to reflect and refocus on the purpose of Christian schools and Adventist schools in particular.

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 with special emphasis on the continued training for the wider implementation of the Coronary Heart Improvement Programme.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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The emphasis of the Children's, Family and Women's Ministries departments in 2008 was on training. This was accomplished through seminars in the local churches, area training days, regional Camp Meeting workshops, joint department committees' weekends and a Trans-European Division/General Conference training week. Sixteen churches had now received the 4 day in depth Kids in Discipleship training and a new Core Skills children's workers' course was launched to help meet the statutory requirement to have a trained person as part of the team operating children's programmes.

The major project for the Youth Department was co-ordinating the participation of 1,100 Pathfinders and their leaders from England, Ireland, Scotland and Wales in the BUC Pathfinder Camporee at Skreens Park campsite in Chelmsford, Essex in East Anglia in July/August. Fifty-two clubs within the UK and Ireland took part with guest clubs from Germany, Spain and France.

The Drug Awareness promotion and training which commenced in 2005 was further consolidated with 48 individuals to date who have qualified as drug educators as a result of training organised by the BUC in partnership with Hope UK. 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 covering subjects such as sexual abuse, marriage, Adventist lifestyle and a special edition on the Pathfinder Camporee. Sixty individuals attended the Core of Adventism conference in December which demonstrated in practical ways how to teach the Core of Adventism to young people.

#### **Financial review**

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

The trustees evaluated the charity's risk exposure. Whereas we have £7.8m in unrestricted fund assets, £3.3million is invested in operational property. The British Union Conference portion of the long term pension liability is £3million which is offset by the market rather than book value of operational fixed assets. This actuarial deficit decreased this year by the temporary increase in the value of gilts. The investment horizon is most uncertain which is likely to aggravate the level of deficit.

Our working capital requirement is set at 30% of annual expenditure (£4.9million) which would be £1.47million with contingent cover for subsidiaries of £630,000 giving a reserve requirement of £2.1million. Trustees have allocated reserves to the extension of our office building £1million.

##### **b. FINANCIAL ACTIVITY**

Our headquarters office was destroyed by a fire caused by maintenance activity on November 16 2008. There were no personal injuries. Current estimates suggest that the building can be restored within insured limits, however the event has contributed to some cost. Trustees have agreed to take the opportunity to expand communal and conferencing facilities in order to better coordinate the work of the church for the foreseeable future at a cost of £1million. All current documentation has been recovered, though some historic records have been lost.

Tithe – the major source of our income grew at almost the same rate as the prior year by 6% (6.8%) overall. Tithe growth in Ireland was 21% with Wales showing a drop of 6.5% over the period whereas growth in Scotland remained almost at par plus 0.8%.

Staffing levels and operational costs were consistent with prior years.

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

The environment of the Pension Fund continues to be a challenge. The general economic climate influenced the December 31 record due to a remarkable jump in the value of gilts in the Month of December. This gives a temporary improvement in our position that is offset by a decline in the value of gilts in the subsequent quarter. Trustees are managing this exposure under actuarial guidance by transferring investment to UK and Global

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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Ethical Equities. Risk is being further managed by considering a transfer of fixed interest gilts to inflation index gilts. Trustees were further able to secure the deficit by placing a charge on our Newbold College property in which we have a residual interest to provide cover for the exposure of liability from our Associates at that College among others.

Following the closure of the Roundelwood Health Centre all liabilities have been settled including responsibility for Pensions of former staff. Our Health education endeavour is now promoted through in-church enterprises including the Coronary Heart Improvement Program and is coordinated by staff hired to promote this enterprise.

The Adventist Discovery Centre has been further upgraded to facilitate media based ministry. Printing facilities have been acquired to print materials on demand.

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.

### **c. 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 its Trans-European Division.

### **d. OPERATIONS OF SUBSIDIARY ORGANISATIONS**

Stanborough School represents a major investment on our estate. Renovations are likely to consume significant resources in coming years. Economic pressure on parents has reduced the number of people willing to invest in private education and their capacity to meet their accounts in a timely manner.

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 with projects in Somalia, Madagascar, Myanmar, Burkino Faso and Zambia.

### **Plans for the future**

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

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

The 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 2008**

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The Trustees are responsible for the maintenance and integrity of the charity 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 s may differ from legislation in other jurisdictions.

This report was approved by the Trustees on 17 September 2009 and signed on its behalf, by:

**E C Lowe**

**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 2008 which comprise the Statement of financial activities, the Balance sheet the Cash flow statement, and the related notes. These financial statements have been prepared under 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 members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members, 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 and if the information given in the Trustees' annual report is not consistent with the financial statements. We also report to you if, in our opinion, 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 2008 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

18 September 2009

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

**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>Note</b>	<b>Restricted Funds 2008 £</b>	<b>Unrestricted Funds 2008 £</b>	<b>Total Funds 2008 £</b>	<i>Total Funds 2007 £</i>
<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	1,091,426
Tithe-sharing grants from affiliated charities	2	-	2,477,885	2,477,885	2,337,601
Grants from General Conference of Seventh-day Adventists	2	-	430,434	430,434	410,094
Funds for future retirement facilities transferred from associated charities	2	-	98,967	98,967	-
Tax recoverable on Gift Aid donations	2	-	121,686	121,686	106,327
Other voluntary income	2	54,247	562,848	617,095	613,911
Investment income	3	-	413,568	413,568	300,374
Incoming resources from charitable activities	4	2,604	481,141	483,745	2,931,405
<b>TOTAL INCOMING RESOURCES</b>		<b>56,851</b>	<b>5,677,955</b>	<b>5,734,806</b>	<b>7,791,138</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	11	59,484	4,897,220	4,956,704	4,516,169
Governance costs	8	-	34,381	34,381	28,735
<b>TOTAL RESOURCES EXPENDED</b>		<b>59,484</b>	<b>4,931,601</b>	<b>4,991,085</b>	<b>4,544,904</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(2,633)</b>	<b>746,354</b>	<b>743,721</b>	<b>3,246,234</b>

BRITISH UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**(incorporating income and expenditure account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	Restricted Funds 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Transfers between Funds	21	(916)	916	-	-
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS</b>		<b>(3,549)</b>	<b>747,270</b>	<b>743,721</b>	<b>3,246,234</b>
Actuarial gains and losses on defined benefit pension schemes		-	<b>835,000</b>	<b>835,000</b>	<i>(335,000)</i>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(3,549)</b>	<b>1,582,270</b>	<b>1,578,721</b>	<b>2,911,234</b>
<i>Total funds at 1 January 2008</i>		<i>1,373,998</i>	<i>6,251,442</i>	<i>7,625,440</i>	<i>4,714,206</i>
<b>TOTAL FUNDS AT 31 DECEMBER 2008</b>		<b>1,370,449</b>	<b>7,833,712</b>	<b>9,204,161</b>	<b>7,625,440</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 16 to 33 form part of these financial statements.

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

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	14		3,126,533		3,176,440
Investment property	15		140,000		140,000
Fixed asset investments	16		1,066		1,066
			3,267,599		3,317,506
<b>CURRENT ASSETS</b>					
Stocks	17	21,278		18,509	
Debtors	18	1,552,347		1,244,342	
Cash at bank and in hand		11,006,110		10,293,099	
			12,579,735		11,555,950
<b>CREDITORS:</b> amounts falling due within one year	19		(3,171,621)		(2,815,639)
<b>NET CURRENT ASSETS</b>			9,408,114		8,740,311
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			12,675,713		12,057,817
<b>CREDITORS:</b> amounts falling due after more than one year	20		(446,552)		(444,377)
<b>NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)</b>			12,229,161		11,613,440
Defined benefit pension scheme liability	26		(3,025,000)		(3,988,000)
<b>NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)</b>			9,204,161		7,625,440

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

**BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
<b>CHARITY FUNDS</b>					
Restricted funds	21		<b>1,370,449</b>		1,373,998
Unrestricted funds:					
Unrestricted funds excluding pension liability		<b>10,858,712</b>		10,239,443	
Pension reserve		<b>(3,025,000)</b>		(3,988,001)	
Total unrestricted funds			<b><u>7,833,712</u></b>		<u>6,251,442</u>
<b>TOTAL FUNDS</b>			<b><u><u>9,204,161</u></u></b>		<u><u>7,625,440</u></u>

The financial statements were approved by the Trustees on 17 September 2009 and signed on their behalf, by:

**V Pilmoor**

The notes on pages 16 to 33 form part of these financial statements.

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
Net cash flow from operating activities	23	353,690	1,789,182
Returns on investments and servicing of finance	24	407,098	298,065
Capital expenditure and financial investment	24	(50,520)	2,590,592
<b>CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES</b>		<b>710,268</b>	<b>4,677,839</b>
Management of liquid resources	24	(924,896)	(3,975,341)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(214,628)</b>	<b>702,498</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £	2007 £
(Decrease)/Increase in cash in the year	(214,628)	702,498
Cash outflow from decrease in liquid resources	924,896	3,975,341
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>710,268</b>	<b>4,677,839</b>
Net funds at 1 January 2008	9,923,806	5,245,967
<b>NET FUNDS AT 31 DECEMBER 2008</b>	<b>10,634,074</b>	<b>9,923,806</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

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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 2008

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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.

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. Governance 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.

**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.

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**1. ACCOUNTING POLICIES (continued)**

**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 2007.

**2. VOLUNTARY INCOME**

	<b>Restricted Funds 2008 £</b>	<b>Unrestricted Funds 2008 £</b>	<b>Total Funds 2008 £</b>	<i>Total Funds 2007 £</i>
Tithe donations from members of local congregations affiliated with the Charity	-	1,091,426	1,091,426	1,091,426
Tithe-sharing grants from affiliated charities	-	2,477,885	2,477,885	2,337,601
Grants from General Conference of Seventh-day Adventists	-	430,434	430,434	410,094
Funds for future retirement facilities transferred from associated charities	-	98,967	98,967	-
Tax recoverable on Gift Aid donations	-	121,686	121,686	106,327
Subtotal detailed disclosure	<u>-</u>	<u>4,220,398</u>	<u>4,220,398</u>	<u>3,945,448</u>
Other donations	53,900	189,455	243,355	151,239
Legacies	-	311,971	311,971	376,298
Other grants	347	61,422	61,769	86,374
Subtotal	<u>54,247</u>	<u>562,848</u>	<u>617,095</u>	<u>613,911</u>
Voluntary income	<u><u>54,247</u></u>	<u><u>4,783,246</u></u>	<u><u>4,837,493</u></u>	<u><u>4,559,359</u></u>

**3. INVESTMENT INCOME**

	<b>Restricted Funds 2008 £</b>	<b>Unrestricted Funds 2008 £</b>	<b>Total Funds 2008 £</b>	<i>Total Funds 2007 £</i>
Investment income - local cash	-	397,927	397,927	284,943
Investment income - foreign cash	-	15,641	15,641	15,431
	<u>-</u>	<u>413,568</u>	<u>413,568</u>	<u>300,374</u>
	<u><u>-</u></u>	<u><u>413,568</u></u>	<u><u>413,568</u></u>	<u><u>300,374</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Restricted Funds 2008 £</b>	<b>Unrestricted Funds 2008 £</b>	<b>Total Funds 2008 £</b>	<i>Total Funds 2007 £</i>
Church ministry	2,604	481,102	483,706	275,383
Welfare	-	-	-	39,351
Sale of properties	-	39	39	2,616,671
	<u>2,604</u>	<u>481,141</u>	<u>483,745</u>	<u>2,931,405</u>

**5. GRANTS TO INDIVIDUALS**

	<b>Number</b>	<b>Total 2008 £</b>	<i>Number</i>	<i>Total 2007 £</i>
Education	<u>71</u>	<u>45,508</u>	<u>      </u>	<u>100,775</u>

**6. LIST OF INSTITUTIONAL GRANTS PAYABLE**

<b>Name of institution/grant</b>	<b>Grant description</b>	<b>2008 £</b>	<i>2007 £</i>
Grants to local congregations	Support of church activities	155,625	158,629
Stanborough School	Educational needs	302,400	438,721
Newbold College	Educational needs	132,000	-
General Conference of Seventh-day Adventists	General operations	374,562	299,744
Adventist Development and Relief Agency	Humanitarian aid activities	26,075	12,000
South England Conference	General operations	85,000	92,000
North England Conference	General operations	84,800	56,000
		<u>1,160,462</u>	<u>1,057,094</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	<b>Restricted Funds 2008 £</b>	<b>Unrestricted Funds 2008 £</b>	<b>Total Funds 2008 £</b>	<i>Total Funds 2007 £</i>
Church ministry	-	1,722,148	1,722,148	1,580,757
Education	-	1,032,391	1,032,391	1,031,462
Humanitarian Aid	-	12,000	12,000	-
Welfare	4,908	547,575	552,483	485,402
Church communication	13,610	1,141,358	1,154,968	970,804
Support of local congregations	-	139,800	139,800	148,000
Support of other geographical areas	40,966	301,948	342,914	299,744
	<b>59,484</b>	<b>4,897,220</b>	<b>4,956,704</b>	<b>4,516,169</b>

**SUMMARY BY EXPENDITURE TYPE**

	<b>Staff costs 2008 £</b>	<b>Depreciation 2008 £</b>	<b>Other costs 2008 £</b>	<b>Total 2008 £</b>	<i>Total 2007 £</i>
Church ministry	776,877	81,158	864,113	1,722,148	1,580,757
Education	270,167	7,606	754,618	1,032,391	1,031,462
Humanitarian Aid	-	-	12,000	12,000	-
Welfare	270,167	7,606	274,710	552,483	485,402
Church communication	540,336	15,212	599,420	1,154,968	970,804
Support of local congregations	-	-	139,800	139,800	148,000
Support of other geographical areas	-	-	342,914	342,914	299,744
	<b>1,857,547</b>	<b>111,582</b>	<b>2,987,575</b>	<b>4,956,704</b>	<b>4,516,169</b>

**8. GOVERNANCE COSTS**

	<b>Restricted Funds 2008 £</b>	<b>Unrestricted Funds 2008 £</b>	<b>Total Funds 2008 £</b>	<i>Total Funds 2007 £</i>
Internal audit	-	20,792	20,792	7,618
External audit	-	-	-	7,447
Trustees meetings	-	13,589	13,589	13,670
	<b>-</b>	<b>34,381</b>	<b>34,381</b>	<b>28,735</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**9. DIRECT COSTS**

	Church ministry £	Education £	Welfare £	Communic £	Total 2008 £	Total 2007 £
Expected return on pension liabilities/assets	88,200	39,200	39,200	78,400	245,000	181,000
Staff travel	30,199	13,421	13,421	26,843	83,884	51,925
Other staff costs	26,650	11,845	11,845	23,689	74,029	77,825
Advisory meetings	6,444	2,864	2,864	5,728	17,900	24,778
Repairs & maintenance	8,169	3,630	3,630	7,261	22,690	69,388
Other accommodation	1,299	578	578	1,155	3,610	2,867
Office costs	22,582	10,037	10,037	20,073	62,729	82,670
Publicity	14,165	6,295	6,295	12,590	39,345	7,950
Supplies	249,963	111,094	111,094	222,188	694,339	447,088
Legal & professional	8,396	3,732	3,732	7,464	23,324	37,614
Wages and salaries	467	208	208	416	1,299	-
Depreciation	17,113	7,606	7,606	15,212	47,537	58,850
	<u>473,647</u>	<u>210,510</u>	<u>210,510</u>	<u>421,019</u>	<u>1,315,686</u>	<u>1,041,955</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**10. SUPPORT COSTS**

	Church ministry £	Education £	Welfare £	Communic £	Total 2008 £	Total 2007 £
Office supplies	97,974	43,544	43,544	87,088	272,150	264,866
Building maintenance	16,460	7,316	7,316	14,632	45,724	56,714
Administration	3,805	1,691	1,691	3,382	10,569	13,818
Repairs & maintenance	31,827	14,145	14,145	28,290	88,407	71,849
Insurance	14,210	6,316	6,316	12,632	39,474	52,174
Office costs	64,665	-	-	-	64,665	64,463
Bank charges	2,330	1,035	1,035	2,070	6,470	2,309
Capital expenses	22,206	9,869	9,869	19,738	61,682	-
Legal & professional	14,342	6,374	6,374	12,748	39,838	14,290
Exchange differences	(41,120)	(18,276)	(18,276)	(36,552)	(114,224)	(21,606)
Wages and salaries	552,693	245,641	245,641	491,283	1,535,258	1,396,804
National insurance	54,717	24,318	24,318	48,637	151,990	142,126
Pension cost	169,000	-	-	-	169,000	171,000
Depreciation	64,045	-	-	-	64,045	87,538
	<u>1,067,154</u>	<u>341,973</u>	<u>341,973</u>	<u>683,948</u>	<u>2,435,048</u>	<u>2,316,345</u>

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

	Activities undertaken directly 2008 £	Grant funding of activities 2008 £	Support costs 2008 £	Total 2008 £	Total 2007 £
Church ministry	473,647	181,347	1,067,154	1,722,148	1,580,757
Education	210,510	479,908	341,973	1,032,391	1,031,462
Humanitarian Aid	-	12,000	-	12,000	-
Welfare	210,510	-	341,973	552,483	485,402
Church communication	421,019	50,001	683,948	1,154,968	970,804
Support of local conferences	-	139,800	-	139,800	148,000
Support of other geographical areas	-	342,914	-	342,914	299,744
Total	<u>1,315,686</u>	<u>1,205,970</u>	<u>2,435,048</u>	<u>4,956,704</u>	<u>4,516,169</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**12. NET INCOME / (EXPENDITURE)**

This is stated after charging:

	<b>2008</b>	<i>2007</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	<b>111,583</b>	<i>146,020</i>
Auditors' remuneration	-	<i>7,447</i>
Internal audit costs	<b>20,792</b>	<i>7,619</i>
	<u><b>132,375</b></u>	<u><i>161,086</i></u>

During the year, eleven trustees received remuneration (2007 - nine trustees) - see below.  
During the year, no Trustees received any benefits in kind (2007 - £NIL).

**13. STAFF COSTS**

Staff costs, including trustees, were as follows:

Wages and salaries	1,536,557	<i>1,396,804</i>
Social security costs	151,990	<i>142,126</i>
Other pension costs (Note 26)	169,000	<i>171,000</i>
	<u><b>1,857,547</b></u>	<u><i>1,709,930</i></u>

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

	<b>No.</b>	<i>No.</i>
Charitable activities	<b>34</b>	<i>33</i>
Supporting activities	<b>16</b>	<i>16</i>
Management and administration	<b>6</b>	<i>6</i>
	<u><b>56</b></u>	<u><i>55</i></u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**TRUSTEES' REMUNERATION**

	<b>2008</b>	2007
	£	£
D W McFarlane	37,755	37,021
E Lowe	36,553	35,865
V Pilmoor	36,553	35,865
E Brooks	34,679	34,062
K Davidson	34,679	34,062
L Edwards	32,319	29,313
D Foster	12,066	-
V Hulbert	34,679	34,062
D McCormac	18,208	-
D Neal	32,319	29,313
J SurrIDGE	32,319	29,313
	<hr/>	<hr/>
Total	<b>342,129</b>	298,876
	<hr/> <hr/>	<hr/> <hr/>

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2008	4,258,485	379,409	4,637,894
Additions	-	130,173	130,173
Disposals	(130,645)	(330,548)	(461,193)
	<hr/>	<hr/>	<hr/>
At 31 December 2008	4,127,840	179,034	4,306,874
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2008	1,176,528	284,926	1,461,454
Charge for the year	81,776	29,807	111,583
On disposals	(110,975)	(281,721)	(392,696)
	<hr/>	<hr/>	<hr/>
At 31 December 2008	1,147,329	33,012	1,180,341
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2008	2,980,511	146,022	3,126,533
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2007	3,081,957	94,483	3,176,440
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**14. TANGIBLE FIXED ASSETS (continued)**

The insured value of the land and buildings at 31 December 2008 was £15,800,000 (2007: £14,000,000).

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**

	<b>Freehold property £</b>
<b>Cost and valuation</b>	
At 1 January 2008 and 31 December 2008	<b>140,000</b>
<b>Comprising</b>	
Cost	58,697
Annual revaluation surplus/(deficit): 2002	81,303
	<b>140,000</b>

The 2007 & 2008 valuations were made by a trustee, on an open market value for existing use basis.

**16. FIXED ASSET INVESTMENTS**

	<b>Share in group under- takings £</b>	
<b>Market value</b>		
At 1 January 2008 and 31 December 2008		<b>1,066</b>
<b>Investments at market value comprise:</b>		
	<b>2008</b>	<i>2007</i>
	£	£
Group	<b>1,066</b>	1,066

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**17. STOCKS**

	2008 £	2007 £
Consumable stores	21,278	18,509
	<u>21,278</u>	<u>18,509</u>

**18. DEBTORS**

	2008 £	2007 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	70,167	89,917
Amounts owed by related charities	50,918	40,273
Other debtors	774	2,078
<b>Due within one year</b>		
Amounts owed by group undertakings	149,375	23,321
Amounts owed by related charities	1,178,368	865,914
Other debtors	81,585	43,646
Prepayments and accrued income	21,160	124,147
Grants Receivable	-	55,046
	<u>1,552,347</u>	<u>1,244,342</u>

**19. CREDITORS:**

**Amounts falling due within one year**

	2008 £	2007 £
Bank loans and overdrafts	3,396	653
Other loans	33,513	33,513
Amounts owed to group undertakings	551,284	1,142,384
Amounts owed to related charities	1,767,939	921,173
Amounts owed to local congregations	671,177	594,301
Other creditors	22,291	9,069
Accruals and deferred income	122,021	114,546
	<u>3,171,621</u>	<u>2,815,639</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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

	2008 £	2007 £
Loans from lifetime tenants	335,127	335,127
Deferred income	111,425	109,250
	446,552	444,377

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

	2008 £	2007 £
Repayable other than by instalments	272,930	268,342
	272,930	268,342

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.

**21. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Invested in property	2,947,796	80,644	(184,245)	64,366	-	2,908,561
Church buildings	373,850	-	(20,884)	(77,202)	-	275,764
Provision for retirement facilities	2,899,247	-	-	(5,301)	-	2,893,946
Revolving investments	385,000	-	-	-	-	385,000
Future conferences	318,040	-	-	-	-	318,040
Other designated funds	58,749	12,586	100,961	70,181	-	242,477
	6,982,682	93,230	(104,168)	52,044	-	7,023,788

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**21. STATEMENT OF FUNDS (continued)**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>General funds</b>						
Tithe fund	611,933	3,685,262	(3,936,282)	77,945	-	438,858
Other general funds	2,644,828	1,757,463	(877,151)	(129,073)	-	3,396,067
Pension reserve	(3,988,001)	142,000	(14,000)	-	835,000	(3,025,001)
	<u>(731,240)</u>	<u>5,584,725</u>	<u>(4,827,433)</u>	<u>(51,128)</u>	<u>835,000</u>	<u>809,924</u>
Total Unrestricted funds	<u>6,251,442</u>	<u>5,677,955</u>	<u>(4,931,601)</u>	<u>916</u>	<u>835,000</u>	<u>7,833,712</u>
<b>Restricted funds</b>						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Communications in Britain	432,910	14,958	(18,518)	(6,550)	-	422,800
Future church buildings	757,822	40,966	(40,966)	-	-	757,822
Future church buildings	183,266	927	-	5,634	-	189,827
	<u>1,373,998</u>	<u>56,851</u>	<u>(59,484)</u>	<u>(916)</u>	<u>-</u>	<u>1,370,449</u>
Total of Funds	<u><u>7,625,440</u></u>	<u><u>5,734,806</u></u>	<u><u>(4,991,085)</u></u>	<u><u>-</u></u>	<u><u>835,000</u></u>	<u><u>9,204,161</u></u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**21. STATEMENT OF FUNDS (continued)**

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	6,982,682	93,230	(104,168)	52,044	-	7,023,788
General funds	(731,240)	5,584,725	(4,827,433)	(51,128)	835,000	809,924
	<u>6,251,442</u>	<u>5,677,955</u>	<u>(4,931,601)</u>	<u>916</u>	<u>835,000</u>	<u>7,833,712</u>
Restricted funds	1,373,998	56,851	(59,484)	(916)	-	1,370,449
	<u>7,625,440</u>	<u>5,734,806</u>	<u>(4,991,085)</u>	<u>-</u>	<u>835,000</u>	<u>9,204,161</u>

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

	<b>Restricted Funds 2008</b> £	<b>Unrestricted Funds 2008</b> £	<b>Total Funds 2008</b> £	<i>Total Funds 2007</i> £
Tangible fixed assets	-	3,126,533	3,126,533	3,176,441
Fixed asset investments	-	1,066	1,066	1,066
Investment properties	-	140,000	140,000	140,000
Creditors due within one year	-	121,859	121,859	132,268
Current assets	1,370,449	11,087,427	12,457,876	11,423,685
Creditors due within one year	-	(3,171,621)	(3,171,621)	(2,815,643)
Creditors due in more than one year	-	(446,552)	(446,552)	(444,377)
Provisions for liabilities and charges	-	(3,025,000)	(3,025,000)	(3,988,000)
	<u>1,370,449</u>	<u>7,833,712</u>	<u>9,204,161</u>	<u>7,625,440</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Net incoming resources before revaluations	743,721	3,246,234
Returns on investments and servicing of finance	(407,098)	(298,065)
Amortisation of life tenancies	(8,528)	(8,923)
Depreciation of tangible fixed assets	111,583	146,020
Deficit/(surplus) on disposal of tangible fixed assets	(38)	(2,616,671)
Decrease in stocks	13,785	4,689
Increase in debtors	(327,245)	(171,607)
Increase in creditors	355,510	1,594,914
	-	-
Increase in provisions	-	-
Movement in Pension Fund	(128,000)	(107,409)
<b>Net cash inflow from operations</b>	<b>353,690</b>	<b>1,789,182</b>

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2008 £	2007 £
<b>Returns on investments and servicing of finance</b>		
Interest received	413,568	300,374
Interest paid	(6,470)	(2,309)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>407,098</b>	<b>298,065</b>

	2008 £	2007 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(130,173)	(81,945)
Sale of tangible fixed assets	68,536	2,633,151
Purchase of investment properties	-	-
New loans to group undertakings	-	-
Repaid loans from group undertakings	-	19,750
New loans to associated charities	(40,000)	(18,000)
Repaid loans from associated charities	51,117	37,636
<b>Net cash (outflow)/inflow capital expenditure</b>	<b>(50,520)</b>	<b>2,590,592</b>

	2008 £	2007 £
<b>Management of liquid resources</b>		
Cash placed on short-term deposit	(924,896)	(3,975,341)

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**25. ANALYSIS OF CHANGES IN NET DEBT**

	1 January 2008 £	Cash flow £	Other non-cash changes £	31 December 2008 £
Cash at bank and in hand:	10,293,099	713,011	-	11,006,110
Less: deposits treated as liquid resources	(9,075,168)	(924,896)	-	(10,000,064)
	<u>1,217,931</u>	<u>(211,885)</u>	<u>-</u>	<u>1,006,046</u>
Bank overdraft	(653)	(2,743)	-	(3,396)
	<u>1,217,278</u>	<u>(214,628)</u>	<u>-</u>	<u>1,002,650</u>
<b>Liquid resources:</b>				
Deposits included in cash	9,075,168	924,896	-	10,000,064
<b>Debt:</b>				
Finance leases	-	-	-	-
Debts due within one year	(33,513)	-	-	(33,513)
Debts falling due after more than one year	(335,127)	-	-	(335,127)
<b>Net funds</b>	<u><u>9,923,806</u></u>	<u><u>710,268</u></u>	<u><u>-</u></u>	<u><u>10,634,074</u></u>

**26. PENSION COMMITMENTS**

The charity participates in a group Defined benefit pension scheme. The charity's share of assets and liabilities of the scheme is 18.3%.

The amounts recognised in the Balance sheet, based on this percentage, are as follows:

	2008 £	2007 £
Present value of funded obligations	(6,245,000)	(6,841,000)
Fair value of scheme assets	3,220,000	2,853,000
Net liability	<u><u>(3,025,000)</u></u>	<u><u>(3,988,000)</u></u>

The amounts recognised in profit or loss are as follows:

	2008 £	2007 £
Interest on obligation	(387,000)	(313,000)
Expected return on scheme assets	142,000	132,000
Total	<u><u>(245,000)</u></u>	<u><u>(181,000)</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**26. PENSION COMMITMENTS (continued)**

Changes in the present value of the defined benefit obligation are as follows:

	<b>2008</b>	<i>2007</i>
	£	£
Opening defined benefit obligation	<b>6,841,000</b>	6,603,000
Interest cost	<b>387,000</b>	313,000
Actuarial Gains/(losses)	<b>(794,000)</b>	269,000
Current service costs	<b>169,000</b>	-
Benefits paid	<b>(358,000)</b>	(344,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>6,245,000</b>	6,841,000
	<hr/> <hr/>	<hr/> <hr/>

Changes in the fair value of scheme assets are as follows:

	<b>2008</b>	<i>2007</i>
	£	£
Opening fair value of scheme assets	<b>2,853,000</b>	2,671,596
Expected return	<b>142,000</b>	132,000
Actuarial gains and (losses)	<b>41,000</b>	(66,000)
Contributions by employer	<b>542,000</b>	459,404
Benefits paid	<b>(358,000)</b>	(344,000)
	<hr/>	<hr/>
	<b>3,220,000</b>	2,853,000
	<hr/> <hr/>	<hr/> <hr/>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2008</b>	<i>2007</i>
European equities	<b>16.00 %</b>	-
European bonds	<b>73.00 %</b>	95.00 %
Net current assets	<b>11.00 %</b>	5.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	<b>2008</b>	<i>2007</i>
Discount rate at 31 December	<b>6.50 %</b>	5.80 %
Expected return on scheme assets at 31 December	<b>5.16 %</b>	5.92 %
Future salary increases	<b>3.00 %</b>	3.75 %
Future pension increases	<b>2.50 %</b>	3.00 %
Commutation allowance	<b>15.00 %</b>	11.00 %
Inflation	<b>2.50 %</b>	3.25 %

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**26. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2008</b>	<i>2007</i>
	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(6,245,000)</b>	<i>(6,841,000)</i>
Scheme assets	<b>3,220,000</b>	<i>2,853,000</i>
Deficit	<b>(3,025,000)</b>	<i>(3,988,000)</i>
Experience adjustments on scheme liabilities	<b>794,000</b>	<i>(220,000)</i>
Experience adjustments on scheme assets	<b>41,000</b>	<i>(66,000)</i>

**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>General Conference</b>	<b>North England Conference</b>	<b>South England Conference</b>	<b>Total</b>	<i>2007</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<i>Total £</i>
Tithe-sharing grants received	<b>249,764</b>	<b>704,451</b>	<b>1,740,956</b>	<b>2,695,171</b>	<i>2,415,580</i>
Tithe-sharing grants made	<b>166,509</b>	<b>-</b>	<b>-</b>	<b>166,509</b>	<i>154,012</i>
Other grants received	<b>172,520</b>	<b>-</b>	<b>-</b>	<b>172,520</b>	<i>185,607</i>
Other grants made	<b>50,001</b>	<b>54,800</b>	<b>85,000</b>	<b>189,801</b>	<i>227,466</i>
Amounts due to charity:					
within one year	<b>-</b>	<b>352,280</b>	<b>783,198</b>	<b>1,135,478</b>	<i>845,601</i>
after one year	<b>-</b>	<b>36,480</b>	<b>34,138</b>	<b>70,618</b>	<i>71,931</i>
Amounts due by charity:					
within one year	<b>285,281</b>	<b>-</b>	<b>-</b>	<b>285,281</b>	<i>325,925</i>