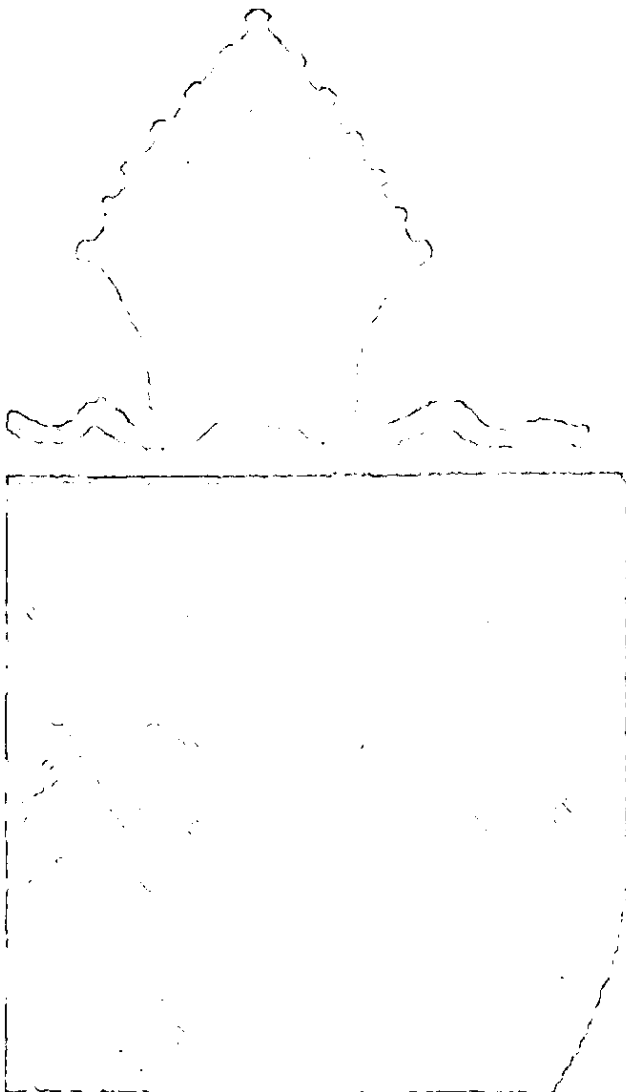


# NEWCASTLE DIOCESAN SOCIETY

Charity number: 247234  
Company number: 00021135

## FINANCIAL STATEMENTS 2008

YEAR ENDED 31 DECEMBER 2008



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# NEWCASTLE DIOCESAN SOCIETY

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# NEWCASTLE DIOCESAN SOCIETY

## TRUSTEES ANNUAL REPORT

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The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2008.

### ORIGINS AND PURPOSE

The Newcastle Diocesan Society is a registered charity (Charity number 247234) acting as Trustees and Custodian Trustee responsible for Trust Funds and properties held upon trust for the Diocese and Parochial Church Councils.

### INTERNAL ORGANISATION AND GOVERNANCE

The Newcastle Diocesan Society is a company limited by guarantee (Company registration number 00021135) by its Memorandum and Articles of Association dated 1885. It is registered as a charity with the Charity Commission.

The day to day activities and administration of the Society's business is managed by the Trust Manager, under the supervision of the Company Secretary, which involves the maintenance of the accounts, dealing with general enquiries from Managing Trustees and following through the decisions made by trustees. The Trustees meet at least twice a year. The chairman does have authority to make decisions on behalf of the Trustees between meetings if it is thought that the matter is urgent. Any such decision is confirmed by the Trustees at their next meeting. All decisions taken at the meetings are recorded in the minutes.

The Society has a close relationship with the Newcastle Diocesan Board of Finance which has trust funds held by the Society.

### Risk Management

The Trustees have examined the major business, strategic and operational risks that the Society faces and confirm that the systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

### TRUSTEES AND STAFF

The Trustees who served the charity during the period were as follows:

The Bishop of Newcastle  
The Archdeacon of Lindisfarne  
The Archdeacon of Northumberland  
Canon G J Baker-Cresswell  
Mr S R Harper  
Dr M McKendrick MBE  
Rev Canon J A Robertson

Mr R W C Wheatley

The Trustees are appointed by the Diocesan Board of Finance after nomination by a written notice of the security as required by the charity's Articles of Association. The articles also stipulate that not more than twenty persons may be so nominated as members of the society during one year.

Trustees are usually familiar with the organisation and have a financial background. Where there is an identified training need this is provided in house by the Trust Manager or Secretary, or if necessary external training will be arranged. The Chairman of the Society is a solicitor, familiar with the Charities Act, and the Diocesan Registrar attends all meetings as necessary to provide advice on all matters relating to the trusts.

### PERFORMANCE

#### Objectives

The objectives for the Society for 2008 were as follows:

1. To manage the funds in accordance with its duties and responsibilities exercising appropriate stewardship for and on behalf of the Diocese and PCCs.
2. To monitor the performance of the investment managers acting on behalf of the Society and provide appropriate advice and direction as required.
3. To monitor the administration costs of the Society's unrestricted funds.
4. To maintain adequate reserves.

The Society meets administration costs from its own funds and therefore no charges are made to individual trust funds.

#### Financial

A summary of the results and movements for the year are set out in the detail in the Statement of Financial Activities.

The general uncertainty within the financial markets as a result of the global financial problems has had a significant impact on the finances of the Society. Income in the year was down on the previous year at £131,183, primarily due to the fall in investment income. This has resulted in a consequential reduction in the expenditure on charitable activities which reduced by £60,106 to £148,821.

# NEWCASTLE DIOCESAN SOCIETY

## TRUSTEES ANNUAL REPORT

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The net position at the year-end before any recognized losses on investments was a deficit of £23,954 (2007: £33,698). Due to the fall in market values we have experienced an unrealised loss on our investments of £1,194,738. The resultant impact of the above has been a net reduction in reserves of £1,223,065 leaving the Society's reserves at £4,029,444.

The Trustees report no significant post balance sheet events.

### Investment policy

The Memorandum and Articles of Association of the charity permit wide powers of investment. The Trustees generally follow the ethical investment policy of the Central Board of Finance of the Church of England. The Trustees continually monitor the nature of the business by the companies in which they invest.

The Trustees continued from the previous year to review trust funds held by the Society where the capital was a permanent trust and the income generated was, in present day terms, too small to be usefully applied in accordance with the terms of the trust.

The Managing Trustees of the St Hilda's Trust again decided to continue having their investment portfolio managed by stockbrokers Brewin Dolphin.

The Trustees continue to seek advice and guidance from their professional advisers in relation to the investments. The trustees invest the capital of all the funds (with one exception) in the Central Board of Finances Investment Fund or the Central Board of Finances Deposit Fund. Included in this report is the CBF's review of their Investment Fund for the year ending 31st December 2008.

The one exception referred to above is the St Hilda's Trust and the Stockbrokers Brewin Dolphin have management discretion for the investment of this fund and their review of the stock market over the past year is also included in this report.

### Properties held in Trust

There were 127 (2007: 126) properties held by the society at the year end. It is not possible to place a valuation on the land and buildings.

### Reserves policy

At 31 December 2008 the amount available in the Society's general fund was £191,128 (2007: £251,159). The Trustees confirm that the general fund assets are adequate and readily available to fulfil the obligations of administering the charity in the future.

### PLANS FOR FUTURE PERIODS

The Trustees intend to continue to administer the funds in trust and meet the day to day running costs from the general fund. The specific objectives for the future remain as per previous years:

1. To manage the funds in accordance with its duties and responsibilities exercising appropriate stewardship for and on behalf of the Diocese and PCCs.
2. To monitor the performance of the investment managers acting on behalf of the Society and provide appropriate advice and direction as required.
3. To monitor the administration costs of the Society's unrestricted funds.
4. To maintain adequate reserves.

### AUDITOR

A resolution to re-appoint unww LLP as auditor for the ensuing year will be proposed at the Annual General Meeting.

### Registered office:

Church House  
St John's Terrace  
North Shields  
Tyne and Wear  
NE29 6HS

### Signed by order of the Trustees

Canon GJ Baker-Cresswell

Chairman



### Review of the Central Board of Finance Investment Fund by the CBF

In 2008 equity and property markets declined substantially with most of the weakness coming in the final months of the year.

Fixed interest securities fared better with reasonable gains from UK government stock and top quality corporate issues. Sterling was a poor performer. The most significant themes of the year have been the loss of growth and fall into recession of the world economy, a fleeting surge in inflationary pressures and the extraordinary and profound crisis in the financial sector.

In the face of these challenges, the CBF Church of England Investment Fund which contains a diversified spread of equities, property and bonds, but with a strong weighting to asset classes that will provide the strongest long term returns together with a rising income gave a total return of -21.9%. It is noteworthy that the Fund, though, delivered a solid increase in income of 12.5%, significantly above the rate of inflation. The Fund continues, in equity markets, to focus on strong companies with good cash flows and solid asset backing, which can deliver increasing income over time. The Fund performed in line with its composite index comparator. The investment objective for the Fund is to provide an average return over a business cycle of inflation plus 5%. Within that overall total, income should be maintained in real terms.

The Fund has a high exposure to overseas investment markets where it is believed there are opportunities to improve the potential long term total return of the Fund and to provide better diversification.

Looking forward, it is expected that economic data will continue disappointing for most of 2009. Day-to-day fluctuations in share prices are likely to continue at elevated levels, but for investors able to take a long term view, there are attractive opportunities in a number of investment markets.

Bond markets have performed relatively well supported by investors seeking a safe haven. Government securities have been the best performers. The performance of corporate bonds has varied widely according to their perceived security. Performance of government securities is likely to be adversely

affected by new issuance as the government massively increases spending and by continued weakness of sterling.

### Review of the Stock Market by Stockbrokers Brewin Dolphin

2008 was the FTSE 100 Index's worst ever year in terms of an annual fall, since its creation in 1984, declining 31.3%. Fears at the start of the year of a possible US recession have crystallised into the reality of a global recession amongst developed economies and a dramatic slowdown in growth of the major developing economies. The year was punctuated by a series of spectacular failures from AIG and Lehman Brothers in the US to Bradford and Bingley, a raft of retail chains and of course the government bailout of the banking sector in the UK. Domestic and global demand has plummeted dramatically and most industry sectors are struggling which has led to heavily suppressed equity valuations.

In 2007 the portfolio's weighting towards hedge fund products served well to protect it from volatility and declines in the equity markets. Unfortunately this has not been the case in 2008, where despite Net Asset Values performing better than equity markets; the Investment Trust-like wrappers used to access these funds have seen aggressive share price declines. Some leveraged investors have been forced into sales as lenders pulled credit and valuations have been further hit following the Madoff Investments scandal as fear engulfed the sector. Shares traded as low as 40% below Net Asset Values having previously traded at premiums, however, managers are now looking to restructure their products to reduce these discounts and as an example the Thames River Hedge Plus has risen 61.5% since mid December.

2009 will no doubt be a challenging year, however performance should be assisted by the restructuring of hedge fund products and should there be a recovery in sentiment or economic conditions there are likely to be many attractive opportunities in bond and equity valuations.

# NEWCASTLE DIOCESAN SOCIETY

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

Law applicable to charities in England and Wales 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 those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. The Trustees 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.

In so far as the Trustees are aware:

1. there is no relevant audit information of which the charity's auditors are unaware; and
2. the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# NEWCASTLE DIOCESAN SOCIETY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the financial statements of Newcastle Diocesan Society for the year ended 31 December 2008 on pages 8 to 15 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

The responsibilities of the Trustees (who also act as directors of Newcastle Diocesan Society for the purposes of company law) 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 Responsibilities of the Trustees on page 6.

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 Companies Act 1985, and whether the information given in the Trustees Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding remuneration of the Trustees and other transactions is not disclosed.

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

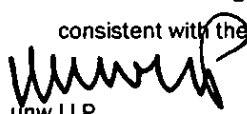
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

### OPINION

In our opinion:

1. the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. the financial statements have been properly prepared in accordance with the Companies Act 1985; and
3. the information given in the Trustees Annual Report is consistent with the financial statements.

  
Unw LLP  
Chartered Accountants & Registered Auditors  
Citygate  
St James Boulevard  
Newcastle upon Tyne  
NE1 4JE

Date 19 March 2009

# NEWCASTLE DIOCESAN SOCIETY

## STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 DECEMBER 2008

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generating funds:						
Investment income	2	9,208	44,159	72,613	125,980	175,119
Other incoming resources	3	203	-	5,000	5,203	4,943
<b>TOTAL INCOMING RESOURCES</b>		<b>9,411</b>	<b>44,159</b>	<b>77,613</b>	<b>131,183</b>	<b>180,062</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities	4/5	(4,444)	(10,659)	(133,718)	(148,821)	(208,927)
Governance costs	6	(6,316)	-	-	(6,316)	(4,833)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(10,760)</b>	<b>(10,659)</b>	<b>(133,718)</b>	<b>(155,137)</b>	<b>(213,760)</b>
<b>NET OUTGOING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
	7	(1,349)	33,500	(56,105)	(23,954)	(33,698)
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Realised gains/losses from investments		-	230	(4,603)	(4,373)	795
Unrealised gains/losses from investments		(60,682)	(449,448)	(684,608)	(1,194,738)	115,276
<b>NET MOVEMENT IN FUNDS</b>		<b>(62,031)</b>	<b>(415,718)</b>	<b>(745,316)</b>	<b>(1,223,065)</b>	<b>82,373</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		253,159	2,009,745	2,989,605	5,252,509	6,988,510
Prior year adjustment		-	-	-	-	(1,818,374)
Total funds brought forward restated		253,159	2,009,745	2,989,605	5,252,509	5,170,136
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>191,128</b>	<b>1,594,027</b>	<b>2,244,289</b>	<b>4,029,444</b>	<b>5,252,509</b>

All of the above amounts relate to continuing activities.



# NEWCASTLE DIOCESAN SOCIETY

## INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
<b>INCOME</b>		<b>203</b>	<b>4,943</b>
<b>TOTAL INCOME</b>		<b>203</b>	<b>4,943</b>
<b>TOTAL EXPENDITURE</b>		<b>(21,419)</b>	<b>(131,586)</b>
<b>OPERATING (DEFICIENCY)/SURPLUS</b>	<b>7</b>	<b>(21,216)</b>	<b>(126,613)</b>
<b>NON-OPERATING ITEMS</b>			
Realised gains/losses from investments		230	801
Unrealised gains/losses from investments		(510,130)	48,784
		(509,900)	49,585
		(531,116)	(77,058)
<b>OTHER INCOME</b>			
Income from shares in listed companies	2	30,854	64,187
Interest receivable and similar income	2	22,513	12,712
		53,367	76,899
		(477,749)	(159)
<b>INTEREST PAYABLE</b>			
Bank charges		-	(59)
<b>(DEFICIT)/RETAINED SURPLUS FOR THE FINANCIAL YEAR</b>		<b>(477,749)</b>	<b>(218)</b>

All of the above amounts relate to continuing activities.


## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	2008 £	2007 £
Net (deficit)/surplus for the financial year		(477,749)	(218)
Total recognised gains and losses relating to the financial year		(477,749)	(218)
Prior year adjustment		-	(1,818,374)
Total gains and losses recognised since the last annual report		(477,749)	(1,818,592)

**NEWCASTLE DIOCESAN SOCIETY**  
**BALANCE SHEET AS AT 31 DECEMBER 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Investments	9	3,513,059	4,744,066
<b>CURRENT ASSETS</b>			
Cash at bank		520,498	512,556
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(4,113)</u>	<u>(4,113)</u>
<b>NET CURRENT ASSETS</b>		516,385	508,443
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>4,029,444</b></u>	<u><b>5,252,509</b></u>
<b>FUNDS</b>			
Endowment funds	11	2,244,289	2,989,605
Restricted income funds	12	1,594,027	2,009,745
Unrestricted income funds	13	<u>191,128</u>	<u>253,159</u>
<b>TOTAL FUNDS</b>		<u><b>4,029,444</b></u>	<u><b>5,252,509</b></u>

These financial statements were approved by the members of the Society on the 19<sup>th</sup> March and are signed on their behalf by:

  
 Canon G J Baker-Cresswell  
 Chairman

1. ACCOUNTING POLICIES

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 005) and the Companies Act 1985.

**Resources arising - Income**

All income is recognised in the statement of financial activities when conditions for receipt have been met and there is reasonable assurance of receipt. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable.

The following accounting policies are applied to income.

Investment income

Investment income is accounted for when receivable and includes the related tax recoverable.

Legacies and donations

Legacies and donations are accounted for when conditions for their receipt have been met. Legacies received in the form of property or investments are accounted for at the lower of probate or market value.

**Allocation of costs**

The Charity's operating costs include professional fees and other related costs representing management and administration expenditure.

**Charitable activities**

Distributions to beneficiaries

Distributions to beneficiaries are accounted for when expenditure has been incurred in respect of the various trust funds. Disbursements from trust funds are made strictly in accordance with the terms of the trust for the individual funds. Where the terms of a specific fund requires the consent of the society, this is recorded in the minutes of the Society meeting at which it was discussed.

Governance costs

Governance costs represent expenditure incurred in the management of the trust funds, organisational administration, and compliance with constitutional and statutory requirements. These costs are charged to the General Fund not the individual trust funds.

**Fund accounting**

Realised and unrealised gains and losses are shown separately in the appropriate section of the statement of financial activities.

**Funds in Trust**

The Society acts as a Trustee and Custodian Trustee responsible for 176 Trust Funds held on behalf of the Diocese and Parochial Church Councils. Income received expenditure on behalf of and distributions for the specified purposes of the Funds in Trust are included in the Statement of Financial Activities and are allocated to the Capital or Income Funds as appropriate and in accordance with the terms of the trust deeds of the individual Funds.

The charity maintains various types of funds as follows:-

Unrestricted Funds

General unrestricted funds represent funds which are expendable at the discretion of the trustees for the furtherance of the objects of the Charity. Such funds may be held for the purposes of meeting the administration and operational costs of the Society.

Restricted Funds

Restricted funds represent grants, donations and legacies which are allocated by the donor to specific trust funds. These are expendable at the discretion of the Newcastle Diocesan Society acting as trustee in furtherance of the objects of the individual trust. Restricted funds may be restricted income funds and/or capital funds, where the assets are required to be invested or retained for actual use rather than expended.

Endowment Funds

Endowment Funds represent grants, donations and legacies received where the donor has stipulated that the income may be used for general purposes, but the capital must be retained.

# NEWCASTLE DIOCESAN SOCIETY

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

### Custodian Trust Funds

Custodian Trust Funds are held by the Newcastle Diocesan Society acting as Custodian Trustee and over which it is not the trustee and which cannot be expended are its sole discretion

### **Taxation**

The charity's activities are exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.

### **Properties**

The Society does not own in its own right any property for investment purposes and therefore land and buildings are not included in the accounts. It is not practicable to place a valuation thereon.

### **Fixed asset investment**

Investments held as fixed assets are stated at the market value at the balance sheet date. Realised and unrealised gains and losses are shown separately in the appropriate section of the statement of financial activities.

### **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

### **Tangible Fixed assets**

All fixed assets are initially recorded at cost.

## 2. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Income from UK listed investments	-	30,854	60,263	91,117	150,587
Bank interest receivable	9,208	13,305	12,350	34,863	24,532
	<u>9,208</u>	<u>44,159</u>	<u>72,613</u>	<u>125,980</u>	<u>175,119</u>

## 3. OTHER INCOMING RESOURCES

	Unrestricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Sundry income	203	5,000	5,203	4,943

## 4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Charitable activities	1,424	10,659	133,718	145,801	205,662
Support costs	3,020	-	-	3,020	3,265
	<u>4,444</u>	<u>10,659</u>	<u>133,718</u>	<u>148,821</u>	<u>208,927</u>

## 5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total Funds 2008 £	Total Funds 2007 £
Charitable activities	145,801	3,020	148,821	208,927

During the year the Society distributed £104,371 to the Parishes within the Diocese primarily for the repair and maintenance of the buildings in accordance with the terms of the trusts. £8,010 was distributed to external organisations as agreed by the Trustees.

# NEWCASTLE DIOCESAN SOCIETY

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

### 6. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Audit fees	5,875	5,875	4,113
Legal fees	441	441	661
Bank charges	-	-	59
	<u>6,316</u>	<u>6,316</u>	<u>4,833</u>

### 7. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2008 £	2007 £
Auditors' remuneration: - audit of the financial statements	<u>5,875</u>	<u>4,113</u>

### 8. STAFF COSTS AND EMOLUMENTS

No salaries or wages have been paid to employees, including the members of the committee, during the year.

### 9. INVESTMENTS

#### Movement in market value

	2008 £	2007 £
Market value at 1 January 2008	4,744,066	4,702,661
Acquisitions at cost	26,300	4,527
Disposals at opening book value	(58,195)	(79,193)
Net losses on revaluations at 31 December 2008	<u>(1,199,112)</u>	<u>116,071</u>
Market value at 31 December 2008	<u>3,513,059</u>	<u>4,744,066</u>
Historical cost at 31 December 2008	<u>2,297,700</u>	<u>2,290,279</u>

#### Analysis of investments at 31 December 2008 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Listed investments					
UK Quoted Shares	<u>176,899</u>	<u>1,337,942</u>	<u>1,998,218</u>	<u>3,513,059</u>	<u>4,744,066</u>

### 10. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Other creditors	<u>4,113</u>	<u>4,113</u>

### 11. ENDOWMENT FUNDS

	Balance at 1 Jan 2008 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 Dec 2008 £
Permanent Endowment Fund	<u>2,989,605</u>	<u>77,613</u>	<u>(133,718)</u>	<u>(689,211)</u>	<u>2,244,289</u>

# NEWCASTLE DIOCESAN SOCIETY

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

### 12. RESTRICTED INCOME FUNDS

	Balance at 1 Jan 2008 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 Dec 2008 £
Restricted Fund Custodian Trustee	2,009,745	44,159	(10,659)	(449,218)	1,594,027

### 13. UNRESTRICTED INCOME FUNDS

	Balance at 1 Jan 2008 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 Dec 2008 £
General Funds	253,159	9,411	(10,760)	(60,682)	191,128

### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Investments £	Net current assets £	Total £
Restricted Income Funds:			
Restricted Funds	1,337,942	255,855	1,593,797
Endowment Funds:			
Permanent Endowment Fund	1,998,218	246,300	2,244,518
Unrestricted Income Funds	176,899	14,230	191,129
Total Funds	3,513,059	516,385	4,029,444

### 15. RELATED PARTY TRANSACTIONS

Mrs Lowdon, a Trustee of the Society, is also a solicitor with Sintons, the solicitors of the Society. All transactions with the solicitor are at arms length and on normal commercial terms. There were no outstanding balances at 31 December 2008.

Three of the trustees of the charity are also trustees of the Newcastle Diocesan Board of Finance. During the year the Society paid out £24,526 (2007 - £8,000) to the Newcastle Diocesan Board of Finance in order to assist in the payment of stipends and capital expenditure, under terms of the trust agreements.

### 16. CUSTODIAN ASSETS

The Newcastle Diocesan Society is Custodian Trustee over the assets of St Hilda's Trust. The assets and movement on the assets during the current year is shown as follows below:

	2008 £	2007 £
Listed investments	1,120,771	1,753,812
Cash at bank	82,946	95,952
Investment income	36,725	39,622
Other incoming resources	3,607	4,817
Resources expended	(38,094)	(29,445)
Gains/(losses) on investments	648,282	17,479

The Newcastle Diocesan Society is also Custodian Trustee over 127 (2007: 126) properties held by the various parishes within the diocese. No valuation is available for these properties.

# NEWCASTLE DIOCESAN SOCIETY

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

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**Registered charity name**

Newcastle Diocesan Society

**Charity number**

247234

**Company registration number**

00021135

**Registered office**

Church House  
St John's Terrace  
North Shields  
Tyne and Wear  
NE29 6HS

**Trustees**

The Bishop of Newcastle  
The Archdeacon of Lindisfame  
The Archdeacon of Northumberland  
Canon G J Baker-Cresswell  
Mr S R Harper  
Dr M McKendrick MBE  
Rev Canon J A Robertson  
Mr R W C Wheatley

**Secretary**

Mr P Davies

**Auditor**

unw LLP  
Chartered Accountants  
& Registered Auditors  
Citygate  
St. James' Boulevard  
Newcastle Upon Tyne  
NE1 4JD

**Bankers**

Barclays Bank Plc  
Wingrove  
446 Westgate Road  
Newcastle upon Tyne  
NE49BN

**Solicitors**

Sintons  
The Cube  
Barrack Road  
Newcastle upon Tyne  
NE4 6DB