

THE INSTITUTE FOR ORTHODOX CHRISTIAN STUDIES
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004
CONTENTS AND CHARITY INFORMATION

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CURRENT DIRECTORS

Revd Dr John Binns
Eleni Cambourelis
Fr Alexander Fostiropoulos
Professor David Frost
Fr Michael Harper
James Heywood

Bishop Kallistos of Diokleia
Rosalind Paul
Bishop Basil of Sergiovo
Clive Sinclair-Poulton
Bishop Theodoritos of Nazianzos
Rev Dr Graham Woolfenden

SECRETARY

K M S Alton-Honeywell

REGISTERED OFFICE

Wesley House
Jesus Lane
Cambridge
CB5 8BJ

COMPANY REGISTRATION NUMBER

3785551

CHARITY REGISTRATION NUMBER

1076519

AUDITOR

Geoff Mann
Chartered Certified Accountant
and Registered Auditor
Dee House
Highworth Avenue
Cambridge
CB4 2BQ



ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

REPORT OF THE DIRECTORS

The Directors, who are also Trustees of the charity for the purposes of the Companies Act, present their annual report and the audited accounts for the year ended 31 August 2004. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in October 2000 in preparing the annual report and accounts of the charity.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

The Directors are required by company law to prepare accounts for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those accounts, the Directors are required to:

- (1) Select suitable accounting policies and apply them consistently.
- (2) Make judgements and estimates that are reasonable and prudent.
- (3) State whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the accounts.
- (4) Prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OBJECTS AND PRINCIPAL ACTIVITIES OF THE CHARITY

The charity is constituted as a company limited by guarantee and is governed by its memorandum and articles of association.

The charity is run by a group of Directors who meet regularly for the purposes of maintaining its performance and making strategic decisions. They delegate the day to day running to the Principal who manages the charity on a day today basis.

The objects of the Institute are to advance religious and theological education, especially of members of the Orthodox Church.

DEVELOPMENTS AND ACHIEVEMENTS OF THE CHARITY

The Academic (and financial) year 2003-04 has been one of steady growth and consolidation. We have continued to offer a wide range of courses (postgraduate and undergraduate, full-time and part-time) to a substantial number of students. The proportion of our income derived from fees has remained steady, and we have slightly reduced our operating expenditure. As you will see below, our net movement in funds was positive.

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

REPORT OF THE DIRECTORS (Contd...)

DEVELOPMENTS AND ACHIEVEMENTS OF THE CHARITY (Contd...)

Courses

2003-04 saw the delivery of the second year of the Diploma of Higher Education in Orthodox Christian Studies. This course is a level 2 course (equating to second-year undergraduate level) validated by the Institute of Continuing Education of the University of Cambridge and complementing our existing level 1 Certificate of Higher Education in Orthodox Christian Studies. Overall student numbers held steady in this year at 47 (compared to 40 in 2001-02 and 49 in 2002-03). Student backgrounds remain richly diverse, helping to create an atmosphere of extraordinary dynamism and creativity.

The year was crowned by an exceptionally good Summer School on the theme: 'What is Man?'. Attendance (as in 2002-03) reached maximum capacity (55). Students came from a wide variety of backgrounds, some travelling considerable distances. Lectures were consistently excellent while discussion was informed, lively, and interactive. Student feedback paid tribute to the outstanding quality of the Summer School and the tremendous opportunity it offered to explore in detail the very pressing theme of what it means to be human in the modern world. It is in events such as this that we feel most keenly the value and significance of our work.

We welcomed 3 new students onto the MA in Pastoral Theology (2 FT, 1 PT), hailing from Romania and the UK. We also had 7 continuing MA students (6 FT, 1 PT), 4 of whom completed in this academic year. We also admitted one affiliated student, reading for an Mphil with Anglia Polytechnic University. This healthy number of students contributed in a concrete way to the continuing development of a tangibly collegiate feel to our still young Institute.

Research Project

In the context of our research programme in CARTS (the Faculty of Divinity's Centre for Advanced Religious and Theological Studies) are twin projects continued to run and bear fruit. The 'Jewish Roots of the Christian Liturgy' project was suspended with the departure of Dr George Bebawi while the 'Figure of Wisdom in the Patristic Tradition' project continued through to the end of the academic year (with papers given in Cambridge and Edinburgh).

Other Events and Activities

We continue to build up our close links with the Archdiocese of Thyateira parish in Cambridge, building on our existing close relations with the local Sourozh parish. This we see as an important part of the affirmation of our Pan-Orthodox identity. A recruitment campaign was mounted over the summer, three newsletters were produced and distributed to a wide mailing list, and the website improved and updated. Planning continued for the implementation of 'The Way', an outreach project planned to begin in London in October 2004. A recruitment campaign was organised for the appointment of a full-time Principal as from September 2004.

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

REPORT OF THE DIRECTORS (Contd...)

Staffing, Finance and Administration

Dr Marcus Plested continued as Principal throughout the academic year. Dr George Bebawi resigned from his post as Director of Studies as of 31/03/04, Dr Plested taking on the additional role of Acting Director of Studies from that date. Miss Esther Hookway (from February, Mrs Esther Banev) continued as Communications Officer. Miss Ioana Dumitrache was succeeded as part-time Graduate Assistant by Mr Razvan Porumb. Mr Matt Ridley continued as IT Officer.

The substantial improvements in our accounting and financial record-keeping procedures, implemented under the direction of our former Treasurer Mr Andre Bullata, were maintained. The Quickbooks accounting package is fully operational and is backed by a dependable paper filing system. Our new Treasurer, Mrs Eleni Camboureilis-Benedikt was able to dramatically improve our financial reporting and to keep the Board fully aware of our performance against budget throughout the financial year. Thanks also go to Mr. Tom Kasapis for the many hours he spent as our volunteer accountant.

Bishop Kallistos of Diokleia remained as Chairman, Mr James Heywood as Vice-Chairman, and Mr Seraphim Alton-Honeywell as Secretary of the Board of Directors.

Cataloguing of our substantial library holdings onto the automated Cambridge University Newton System continues steadily.

Donations and grants dropped only slightly this year (£84,927 as compared to £92,080 in 2002-03). The proportion of our income derived from fees has remained steady (now standing at 34.8% compared with 35.3% in 2002-03, 28% in 2001-02 and 14% in 2000-01). Expenditure fell slightly (by £1,032) and the budget for the year was met with a surplus of £14,113 (cf, a surplus of £26,726 in 2002-03). Overall while there is no room for complacency (particularly with regard to fundraising), we can be justifiably satisfied with our financial housekeeping.

In sum, we approach the next academic and financial year in a mood of cautious optimism. We give thanks for the current year and would like to take this opportunity to express our appreciation for the dedicated work of our staff, volunteers and students who make the Institute the very special and unique place it is.

RESERVES POLICY

The Members of the Institute confirmed at the Annual General Meeting March 6, 2004 that the financial well-being of the Institute will always be kept in sight and that no development will take place without assured funding. Furthermore, the Directors are committed to financial stability, conservative budgeting and keep a regular watch over income, expenses and bank balances.

RISK REVIEW

The Directors are conducting their own review of the major risks to which the charity is exposed, and, as part of this process, they are implementing a risk management strategy which comprises:

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

REPORT OF THE DIRECTORS (Contd...)

- (i) an annual review of the risks which the charity may face;
- (ii) the establishment of systems and procedures to mitigate those risks identified in the plan; and
- (iii) the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

DIRECTORS

The Directors of the Institute who served during the year were as follows:

K M S Alton-Honeywell	(resigned 6 March 2004)
Revd Dr John Binns	
Andre Bullata	(resigned 17 November 2003)
Eleni Cambourelis	
Fr Alexander Fostiropoulos	
Professor David Frost	
Fr Michael Harper	
James Heywood	
Bishop Kallistos of Diokleia	
Rosalind Paul	
Bishop Basil of Sergiovo	
Clive Sinclair-Poulton	
Bishop Theodoritos of Nazianzos	
Rev Dr Graham Woolfenden	

AUDITOR

The Auditor, Geoff Mann, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Directors on *26 February 2005* and signed on their behalf.

DIRECTOR *1 Basil of Sergiovo (BA Osborne)*

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE FOR ORTHODOX CHRISTIAN STUDIES

I have audited the accounts of the Institute for Orthodox Christian Studies for the year ended 31 August 2004 on pages 6 to 11. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. My audit work has been undertaken so that I might state to the charity's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for my audit work for this report or for the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITOR

As described in the Statement of Directors' Responsibilities on page 1, the charity's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

My responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

I report to you my opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if, in my opinion, the Director's Report is not consistent with the accounts, if the charity has not kept proper accounting records, if I have not received all the information or explanations I require for my audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

I have read the Directors' Report and considered the implications for my report if I have become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

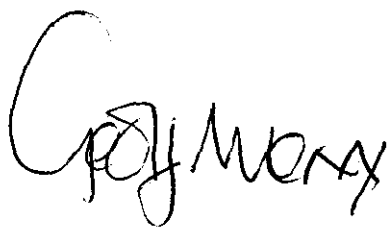
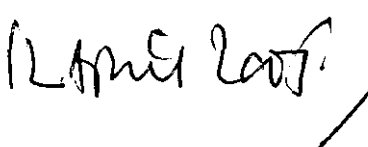
I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

OPINION

In my opinion, the accounts give a true and fair view of the state of the charity's affairs as at 31 August 2004 and of its surplus for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Geoff Mann
Chartered Certified Accountant
and Registered Auditor
Dee House
Highworth Avenue
Cambridge

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2004 Unrestricted Funds £	2004 Restricted Funds £	Total Funds £	2003 Total Funds £
INCOMING RESOURCES	1				
Donations		51,434	0	51,434	46,497
Grants		0	33,493	33,493	45,583
Fees from full and part time students		49,023	0	49,023	54,489
Summer School board and accommodation		6,566	0	6,566	7,665
Other income		0	0	0	80
Investment income	2	425	0	425	272
TOTAL INCOMING RESOURCES		107,448	33,493	140,941	154,586
RESOURCES EXPENDED					
Charitable expenditure					
Direct operating costs		93,486	31,933	125,419	126,335
Management and administration		1,409	0	1,409	1,525
TOTAL RESOURCES EXPENDED	4	94,895	31,933	126,828	127,860
NET MOVEMENT IN FUNDS FOR THE YEAR		12,553	1,560	14,113	26,726
RESERVES BROUGHT FORWARD		37,502	5,500	43,002	16,276
RESERVES CARRIED FORWARD		50,055	7,060	57,115	43,002

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses for 2004 or 2003 other than those included in the Statement of Financial Activities.

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

BALANCE SHEET

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	6	1,044	2,496
CURRENT ASSETS			
Debtors	7	11,951	11,516
Cash at bank		62,918	73,605
		<u>74,869</u>	<u>85,121</u>
CREDITORS: amounts falling due within one year	8	<u>18,798</u>	<u>44,615</u>
NET CURRENT ASSETS		56,071	40,506
		<u>57,115</u>	<u>43,002</u>
RESERVES			
Unrestricted Funds		50,055	37,502
Restricted Funds	9	7,060	5,500
		<u>57,115</u>	<u>43,002</u>

The Directors have taken advantage in the preparation of these accounts of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that in the opinion of the Directors, the charity qualified as a small company and is entitled to make use of the special exemptions.

The accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act applicable to small companies, were approved by the Directors on **26 February 2005** and signed on their behalf.

DIRECTOR *+ Basil y Longinos (BA Osborne)*

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF ACCOUNTS

The accounts have been prepared under the historical cost convention and include the results of the charity's operations, which are described in the Report of the Directors and all of which are continuing. They have been prepared in accordance with the Statement of Recommended Practice for Charity Accounts 2000.

(b) INCOMING RESOURCES

These are attributed to the financial period in respect of which they are intended.

(c) DIRECT OPERATING COSTS

Include all expenditure incurred in pursuing the charity's objects and principal activities, other than those which have been capitalised.

(d) MANAGEMENT AND ADMINISTRATION

Includes all expenditure not directly related to the charity's objects and principal activities.

(e) DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

Office equipment	25% straight line basis
Furniture and fixtures	25% straight line basis

(f) CASH FLOW STATEMENTS

The charity, being a small company of small size within the meaning of the Companies Act 1985, has used the exemption provided by Financial Reporting Standard No. 1 under which they are not required to include a cash flow statement as part of their accounts.

(g) RESTATEMENT OF COMPARATIVE FIGURES

The comparative figures for 2003 have been restated to reflect a change in the accounting treatment of the Leventis fund grants received in August 2002 and August 2003 but intended for the following year.

2 INVESTMENT INCOME

	2004 £	2003 £
Interest received on bank accounts	425	272
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ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

NOTES TO THE ACCOUNTS

3 STAFF COSTS

No remuneration was paid to any of the Directors in the year, nor were any expenses reimbursed to them.
The staff costs were:

	2004 £	2003 £
Wages and salaries	52,295	51,692
Social Security costs	1,342	258
	<u>53,637</u>	<u>51,950</u>

The average weekly number of staff employed by the charity during the year was as follows:

Principal	1	1
Academic staff	1	1
Administrative staff	1	1
	<u>3</u>	<u>3</u>

4 TOTAL RESOURCES EXPENDED

	Direct operating costs £	2004 Management and administration £	Total £	2003 Total £
Salaries and NIC	21,987	0	21,987	6,991
CARTS	26,112	0	26,112	31,776
Communications and projects	5,538	0	5,538	13,183
Staff housing benefit	3,016	0	3,016	5,618
Advertising and interviews	4,031	0	4,031	0
Part time course costs	16,628	0	16,628	16,758
Summer School board and accommodation	8,921	0	8,921	8,997
Federation course costs	6,045	0	6,045	6,905
Cost of premises	9,236	0	9,236	9,835
Insurance	315	0	315	1,300
Telephone	1,915	0	1,915	1,452
Stationery and office supplies	1,519	0	1,519	1,451
Software	120	0	120	577
Secretarial and clerical	3,725	0	3,725	3,765
Chaplain's honorarium	1,200	0	1,200	1,200
Professional fees	3,957	1,176	5,133	6,786
Printing	3,142	0	3,142	1,047
Postage and delivery	2,890	0	2,890	2,325
Travel and subsistence	488	0	488	383
Library	330	0	330	1,303
Cleaning	1,500	0	1,500	1,326
Depreciation	2,038	0	2,038	3,092
Bank charges	0	233	233	325
Miscellaneous expenses	766	0	766	362
Bad debts	0	0	0	1,103
	<u>125,419</u>	<u>1,409</u>	<u>126,828</u>	<u>127,860</u>

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

NOTES TO THE ACCOUNTS

5 NET MOVEMENT IN FUNDS FOR THE YEAR

The surplus caused by Incoming Resources exceeding Resources Expended is stated after charging:

	2004 £	2003 £
Audit fee	1,176	1,200
Depreciation of own assets	2,038	3,092
	-----	-----

6 FIXED ASSETS

		Office equipment £	Furniture and fixtures £	Total £
COST	Balance at 1 September 2003	8,150	4,218	12,368
	Additions	586	0	586
		-----	-----	-----
	Balance at 31 August 2004	8,736	4,218	12,954
		-----	-----	-----
DEPRECIATION	Balance at 1 September 2003	6,639	3,233	9,872
	Charge for the year	1,512	526	2,038
		-----	-----	-----
	Balance at 31 August 2004	8,151	3,759	11,910
		-----	-----	-----
NET BOOK VALUE	At 31 August 2004	585	459	1,044
		-----	-----	-----
	At 1 September 2003	1,511	985	2,496
		-----	-----	-----

7 DEBTORS: Due within one year

	2004 £	2003 £
Trade debtors	6,438	2,631
Other debtors	5,513	8,885
	-----	-----
	11,951	11,516
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ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

NOTES TO THE ACCOUNTS

8	CREDITORS: Due within one year	2004 £	2003 £
	Trade creditors	173	4,790
	Accruals	14,282	13,064
	Other creditors	1,708	1,768
	Amounts received in advance	2,635	24,993
		<u>18,798</u>	<u>44,615</u>

9 ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
Michael Marks Trust	3,000	0	450	2,550
Leventis Fund	0	24,993	24,993	0
Fellowship of St Alban and St Sergius	0	4,000	4,000	0
Anonymous	2,250	4,500	2,490	4,260
Others less than £500	250	0	0	250
	<u>5,500</u>	<u>33,493</u>	<u>31,933</u>	<u>7,060</u>

10 LIABILITY OF THE MEMBERS

The charity is limited by guarantee. In the event of the charity being wound up, the liability of the members is limited to £1.