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THE LANGHAM TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2002

Charity number 258196



THE LANGHAM TRUST

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2002**

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THE LANGHAM TRUST

REPORT OF THE TRUSTEES

The Trustees have pleasure in presenting their report and the accounts of the Trust for the year ended 31st December 2002. This report and the accounts are prepared in accordance with the Trust Deed and the recommendations of the Statement of Recommended Practice "Accounting and Reporting by Charities" and in compliance with applicable law.

Nature and activities.

The Trust was created under deed on 19 February 1969 and is registered as a charity under the Charities Act (No 258196). The main purpose of the Trust is to further the advancement of the Christian religion through the teaching and preaching ministry of the Rev Dr John Stott, the provision of scholarships for Christian leaders from the developing world and the financial support of other christian and phianthropic ventures in the United Kingdom and other parts of the world. In 2002 42 scholars received a grant from the trust. The trust holds sufficient assets to enable it to meet existing commitments in the face of fluctuating levels of income.

Results

The accounts on pages 5 to 11 set out the results for the year to 31st December 2002. The Trustees consider the state of of affairs to be satisfactory.

Major donors

In 2002 John Stott Ministries donated £ 411,384. Other major donors included the Skene Trust £15,000, the Ulting Trust £18,000, the Burden Trust £15,000 and the Church Missionary Society £ 10,000.

Trustees

The trustees who served during the year ended 31st December 2002 were as follows.

David George Patrick Turner
John Stephen Wyatt
Paul Kaju
Andrew Frederick Dalton Scott (resigned on 11th June 2002)

Trustees are appointed by deed or resolution of the existing trustees. The trustees meet regularly to administer the Charity.

Investment Powers and Policies

The trustees have the power to make any investments which they think fit. They have considered the most appropriate policy for investing funds and have found that specialist unit trusts designed for the charity sector meets their requirement to generate both income and capital growth.

Funds and reserves policy

Note 11 to the financial statements shows the asset and liabilities attributable to the various funds by type whilst notes 8, 9 and 10 also describe the various funds of the charity and summarise the year's movements on each fund. Unrestricted funds amount to £191,078, but only £32,369 is freely available because the balance is invested in designated funds for other purposes (see note 8). The trustees consider that the free funds, whilst adequate, are not sufficient to cover management and administration costs and to respond to emergency applications for grants which arise from time to time and therefore are seeking to build up the level of reserves further.

THE LANGHAM TRUST

REPORT OF THE TRUSTEES

Grant Making Policy

The trustees review applications from scholars against specified criteria and objectives and make grants available based on availability of funds and requirements of applicants.

Risk Management

The trustees have examined the major strategic, business and operational risk which the charity faces and confirmed that systems have been established to enable regular reports to be produced so that the necessary step can be taken to reduce those risks.

Bankers

The Trust's bankers are C Hoare & Co, 37 Fleet Street, London EC4A 3DF and Coutts & Co, PO Box 1EE, 16 Cavendish Square, London W1A 1EE.

Investment Managers

The Trust's principal investment manager's are:

CCLA Investment Management Limited
St Alphage House, 2 Fore Street, London EC2Y 5AQ

Merryl Lynch Investment Management Limited
33 King William Street, London EC4R 9AS

Schroder Unit Trusts Limited
33 Gutter Lane, London EC2V 8AS

The M&G Securities Limited
M&G House, Victoria Road, Chelmsford, CM1 1FB

Auditors

The Trust's auditors are Jacob Cavenagh and Skeet of Acorn House, 2 Greenhill Crescent, Watford Business Park, Watford, Herts, W18 8AH.

FOR AND ON BEHALF OF THE TRUSTEES

**12 Weymouth Street
London
W1W 5BY**

**D.G.P Turner
Chairman of the Trustees**

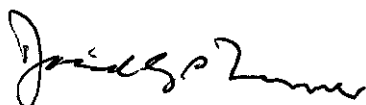
3rd June 2003

THE LANGHAM TRUST**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law, regulations and the trust deed. 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.



D.G.P Turner
Chairman of the Trustees

3rd June 2003

REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES
THE LANGHAM TRUST

We have audited the financial statements on pages 5 to 11 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 page 7.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards 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 financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information in the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, 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 the financial statements give a true and fair view of the state of the charity's affairs at 31st December 2002 and of its incoming resources and applications of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Acorn house
Greenhill Crescent
Watford Business Park
Watford, Herts
WD18 8AH



Jacob Cavenagh and Skeet
Chartered Accountants and
Registered auditor

3rd June 2003

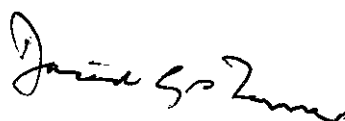
THE LANGHAM TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2002

		2002				2001
		<i>Unrestricted funds</i>		<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds</i>
	<i>Note</i>	<i>General</i>	<i>Designated</i>			
		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Incoming Resources						
Donations						
- John Stott Ministries		-	1,390	409,994	-	411,384
- Other		-	74,687	255,272	-	329,959
Investment Income		3,278	4,601	39,639	-	47,518
Other income		-	375	14,492	-	14,867
Total incoming resources		<u>3,278</u>	<u>81,053</u>	<u>719,397</u>	<u>-</u>	<u>803,728</u>
Resources expended						
Charitable expenditure:						
Grants payable	2	-	80,274	399,379	-	479,653
Support costs	3	-	-	74,658	-	74,658
Management and administration of the charity	4	-	-	21,078	-	21,078
Total resources expended		<u>-</u>	<u>80,274</u>	<u>495,115</u>	<u>-</u>	<u>575,389</u>
Net Incoming						
Resources before transfers		3,278	779	224,282	-	228,339
Transfers between funds		-	5,000	(5,000)	-	-
Net Incoming Resources for the year		<u>3,278</u>	<u>5,779</u>	<u>219,282</u>	<u>-</u>	<u>228,339</u>
Other recognised gains and losses						
Unrealised losses on investments		(5,374)	(11,665)	(73,491)	(54,376)	(144,906)
Net movement in funds		<u>(2,096)</u>	<u>(5,886)</u>	<u>145,791</u>	<u>(54,376)</u>	<u>83,433</u>
Balance brought forward at 1st January 2001		<u>34,465</u>	<u>164,595</u>	<u>898,639</u>	<u>367,337</u>	<u>1,465,036</u>
Balance carried forward at 31st December 2001		<u>32,369</u>	<u>158,709</u>	<u>1,044,430</u>	<u>312,961</u>	<u>1,548,469</u>

THE LANGHAM TRUST
BALANCE SHEET
AT 31ST DECEMBER 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Tangible fixed assets	5		192,667		146,449
Investments	6		<u>679,085</u>		<u>827,183</u>
			871,752		973,632
Current assets					
Debtors		41,872		26,095	
Accrued income		-		89,496	
Cash at bank		<u>646,930</u>		<u>496,035</u>	
		688,802		611,626	
Creditors: Amounts falling due within one year	7	<u>12,085</u>		<u>120,222</u>	
Net current assets			<u>676,717</u>		<u>491,404</u>
Total assets less current liabilities			<u><u>1,548,469</u></u>		<u><u>1,465,036</u></u>
Funds					
Unrestricted - General Fund		32,369		34,465	
- Designated Funds	8	<u>158,709</u>		<u>164,595</u>	
			191,078		199,060
Restricted Funds	9		1,044,430		898,639
Endowment Funds	10		<u>312,961</u>		<u>367,337</u>
			<u><u>1,548,469</u></u>		<u><u>1,465,036</u></u>

Approved by the trustees on 3rd June 2003 and signed on their behalf by



D.G.P. Turner
Trustee

THE LANGHAM TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

1 ACCOUNTING POLICIES

- (a) The financial statements are prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with applicable accounting standards and the statement of Recommended practice published by the Charity Commission in October 2000. The accounts comply with current statutory requirements and the charity's governing documents.

In particular, restricted funds (i.e. those which have been given for a specific purpose and can only be used for that purpose without the consent of the donor) are differentiated from unrestricted funds and designated funds which may be used for any of the general purpose of the charity decided by the trustees. Designated funds are funds earmarked by the trustees for a particular purpose. It is not a legally binding restriction, the trustees are free to undesignate should that be appropriate.

A permanent endowment fund is a particular type of restricted fund which must be held permanently.

(b) Donations

Donations have been credited to income in the period in which they are receivable except when a receipt wholly relates to a different period than that of its occurrence where the matching principle is applied to ensure consistency.

(c) Investments and investment income

Investments are included in the balance sheet at their market value on that date. Investment income is credited to the income and expenditure account, and is inclusive of any income tax recoverable thereon.

(d) Expenditure

Charitable expenditure comprises direct expenditure made on grants and the supporting of the activities of the Charity. Grants payable are charged in the year when the offer is conveyed to the recipient except when the offer is conditional, such grants being regarded as expenditure when the conditions attaching thereto are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as commitments but not accrued as expenditure. Management and administration costs includes expenditure on the general administration and management and on compliance with constitutional requirements.

Costs such as salaries are apportioned as appropriate across expenditure headings.

(e) Depreciation

Depreciation of office equipment is calculated annually on a straight line basis at a rate considered appropriate to write off the cost of the assets over their useful economic lives over a period of five years.

Freehold land is not depreciated. No depreciation is charged on freehold buildings as they are maintained to such a high standard, which prolongs their useful life and enhances their residual value (based on prices prevailing at the time of acquisition) and accordingly any depreciation charge arising is considered to be immaterial.

2 GRANTS

Grants totalling £ 365,780 (2001: £370,205) were made to the 42 PhD Scholars who were supported by the Trust's Langham Research Scholarship Scheme. Further grants of £6,639 (2001: £19,979) to individuals and organisations were made from the JRWS Discretionary Fund, Speed to need Fund, John Stott Fund, Travel Fund and from the FW special Fund.

THE LANGHAM TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002
(continued)

3 SUPPORT COSTS

	Restricted fund				
	Other Funds	Hookses Fund	John Stott Fund	2002 Total	2001 Total
	£	£	£	£	£
Salaries	--	--	30,026	30,026	30,545
Travel	--	--	5,775	5,775	4,600
Depreciation	--	--	783	783	783
Property running costs	--	5,917	11,540	17,457	15,326
Administration	5,617	--	--	5,617	--
Langham Partnership International Contribution	14,000	--	1,000	15,000	--
	<u>19,617</u>	<u>5,917</u>	<u>49,124</u>	<u>74,658</u>	<u>51,254</u>

4 MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	Restricted funds				
	General Fund	John Stott Fund	Scholarship Fund	2002 Total	2001 Total
	£	£	£	£	£
Audit fees:					
for audit services	--	1,000	1,000	2,000	513
Salaries	--	3,336	--	3,336	3,394
Miscellaneous expenses	--	8,720	7,022	15,742	19,198
	<u>--</u>	<u>13,056</u>	<u>8,022</u>	<u>21,078</u>	<u>23,105</u>

No employees earned more than £50,000 in the year or preceding year.

There were three (2001: two) employees during the year who were paid £33,362 (2001: £33,939). The trustees received no remuneration during the year or prior year. Expenses of £nil (2001: £nil) were reimbursed to the trustees in the year.

5 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Office equipments	Total
	£	£	£
Cost			
At 1st January 2002	144,396	3,914	148,310
Addition in the year	47,001	--	47,001
At 31st December 2002	<u>191,397</u>	<u>3,914</u>	<u>195,311</u>
Depreciation			
At 1st January 2002	--	1,861	1,861
Charged in year	--	783	783
At 31st December 2002	<u>--</u>	<u>2,644</u>	<u>2,644</u>
Net book value			
At 31st December 2002	<u>191,397</u>	<u>1,270</u>	<u>192,667</u>
At 31st December 2001	<u>144,396</u>	<u>2,053</u>	<u>146,449</u>

THE LANGHAM TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002
(continued)

6 FIXED ASSET INVESTMENTS	2002 Total £	2001 Total £
Market value at 1st January 2002	827,183	902,986
Additions	--	--
Disposals	(3,192)	(2,100)
Net unrealised investment (losses)/gains	(144,906)	(73,703)
Market value at 31st December 2002	<u>679,085</u>	<u>827,183</u>
Historic cost at 31st December 2002	<u>612,500</u>	<u>612,500</u>

The pool of investments are held in Charishare income shares, Charifund income units, Charity Equity Fund income shares, and the Central Board of Finance (of The Church of England) Fixed interest Securities Fund, and these holdings are all in excess of 5% of the total investments held by the Charity.

The investments are pooled for the John Stott Fund, the Travel Fund, the Staff Retirement Fund, the Speed to Need Fund and the Scholarship Reserve Fund.

7 CREDITORS : Amounts falling due within one year	2002 £	2001 £
Amounts due to: Evangelical Literature Trust	--	42,992
John Stott Ministries	5,835	8,032
All Souls Church	1,290	19,054
Accruals	4,960	5,000
Other Creditors	--	45,144
	<u>12,085</u>	<u>120,222</u>

8 DESIGNATED FUNDS

	Balance at 1.1.02 £	Incoming resources £	Resources Expended £	Transfers £	Losses on investments £	Balance at 31.12.02 £
Trustees' expenses	9,137	--	--	--	--	9,137
JRWS Discretionary Fund	10,927	6,193	(6,639)	5,000	--	15,481
JSM Designated	68,540	68,869	(68,540)	--	--	68,869
Staff Retirement Fund	75,991	5,991	(5,095)	--	(11,665)	65,222
	<u>164,595</u>	<u>81,053</u>	<u>(80,274)</u>	<u>5,000</u>	<u>(11,665)</u>	<u>158,709</u>

THE LANGHAM TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2002
(continued)

8 DESIGNATED FUNDS(continued)

The JRWS Discretionary Fund enables the Rev Dr John Stott to make gifts to individuals and organisations. These are subsequently reported to the Trustees.

The Staff Retirement Fund provides for staff on retirement. Current surpluses are available for charitable distribution under staff direction. JSM Designated Fund consists of monies received from John Stott Ministries, USA, which will be allocated to various funds in due course.

9 RESTRICTED FUNDS

	<i>Balance at</i> 1.1.02 £	<i>Incoming</i> resources £	<i>Resources</i> expended £	<i>Transfers</i> £	<i>Losses on</i> investments £	<i>Balance at</i> 31.12.02 £
John Stott Fund	203,650	84,343	65,302	(5,000)	(31,469)	186,222
Travel Fund	284,804	26,176	28,402	--	(35,937)	246,641
Scholarship Fund	83,506	469,370	381,094	--	--	171,782
Speed to Need Fund	37,584	1,148	--	--	(6,085)	32,647
Hookses Fund	288,157	84,475	5,917	--	--	366,715
Ministry Support Fund	938	85	85	--	--	938
Preaching Seminars Funds	--	53,800	14,315	--	--	39,485
	<u>898,639</u>	<u>719,397</u>	<u>495,115</u>	<u>(5,000)</u>	<u>(73,491)</u>	<u>1,044,430</u>

The John Stott Fund finances the teaching, preaching and writing ministry of the Rev Dr John Stott.

The Travel Fund is to be used to help scholars with international travel, especially those who have graduated PhD through the Langham Research Scholarship Scheme.

The Scholarship Fund provides grants to strengthen theological leadership in the Developing world. PhD scholars research biblical, theological and related subjects, largely in UK, with relevance to their home countries.

The Speed to Need Fund provides resources for medical emergencies in Africa.

The Hookses Fund arose from the gift of a freehold property to the Charity for its use and ministry.

The Ministry Support Fund is for the furtherance of the specific aspects of the ministry of the Charity.

THE LANGHAM TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002
(continued)

10 ENDOWMENT FUND	Balance at 1.1.02 £	Losses on investments £	Balance at 31.12.02 £
Scholarship Reserve Fund	367,337	(54,376)	312,961

The Scholarship Reserve Fund comprises investments held to provide income for the Scholarship Fund (see note 9) and to guarantee continuing payments to scholars in progress.

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Tangible fixed assets £</i>	<i>Investments £</i>	<i>Net current assets £</i>	<i>Total £</i>
Unrestricted Funds				
General Fund	--	25,186	7,183	32,369
Designated Funds	--	54,668	104,041	158,709
Restricted Funds	192,667	344,406	507,357	1,044,430
Endowment Funds	--	254,825	58,136	312,961
	192,667	679,085	676,717	1,548,469

12 RELATED PARTIES

The trust made a contribution of £15,000 (2001: £nil) to the operating expenses of the Langham Partnership International, a trust of which all the trustees of The Langham Trust are also trustees.