

THE LEE ABBEY MOVEMENT

**TRUSTEES' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 APRIL 2012**

**REGISTRATION NUMBER
4428832**

**CHARITY NUMBER
1094098**

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THE LEE ABBEY MOVEMENT

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The Lee Abbey Movement
Registration Number 4428832
Charity Number 1094098
Company Limited By Guarantee

Legal and administrative information

Status

The Lee Abbey Movement is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1 May 2002 as amended on 6 September 2002, 3 December 2005, 28 October 2008 and 10 March 2009. It is registered as a charity with the Charity Commission. The members of the company have agreed to contribute £10 in the event of the charity winding up.

Charity number 1094098

Company registration number 4428832

Business address Lee Abbey
Lynton
Devon
EX35 6JJ

Registered office Lynton
Devon
EX35 6JJ

| | | |
|-----------------|-----------------------|---|
| Trustees | The Rt Revd G Cassidy | Chairman (resigned 14 June 2012) |
| | C J H Rogers | Vice Chairman |
| | St S Berry | |
| | Revd J Denniston | |
| | Canon D Froude | (appointed 7 March 2012, resigned 14 June 2012) |
| | Revd S Holland | |
| | Revd Dr E Ineson | (resigned 2 November 2011) |
| | Revd Dr A Jolley | (resigned 31 December 2011) |
| | Revd Canon A O Ladipo | |
| | Dr R Moran | |
| | Revd Dr J M Tomkins | |
| | J G Turner | (resigned 2 November 2011) |
| | S A Weatherley | |
| | Revd Canon R Worsley | (appointed 6 July 2011) |

| | | |
|------------------|--------------|-----------------------------|
| Secretary | G Bishop | (resigned 2 November 2011) |
| | P van Rossum | (appointed 3 November 2011) |

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Legal and administrative information

Auditors

Thomas Westcott
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Bankers

National Westminster Bank plc
41 High Street
Barnstaple
Devon
EX31 1BZ

Barclays Bank plc
Knightsbridge Business Centre
PO Box 32014
London
NW1 2ZG

Solicitors

Carter Lemon Camerons
11 Bream Buildings
London
EC4A 1DW

The Lee Abbey Movement
Registration Number 4428832
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Report of the trustees (incorporating the directors' report)
for the year ended 30 April 2012

The trustees present their report and the financial statements for the year ended 30 April 2012. The trustees, who are also directors for the purposes of company law and who served during the year and up to the date of this report are set out on page 1 - 2.

Structure, governance and management

Senior Management

The Council has delegated the day to day management of the operations of the charity to the Secretary to the Council, in consultation, where appropriate, with the Chair.

Appointment of Trustees

As set out in the Articles of Association the Council may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee providing that he or she is recommended by the Council. A Council member so appointed will hold office only until the next Annual General Meeting.

Trustee Induction and Training

New trustees are encouraged to spend time with the chair of Council, who will guide them through the induction process which includes visits to the operational charities and time with their senior management teams.

Organisation

The Council administers the charity and has set up sub-committees comprising the standing committee and other sub-committees as necessary. The Council has delegated the day to day management of the subsidiary charities to the Local Boards of Trustees and their senior management teams.

Governance and Internal Control

Risks are categorised according to potential severity and their likely incidence. The levels of risks are regularly reviewed and procedures to mitigate those risks are set in place.

Objectives and activities

Objects and activities

The charity's objects are the advancement of the Christian faith worldwide through the ministry of communities of Christians whose shared lives in the fellowship of the Holy Spirit communicate the love of God revealed in Christ Jesus.

These objects are fulfilled through three operating subsidiary charities. The participation and prayer support of the Lee Abbey Friends continues to be a powerful tool for meeting these objects.

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Report of the trustees (incorporating the directors' report)
for the year ended 30 April 2012

Achievements and performance

Achievements and performance

The Council has continued to keep a watchful eye on the new governance structures introduced in 2006, and has been greatly encouraged by the positive way in which the three subsidiary Boards have developed in confidence and initiative. This has been due, in no small part, to the leadership of Simon Holland (London), Andy Jolley (to 31 December 2011) and Ruth Worsley (from 1 January 2012) (Households) and James Denniston (Devon), and to the commitment and skills of Board members and Council wishes to put on record its sincere appreciation of the dedication, care and skill they bring to their respective Boards.

Achieving the right 'skill mix' and age/gender balance in the Boards and Council requires regular review. The supportive relationship of the Boards with the local management teams and communities, led by their respective Wardens and leaders, continues to be a crucial factor.

Movement

A major development for the charity was the appointment of the first Movement Missioner. Revd Annie Naish took up post in November 2011 and has both been supporting individual subsidiaries in mission and encouraging and enabling them to work together on mission.

The annual Movement Get-Together was held at Lee Abbey London in January 2012. At this event, news was shared of activities in the last year and lives affected by our ministries in all three subsidiary charities. Praise and thanks to God is given for His faithfulness and abundant provision throughout another year.

The charity held a 24 hour residential Discernment Day in April 2012 to help determine future priorities. The principal outcome was an affirmation of the current ministries and their development. Council will be considering and working through a number of more detailed outcomes relating to possible new ministries and the organisation and operation of the charity.

Devon

During the year the Devon Warden, Revd David Rowe, his senior management team and wider leadership have reviewed the implementation of their vision, setting specific goals and targets to ensure that the delivery of Devon's ministries are effective in achieving the charitable objectives. The senior management team has been significantly strengthened by the appointment of Phil Crook as Business Director and Rob Eastwood Dewing as Pastoral Director. Lee Abbey Devon has continued to offer a wide variety of conferences, retreats, courses and Christian holidays, in the main house, Beacon and at the Youth Camps. The Community has been privileged to welcome over nine thousand guests of all ages.

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for the year ended 30 April 2012

In Devon major building developments were carried out during the winter. These included fully refitting the kitchen, renovating the dining room, adding an Orangery, which also acts as an extension to the dining room, and updating five single bedrooms including adding en-suites.

God's working week by week is evident in the lives of our guests, both those with a long standing relationship with Christ and those who are seeking Him for the first time. Lee Abbey Devon has also sought to reach out to those who are unable to come to visit and has actively sought opportunities for Community members to go out on missions and church weekends to support Christians in their own churches and towns. It has also sought to develop the Christian discipleship of Community members through spiritual formation groups and other training. Prayer has continued to be at the heart of the life of the Community which gathers for prayer each morning, midday and evenings. As part of the rhythm of prayer within the Community, the guests are prayed for on a regular basis.

London

The Lee Abbey London Community aims to ensure that the students and any other visitors wishing to explore the Christian faith are actively assisted in doing so. To this end, they provide opportunities for their guests to explore together with Community issues of faith and life by means of discussion groups and worship. Lee Abbey London has continued to make pastoral support to students available. As in previous years, many different nationalities and Christian denominations are represented on the Lee Abbey London Community. This international element is of great value in fulfilling the aim to provide a Christian-based "home from home" for our international guests. It also gives valuable opportunities for intercultural enrichment and deeper international understanding for students and Community members alike.

During the year the London Board has been considering refurbishment of its building in a way which improves both the physical services and the environment for ministry. The consideration is on-going.

Households

Both at Aston and Knowle West, the basis of a Lee Abbey Household Community is to "BE" a Christian presence, and thus to serve both the community and support the local Churches. Both communities have been involved in a wide range of activities in their local areas.

In January 2012 the Households Board started to explore possible involvement with a new Small Missional Community in Acton Vale, West London led by Revd M Bishop, an Ordained Pioneer Minister. This exploration is on-going.

Public benefit

Lee Abbey Movement is the holding charity of its three subsidiary charities. Its primary activity has been the oversight of its operating subsidiaries including the monitoring of their activities for public benefit. In monitoring those activities the Council have kept well in mind the Charity Commission's general guidance on public benefit, and in particular its supplementary guidance on the advancement of religion and

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Report of the trustees (incorporating the directors' report)
for the year ended 30 April 2012

The beneficiaries of the charity include both members of the Communities, those whom we welcome in the name of Christ to stay either in Devon or in London and those who are served by the Household Communities. At the heart of the ministry of the charity to all the Communities is an encouragement and equipping to grow in their Christian faith and to develop positive values, attitudes and skills and a lifelong commitment to show the love of God in Christ by serving other people from any background or culture. The members of the Communities also obtain work skills as well as skills in ministry and worship that they can take back to their home countries and churches when they leave the Community.

The Council view our bursary schemes as important in ensuring that where ever possible all those who seek to benefit from the mission who would otherwise not be able to afford the fees are able to come to Lee Abbey. In 2012 bursaries amounting to £112,135 (2011 £121,054) were given. Bursaries are considered following application to the Wardens in London and Devon.

The Lee Abbey Movement has made a number of direct grants in carrying out its charitable purposes during the year. Most of the grants have been made to its three subsidiaries to assist them in fulfilling their charitable objectives for the benefit of the public in the particular ways specified in their trustees' reports. The Council considers that each of these grants has been for the benefit of the public within the guidelines issued by the Charity Commissioners.

In 2008/9, the Lee Abbey Movement also applied its funds for charitable purposes by making a substantial interest-free loan to enable The Scargill Movement (a new charity established like the Lee Abbey Movement with objects for the advancement of the Christian faith through the ministry of Christian communities) to purchase Scargill House in North Yorkshire with the intention of running that house as a Christian conference and retreat centre along lines similar to those of Lee Abbey Devon. The closure of the previous centre at Scargill was widely recognised by church leaders and others as leaving a significant gap in the provision for the spiritual needs of the public in the North of England. The Lee Abbey Movement has continued to provide practical and financial support to the Scargill Movement, which has now reopened as a Christian Community. The Council is satisfied that the making of this interest-free loan has demonstrably been for public benefit. The loan was fully repaid at the end of March 2011, apart from an element which was due to the Slavanka Trust. This is planned to become a direct loan between Slavanka and Scargill.

Financial review

Financial review

The Lee Abbey Movement made a deficit of £12,418 (2010/11 - £3,620 deficit) on unrestricted funds and a surplus of £24,305 (2010/11 - £43,611 deficit) on restricted funds. The Consolidated Statement of Financial Activities shows a surplus of £124,595 (2010/11 - £283,166) on unrestricted funds and a deficit of £61,899 (2010/11 - £17,598 deficit) on restricted funds for the year.

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Report of the trustees (incorporating the directors' report)
for the year ended 30 April 2012

Principal funding sources

Lee Abbey Movement's principal funding sources continue to be Friends' donations and contributions from our subsidiary charities. The group's principal funding sources continue to be donations, legacies and fee income. In London fees rose to £1,410,109 (2010/11 - £1,344,144). In Devon the House and Beacon fees fell to £1,437,977 (2010/11 - £1,513,542). Legacies have been a vital source of income amounting to £55,747 (2010/11 - £29,479), but fluctuate significantly and cannot be budgeted for. We continue to be grateful to The Lee Abbey Friends for donations amounting to £130,261 (2010/11 - £139,025).

Reserves

The running costs of The Lee Abbey Movement are financed by contributions from our subsidiary charities. As such the charity requires only minimal unrestricted reserves.

In consultation with the Trustees of the subsidiary charities, Council has reviewed the group's reserves in the light of the main risks to the organisation and future developments, and has designated reserves the following of which remain at the end of the year:

- a fund equal to the net book value of the group's fixed assets, which cannot be used to fund expenditure without being sold,
- a fund equal to the unrealised surplus on the revaluation of the group's freehold land and buildings.

The Group seeks to maintain liquid unrestricted funds at the level of three months expenditure which provides sufficient funds to cover unexpected costs and other expenditure which arise from time to time. At the end of the year there was 6.9 months of expenditure in cash and free reserves.

Plans for future periods

The Council looks forward to receiving regular reports and recommendations from the subsidiary Boards and Working Groups. All three subsidiary Boards are facing significant challenges and Council will need to play an appropriate role of guidance and, where necessary, approval. In particular, this will be required for the next stages in the Devon development master plan, the future development of households, and needed refurbishment of the London Club.

Lee Abbey will continue to pursue the key issues for exploration and action following the 60th Anniversary Conference in May 2006 in Devon.

- Remembering and revisiting our roots
- Being open to the wounds of the poor and learning more about 'being on the edge'
- Sharing what God has given us with the wider Church - 'punching our weight'
- Listening to the voice of younger people
- Strengthening the link with past members of Community
- Developing our partnership with A Rocha
- Upholding the whole Movement with Prayer

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Report of the trustees (incorporating the directors' report)
for the year ended 30 April 2012

Statement of trustees' responsibilities

The trustees (who are also directors of The Lee Abbey Movement for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Thomas Westcott are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006

On behalf of the board



P van Rossum
Secretary

The Lee Abbey Movement
Registration Number 4428832
Charity Number 1094098
Company Limited By Guarantee

**Independent auditor's report to the trustees of
The Lee Abbey Movement**

We have audited the group and parent entity financial statements of the The Lee Abbey Movement for the year ended 30 April 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the trustees' Responsibilities Statement (set out in the Trustees Report), the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

In addition, we read all the financial and non-financial information in the Trustees' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 April 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
 - 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 30 April 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 2006
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit,



Stephen Cresswell BA FCA DChA
For and on behalf of Thomas Westcott
Chartered Accountants and
Registered Auditors

47 Boutport Street
Barnstaple
Devon
EX31 1SQ

19 October 2012

The Lee Abbey Movement
Registration Number 4428832
Company Limited By Guarantee

Consolidated statement of financial activities (incorporating the income and expenditure account)

For the year ended 30 April 2012

| | Notes | Unrestricted funds £ | Restricted funds £ | 2012 Total £ | 2011 Total £ |
|--|-------|-------------------------|-----------------------|--------------------|--------------------|
| Incoming resources | | | | | |
| Incoming resources from generating funds | | | | | |
| Voluntary income | 2 | 347,208 | 47,751 | 394,959 | 392,910 |
| Activities for generating funds | 3 | 113,496 | - | 113,496 | 116,089 |
| Investment income | 4 | 5,744 | 3,144 | 8,888 | 5,853 |
| Incoming resources from charitable activities | 5 | 3,157,550 | - | 3,157,550 | 3,178,747 |
| Total incoming resources | | 3,623,998 | 50,895 | 3,674,893 | 3,693,599 |
| Resources expended | | | | | |
| Costs of generating funds | | | | | |
| Cost of generating voluntary income | 6 | 29,863 | 216 | 30,079 | 39,862 |
| Fundraising trading | | | | | |
| cost of goods sold and other costs | 7 | 73,224 | - | 73,224 | 76,649 |
| Charitable activities | 8 | 3,148,437 | 110,078 | 3,258,515 | 3,102,039 |
| Governance costs | 10 | 250,379 | - | 250,379 | 209,430 |
| Total resources expended | | 3,501,903 | 110,294 | 3,612,197 | 3,427,980 |
| Net incoming resources before transfers | | 122,095 | (59,399) | 62,696 | 265,619 |
| Transfer between funds | | 2,500 | (2,500) | - | - |
| Net incoming resources for the year | | 124,595 | (61,899) | 62,696 | 265,619 |
| Realised gains/(losses) on disposal of investment assets | | (40) | - | (40) | (51) |
| Other recognised gains and losses | | | | | |
| Net movement in funds | | 124,555 | (61,899) | 62,656 | 265,568 |
| Total funds brought forward | | 9,516,493 | 2,592,916 | 12,109,409 | 11,843,841 |
| Total funds carried forward | | 9,641,048 | 2,531,017 | 12,172,065 | 12,109,409 |

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 15 to 39 form an integral part of these financial statements.

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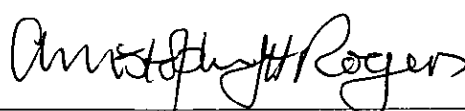
Consolidated Balance Sheet

As At 30 April 2012

| | | 2012 | | 2011 | |
|--|--------------|--------------------|----------|--------------------|----------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 17 | 10,262,508 | | 10,090,254 | |
| Investments | 19 | 141 | | 180 | |
| | | <u>10,262,649</u> | | <u>10,090,434</u> | |
| Current assets | | | | | |
| Stocks | 20 | 123,134 | | 121,384 | |
| Debtors | 21 | 551,665 | | 935,829 | |
| Cash at bank and in hand | | 3,311,206 | | 3,163,288 | |
| | | <u>3,986,005</u> | | <u>4,220,501</u> | |
| Creditors: amounts falling due within one year | 23 | <u>(1,315,744)</u> | | <u>(1,180,010)</u> | |
| Net current assets | | <u>2,670,261</u> | | <u>3,040,491</u> | |
| Total assets less current liabilities | | <u>12,932,910</u> | | <u>13,130,925</u> | |
| Creditors: amounts falling due after more than one year | 25 | <u>(760,845)</u> | | <u>(1,021,516)</u> | |
| Net assets | | <u>12,172,065</u> | | <u>12,109,409</u> | |
| Funds | 27 | | | | |
| Restricted income funds | 31 | <u>2,531,017</u> | | <u>2,592,916</u> | |
| Unrestricted income funds | 29 | | | | |
| Unrestricted income funds | | 6,153,339 | | 5,972,689 | |
| Revaluation reserve | | 3,487,709 | | 3,543,804 | |
| Total unrestricted income funds | | <u>9,641,048</u> | | <u>9,516,493</u> | |
| Total funds | | <u>12,172,065</u> | | <u>12,109,409</u> | |

The financial statements were approved by the board on 31/10/2012 and signed on its behalf by

.....
C J H Rogers
Chairman



The notes on pages 15 to 39 form an integral part of these financial statements.

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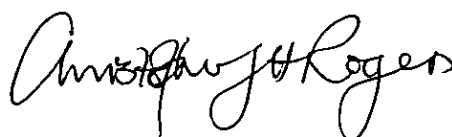
Charity Balance Sheet

As At 30 April 2012

| | | 2012 | | 2011 | |
|--|-------|------------------|----------------|------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 18 | | 555 | | 740 |
| Current assets | | | | | |
| Debtors | 22 | 289,777 | | 665,232 | |
| Cash at bank and in hand | | 1,763,388 | | 1,666,754 | |
| | | <u>2,053,165</u> | | <u>2,331,986</u> | |
| Creditors: amounts falling due within one year | 24 | (1,186,850) | | (1,236,793) | |
| Net current assets | | | <u>866,315</u> | | <u>1,095,193</u> |
| Creditors: amounts falling due after more than one year | 26 | | (760,845) | | (1,001,795) |
| Net assets | | | <u>106,025</u> | | <u>94,138</u> |
| Funds | 28 | | | | |
| Restricted income funds | 32 | | 89,382 | | 65,077 |
| Unrestricted income funds | 30 | | 16,643 | | 29,061 |
| Total funds | | | <u>106,025</u> | | <u>94,138</u> |

The financial statements were approved by the board on 31/10/2012 and signed on its behalf by

.....
C J H Rogers
Chairman



The notes on pages 15 to 39 form an integral part of these financial statements.

The Lee Abbey Movement
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Consolidated cash flow statement

for the year ended 30 April 2012

| | Notes | 2012 £ | 2011 £ |
|---|--------------|-------------------|-------------------|
| Net movement in funds | | 62,656 | 265,568 |
| (Losses)/gains on revaluation | | - | - |
| Net incoming resources for the year | | 62,656 | 265,568 |
| Interest payable | | 2,800 | 2,384 |
| Interest receivable | | (8,888) | (5,853) |
| Gain on disposal of investments | | 40 | 51 |
| Depreciation and impairment | | 392,119 | 373,649 |
| Increase in stocks | | (1,750) | (16,752) |
| Decrease in debtors | | 384,164 | 1,107,392 |
| Increase/(Decrease) in creditors | | 69,676 | (16,411) |
| Net cash inflow from operating activities | | 900,817 | 1,710,028 |
| Returns on investments and servicing of finance | 36 | 6,088 | 3,469 |
| Capital expenditure | 36 | (564,374) | (949,991) |
| | | 342,531 | 763,506 |
| Financing | 36 | (194,613) | (163,873) |
| Increase in cash in the year | | 147,918 | 599,633 |
| Reconciliation of net cash flow to movement in net funds | 37 | | |
| Increase in cash in the year | | 147,918 | 599,633 |
| Cash increase in debts and lease financing | | (194,613) | (163,873) |
| Movement in net funds in the year | | 342,531 | 763,506 |
| Net funds at 1 May 2011 | | 1,900,230 | 1,136,724 |
| Net funds at 30 April 2012 | | 2,242,761 | 1,900,230 |

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Notes to financial statements

for the year ended 30 April 2012

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention, except for the revaluation of certain fixed assets and except for investments which are included at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries: the Lee Abbey Fellowship, the Lee Abbey International Students' Club and Lee Abbey Household Communities on a line by line basis.

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and section 397 of the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

1.3. Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specific purpose and which the charity may use for its purpose at its discretion.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

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Notes to financial statements

for the year ended 30 April 2012

1.4. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Income from the charity shop is included in the year in which it is receivable.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

1.5. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

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1.6. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

| | | |
|----------------------------------|---|-----------------------|
| Land and buildings | - | 2.5% reducing balance |
| Major buildings improvements- | | ten to fifteen years |
| Fixtures, fittings and equipment | | 25% reducing balance |
| Motor vehicles | - | 25% reducing balance |

Freehold land is not depreciated.

1.7. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

1.8. Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.9. Stock

Stock is valued at the lower of cost and net realisable value.

1.10. Defined contribution pension schemes

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

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1.11. Defined benefit pension scheme

The Lee Abbey Movement participates in the Church of England Funded Pensions Scheme and employs 5 members of the Scheme out of a total membership of approximately 10,000 active members

The Church of England Funded Pension Scheme is a defined benefit scheme but The Lee Abbey Movement is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31st December 2006. This revealed a shortfall of £141m, with assets of £468m and a funding target of £609m, assessed using the following assumptions:

- An investment strategy of a nil allocation to gilts for the next 10 years, increasing linearly to reach 30% after 20 years, and the balance of the assets in equities,
- Investment returns of 4.25% pa on gilts and 5.75% pa on equities,
- RPI inflation of 3.1% pa (and pension increases consistent with this),
- Increase in pensionable stipends 4.6% pa, and
- Post-retirement mortality in accordance with the PA00 tables, adjusted so that members are assumed to be two years younger than they actually are, with allowance for future improvements according to the "modern cohort" projections, and subject to a minimum annual improvement in mortality rates of 1% for males and 0.5% for females

For schemes such as the Church of England Funded Pension Scheme, paragraph 9(b) of FRS 17 requires The Lee Abbey Movement to account for pensions costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the valuation, and some agreed changes to benefits, Lee Abbey Movement contribution rate decreased from 39.8% to 39.7% of pensionable stipends with effect from 1st April 2008.

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2. Voluntary income

| | Unrestricted funds £ | Restricted funds £ | 2012 Total £ | 2011 Total £ |
|---|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Donations - Fellowship | 16,166 | 39,106 | 55,272 | 93,415 |
| Donations - LAISC | 4,015 | 650 | 4,665 | 1,104 |
| Donations - Household Communities | 20,748 | 1,244 | 21,992 | 17,411 |
| Donations - Movement | 130,261 | - | 130,261 | 139,025 |
| Bursary Donations Received - Fellowship | 54,701 | - | 54,701 | 47,857 |
| Camp Thank Offering - Fellowship | - | - | - | 3,172 |
| Charity Concessions - Fellowship | 53,889 | - | 53,889 | 49,886 |
| Gift Aid reclaimed - Fellowship | 11,681 | 6,751 | 18,432 | 11,561 |
| Legacies - Fellowship | 55,747 | - | 55,747 | 24,479 |
| Legacies - Household Communities | - | - | - | 5,000 |
| | <u>347,208</u> | <u>47,751</u> | <u>394,959</u> | <u>392,910</u> |

3. Activities for generating funds

| | Unrestricted funds £ | 2012 Total £ | 2011 Total £ |
|---------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| Shop income - Fellowship | 72,709 | 72,709 | 81,473 |
| Lee Cottage Income - Fellowship | 40,787 | 40,787 | 34,616 |
| | <u>113,496</u> | <u>113,496</u> | <u>116,089</u> |

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4. Investment income

| | Unrestricted funds £ | Restricted funds £ | 2012 Total £ | 2011 Total £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest and dividends receivable - LAF | 522 | 3,144 | 3,666 | 2,928 |
| Bank interest receivable - LAISC | 5,154 | - | 5,154 | 2,903 |
| Bank interest receivable - Household Communities | 68 | - | 68 | 16 |
| Bank interest receivable - Movement | - | - | - | 6 |
| | <u>5,744</u> | <u>3,144</u> | <u>8,888</u> | <u>5,853</u> |

5. Incoming resources from charitable activities

| | Unrestricted funds £ | 2012 Total £ | 2011 Total £ |
|---|----------------------------|--------------------|--------------------|
| House and Beacon Fees - Fellowship | 1,437,977 | 1,437,977 | 1,513,542 |
| Contributions from community members - HC | 33,513 | 33,513 | 29,956 |
| Sundry Income - Fellowship | 11,682 | 11,682 | 5,906 |
| Camp Fees - Fellowship | 35,512 | 35,512 | 38,601 |
| Discounts Received - Fellowship | 892 | 892 | 936 |
| Community Keep - Fellowship | 122,785 | 122,785 | 126,757 |
| Canteen income - Fellowship | 7,756 | 7,756 | 7,906 |
| Estate Income - Fellowship | 68,216 | 68,216 | 81,617 |
| Mission and Outreach - Fellowship | 1,823 | 1,823 | 4,376 |
| Fees - LAISC | 1,194,792 | 1,194,792 | 1,076,163 |
| Sundry Income - LAISC | 215,317 | 215,317 | 267,981 |
| Amenities Income - LAISC | 27,285 | 27,285 | 24,916 |
| Sundry Income - Movement | - | - | 90 |
| | <u>3,157,550</u> | <u>3,157,550</u> | <u>3,178,747</u> |

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6. Cost of generating voluntary income

| | Unrestricted funds £ | Restricted funds £ | 2012 Total £ | 2011 Total £ |
|---|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Fundraising department costs and salaries | 29,863 | 216 | 30,079 | 39,862 |
| | <u>29,863</u> | <u>216</u> | <u>30,079</u> | <u>39,862</u> |

7. Fundraising trading

| | Unrestricted funds £ | 2012 Total £ | 2011 Total £ |
|-----------------------------|-------------------------------------|-----------------------------|-----------------------------|
| Shop Purchases - Fellowship | 57,056 | 57,056 | 61,889 |
| Lee Cottage Costs | 16,168 | 16,168 | 14,760 |
| | <u>73,224</u> | <u>73,224</u> | <u>76,649</u> |

8. Costs of charitable activities - by fund type

| | Unrestricted funds £ | Restricted funds £ | 2012 Total £ | 2011 Total £ |
|------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Fellowship | 1,867,771 | 108,122 | 1,975,893 | 1,919,833 |
| International Students' Club | 1,211,191 | - | 1,211,191 | 1,127,011 |
| Household Communities | 50,543 | 1,956 | 52,499 | 51,845 |
| Movement | 18,932 | - | 18,932 | 3,350 |
| | <u>3,148,437</u> | <u>110,078</u> | <u>3,258,515</u> | <u>3,102,039</u> |

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9. Costs of charitable activities - by activity

| | Activities undertaken directly £ | Grant funding activities £ | Support costs £ | 2012 Total £ | 2011 Total £ |
|------------------------------|---|-------------------------------------|-----------------------|--------------------|--------------------|
| Fellowship | 1,687,324 | 95,237 | 193,332 | 1,975,893 | 1,919,833 |
| International Students' Club | 1,130,203 | - | 80,988 | 1,211,191 | 1,127,011 |
| Household Communities | 52,499 | - | - | 52,499 | 51,845 |
| Movement | 17,712 | 1,220 | - | 18,932 | 3,350 |
| | <u>2,887,738</u> | <u>96,457</u> | <u>274,320</u> | <u>3,258,515</u> | <u>3,102,039</u> |

10. Governance costs

| | Unrestricted funds £ | 2012 Total £ | 2011 Total £ |
|---|----------------------------|--------------------|--------------------|
| Trustees' honoraria | 8,000 | 8,000 | 8,000 |
| Trustees Indemnity Insurance | 1,325 | 1,325 | 1,313 |
| Auditor's Remuneration | 18,018 | 18,018 | 19,736 |
| Legal Fees, consultancy and subscriptions | 53,996 | 53,996 | 41,829 |
| Cost of trustees' meetings | 3,051 | 3,051 | 3,298 |
| Exchange (gains)/losses | 104 | 104 | (805) |
| Community Allowances | 148,252 | 148,252 | 125,202 |
| Employer's NIC | 3,928 | 3,928 | 3,401 |
| Motor and travelling costs | 10,905 | 10,905 | 5,072 |
| Bank charges and interest | 2,800 | 2,800 | 2,384 |
| | <u>250,379</u> | <u>250,379</u> | <u>209,430</u> |

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11. Analysis of support costs

| | Lee Abbey Fellowship | Lee Abbey International Students Club | Governance costs | 2012 Total | 2011 Total |
|--|----------------------|---------------------------------------|------------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 13,989 | - | 152,180 | 166,169 | 149,697 |
| Other Establishment Costs | - | 8,239 | - | 8,239 | 7,767 |
| Insurance | 28,329 | 21,454 | - | 49,783 | 49,887 |
| Travelling | - | 4,224 | - | 4,224 | 5,014 |
| Communication and Information Technology | - | 2,218 | - | 2,218 | 1,715 |
| Office Expenses | - | 19,204 | - | 19,204 | 18,551 |
| Other Support Costs | - | 571 | 10,905 | 11,476 | 6,984 |
| Promotion costs | 56,994 | - | - | 56,994 | 60,548 |
| Activity Administration | 69,174 | - | - | 69,174 | 49,442 |
| Other office expenses | 17,856 | 16,898 | - | 34,754 | 20,758 |
| Bank Charges | - | - | 2,800 | 2,800 | 2,384 |
| Depreciation and impairment | - | 8,180 | - | 8,180 | 9,503 |
| Community Sundry Costs | 5,572 | - | - | 5,572 | 7,615 |
| Gratuities | 1,418 | - | - | 1,418 | 2,400 |
| | <u>193,332</u> | <u>80,988</u> | <u>165,885</u> | <u>440,205</u> | <u>392,265</u> |

12. Net incoming resources for the year

| | 2012 | 2011 |
|--|---------------|---------------|
| | £ | £ |
| Net incoming resources is stated after charging | | |
| Depreciation and other amounts written off tangible fixed assets | 392,120 | 373,649 |
| Auditors' remuneration | <u>18,018</u> | <u>19,736</u> |

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13. Employees

| Employment costs | 2012 | 2011 |
|-------------------------|----------------|------------------|
| | £ | £ |
| Wages and salaries | 868,894 | 935,640 |
| Social security costs | 41,591 | 44,792 |
| Pension costs | 59,689 | 55,102 |
| | <u>970,174</u> | <u>1,035,534</u> |

No employee received emoluments of more than £60,000 (2011 - none)

Number of employees

The average monthly numbers of employees during the year, calculated on the basis of full time equivalents, was

| | 2012 | 2011 |
|------------------------------|---------------|---------------|
| | Number | Number |
| Fellowship | 93 | 93 |
| International Students' Club | 34 | 41 |
| Household Communities | 7 | 8 |
| Movement | 4 | 3 |
| | <u>138</u> | <u>145</u> |

13.1. Trustees' emoluments

| | | |
|---------------------|--------------|--------------|
| Trustees' Honoraria | <u>8,000</u> | <u>8,000</u> |
|---------------------|--------------|--------------|

Travel expenditure of £3,710 (2011 - £6,321) was reimbursed to the Trustees

14. Other interest

| | 2012 | 2011 |
|--|-------------|-------------|
| | £ | £ |
| On loans repayable in five years or more | <u>231</u> | <u>632</u> |

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15. Pension costs

The group operates defined contribution and stakeholder schemes in respect of non-ordained employees. The schemes and their assets are held separately by independent managers. The pension charge represents contributions due from the company and amounted to £23,974 (2011 - £25,230).

The group operates a defined benefit pension scheme in respect of the ordained chaplains. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £30,915 (2011 - £21,272).

| | 2012 | 2011 |
|----------------|---------------|---------------|
| | £ | £ |
| Pension charge | <u>54,889</u> | <u>46,502</u> |

16. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

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| 17. Tangible fixed assets | Land and buildings | Major Buildings | Fixtures, fittings and equipment | Motor vehicles | Total |
|----------------------------------|---------------------------|------------------------|---|-----------------------|-------------------|
| Group | freehold | Improvements | | | |
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 May 2011 | 10,775,615 | 1,189,409 | 1,214,381 | 127,380 | 13,306,785 |
| Additions | 425,410 | - | 131,955 | 7,915 | 565,280 |
| Disposals | - | - | (14,318) | (9,415) | (23,733) |
| At 30 April 2012 | <u>11,201,025</u> | <u>1,189,409</u> | <u>1,332,018</u> | <u>125,880</u> | <u>13,848,332</u> |
| Depreciation | | | | | |
| At 1 May 2011 | 1,431,968 | 816,086 | 871,798 | 96,679 | 3,216,531 |
| Charge for the year | 213,951 | 48,084 | 123,776 | 6,309 | 392,120 |
| On disposals | - | - | (13,809) | (9,018) | (22,827) |
| At 30 April 2012 | <u>1,645,919</u> | <u>864,170</u> | <u>981,765</u> | <u>93,970</u> | <u>3,585,824</u> |
| Net book values | | | | | |
| At 30 April 2012 | <u>9,555,106</u> | <u>325,239</u> | <u>350,253</u> | <u>31,910</u> | <u>10,262,508</u> |
| At 30 April 2011 | <u>9,343,647</u> | <u>373,323</u> | <u>342,583</u> | <u>30,701</u> | <u>10,090,254</u> |

The Freehold Land and Buildings held by the Lee Abbey Fellowship includes freehold land with a book value of £165,000

Freehold Land and Buildings held by Lee Abbey International Students Club are included at their 1989 valuation plus additions to date. The 1989 valuation was made at an open market value based on a continuing existing use. The trustees have chosen not to adopt a policy of stating freehold property at current valuation and are maintaining them under the transitional provisions of FRS 15.

The Freehold Land and Buildings held by the Lee Abbey International Students' Club includes freehold land with a book value of £1,300,000.

Depreciation is not charged on freehold land.

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| 18. Tangible fixed assets Charity | Fixtures, fittings and equipment £ | Total £ |
|--------------------------------------|---|------------|
| Cost | | |
| At 1 May 2011 and | | |
| At 30 April 2012 | 4,459 | 4,459 |
| Depreciation | | |
| At 1 May 2011 | 3,719 | 3,719 |
| Charge for the year | 185 | 185 |
| At 30 April 2012 | 3,904 | (5,114) |
| Net book values | | |
| At 30 April 2012 | 555 | 9,573 |
| At 30 April 2011 | 740 | 740 |
| 19. Fixed asset investments Group | Listed investments £ | Total £ |
| Valuation | | |
| At 1 May 2011 | 180 | 180 |
| Revaluations | (39) | (39) |
| At 30 April 2012 | 141 | 141 |
| Historical cost as at 30 April 2012 | 376 | 376 |

All fixed asset investments are held within the United Kingdom

Charity

The charity holds no investments

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20. Stocks
Group

| | 2012 | 2011 |
|--|----------------|----------------|
| | £ | £ |
| Household, estate and goods for resale | <u>123,134</u> | <u>121,384</u> |

Charity

The charity holds no stock

21. Debtors
Group

| | 2012 | 2011 |
|-----------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 27,591 | 20,498 |
| Amounts owed by Scargill Movement | 235,000 | 610,018 |
| Other debtors | 35,066 | 57,873 |
| Prepayments and accrued income | 190,774 | 164,356 |
| Development work in progress | 63,234 | 83,084 |
| | <u>551,665</u> | <u>935,829</u> |

Amounts falling due after more than one year and included in debtors are

| | | |
|--------------------------------|---------------|---------------|
| Prepayments and accrued income | <u>12,000</u> | <u>13,500</u> |
|--------------------------------|---------------|---------------|

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22. Debtors
Charity

| | 2012 | 2011 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts owed by Scargill Movement | 235,000 | 610,018 |
| Amounts owed by group undertakings | 35,000 | 35,000 |
| Other debtors | 19,777 | 20,214 |
| | <u>289,777</u> | <u>665,232</u> |

23. Creditors: amounts falling due
within one year
Group

| | 2012 | 2011 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Bank loan | 57,600 | 96,263 |
| Other loans | 250,000 | 150,000 |
| Payments received on account | 368,995 | 331,904 |
| Trade creditors | 408,624 | 312,956 |
| Other taxes and social security | 23,811 | 34,065 |
| Other creditors | 720 | 9,593 |
| Accruals and deferred income | 205,994 | 245,229 |
| | <u>1,315,744</u> | <u>1,180,010</u> |

Security details of the NatWest Bank Loan

An unlimited Guarantee by Lee Abbey International Students Club supported by a first legal charge over 57, 59, 61, 63, 65 and 67 Lexham Gardens, London, and its associated assets and any such further security as the Bank may at any time hereafter hold in respect of the Customer's liabilities to the Bank of any kind

Security on the £235,000 loan from Slavanka Trust is in the form of Lee Abbey Fellowship and Lee Abbey International Students Club giving irrevocable and unconditional guarantee in a suitable form for all monies and liabilities owed or incurred by The Lee Abbey Movement

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24. Creditors: amounts falling due within one year

| Charity | 2012 | 2011 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Bank loan | 57,600 | 96,263 |
| Other loans | 235,000 | 150,000 |
| Amounts owed to group undertakings | 891,550 | 984,076 |
| Accruals and deferred income | 2,700 | 6,454 |
| | <u>1,186,850</u> | <u>1,236,793</u> |

Security details of the NatWest Bank Loan

An unlimited Guarantee by Lee Abbey International Students Club supported by a first legal charge over 57, 59, 61, 63, 65 and 67 Lexham Gardens, London, and its associated assets and any such further security as the Bank may at any time hereafter hold in respect of the Customer's liabilities to the Bank of any kind

Security on the £235,000 loan from Slavanka Trust is in the form of Lee Abbey Fellowship and Lee Abbey International Students Club giving irrevocable and unconditional guarantee in a suitable form for all monies and liabilities owed or incurred by The Lee Abbey Movement

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25. Creditors: amounts falling due after more than one year

| Group | 2012 £ | 2011 £ |
|--------------|-------------------|-------------------|
| Bank loan | 760,845 | 791,795 |
| Other loans | - | 225,000 |
| Other taxes | - | 4,721 |
| | <u>760,845</u> | <u>1,021,516</u> |

Loans

| | | |
|---|------------------|------------------|
| Repayable in one year or less, or on demand (Note 23) | 307,600 | 246,263 |
| Repayable between one and two years | 57,600 | 311,263 |
| Repayable between two and five years | 172,800 | 338,789 |
| Repayable in five years or more | 530,445 | 366,743 |
| | <u>1,068,445</u> | <u>1,263,058</u> |

Repayable in five years or more

| | | |
|-----------|----------------|----------------|
| Bank loan | 530,445 | 366,743 |
| | <u>530,445</u> | <u>366,743</u> |

The bank loan is secured by a charge over the freehold properties owned by the Lee Abbey International Students' Club and is repayable over a period ending on 30 April 2029

Including in other creditors is £4,721 (30 April 2011 - £20,876) payable to H M Revenue & Customs under the Capital Goods Scheme over a remaining period of five years. The next year's instalment of £4,721 (30 April 2011 - £16,156) is classified in creditors' amounts due in less than one year.

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26. Creditors: amounts falling due after more than one year

| Charity | 2012 | 2011 |
|----------------|----------------|------------------|
| | £ | £ |
| Bank loan | 760,845 | 791,795 |
| Other loans | - | 210,000 |
| | <u>760,845</u> | <u>1,001,795</u> |

Loans

| | | |
|---|------------------|------------------|
| Repayable in one year or less, or on demand (Note 24) | 292,600 | 246,263 |
| Repayable between one and two years | 57,600 | 346,263 |
| Repayable between two and five years | 172,800 | 288,789 |
| Repayable in five years or more | 530,445 | 366,743 |
| | <u>1,053,445</u> | <u>1,248,058</u> |

Repayable in five years or more

| | | |
|-----------|----------------|----------------|
| Bank loan | 530,445 | 366,743 |
| | <u>530,445</u> | <u>366,743</u> |

27. Analysis of net assets between funds

| Group | Unrestricted funds | Restricted funds | Total funds |
|--|---------------------------|-------------------------|--------------------|
| | £ | £ | £ |
| Fund balances at 30 April 2012 as represented by | | | |
| Tangible fixed assets | 7,764,998 | 2,497,510 | 10,262,508 |
| Investment assets | 141 | - | 141 |
| Current assets | 3,937,498 | 48,507 | 3,986,005 |
| Current liabilities | (1,300,744) | (15,000) | (1,315,744) |
| Long-term liabilities | (760,845) | - | (760,845) |
| | <u>9,641,048</u> | <u>2,531,017</u> | <u>12,172,065</u> |

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28. Analysis of net assets between funds

| Charity | Unrestricted funds | Restricted funds | Total funds |
|--|---------------------------|-------------------------|--------------------|
| | £ | £ | £ |
| Fund balances at 30 April 2012 as represented by | | | |
| Tangible fixed assets | 555 | - | 555 |
| Current assets | 1,963,783 | 89,382 | 2,053,165 |
| Current liabilities | (1,186,850) | - | (1,186,850) |
| Long-term liabilities | (760,845) | - | (760,845) |
| | <u>16,643</u> | <u>89,382</u> | <u>106,025</u> |

29. Unrestricted funds
Group

| | At 1 May 2011 | Incoming resources | Outgoing resources | Transfers | Gains and losses | At 30 April 2012 |
|------------------------------|----------------------|---------------------------|---------------------------|------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ | £ | £ |
| General Fund | 1,481,919 | 3,623,998 | (3,481,084) | 195,990 | (40) | 1,820,783 |
| Designated Bursary Fund | 16,478 | - | (16,898) | 50,420 | - | 50,000 |
| Property revaluation reserve | 3,543,804 | - | - | (56,095) | - | 3,487,709 |
| Fixed assets reserve | 4,474,292 | - | (3,921) | (187,815) | - | 4,282,556 |
| | <u>9,516,493</u> | <u>3,623,998</u> | <u>(3,501,903)</u> | <u>2,500</u> | <u>(40)</u> | <u>9,641,048</u> |

Purposes of unrestricted funds

General Funds of The Lee Abbey Movement are donations and other incoming resources receivable or generated for the objects of the charities without further specific purpose and which the charities may use for their purposes at their discretion

The bursary funds are designated to assist any student of the Lee Abbey International Students' Club who may be in financial difficulties with paying their fees

The revaluation fund represents the unrealised surplus on revaluation of the group's freehold land and buildings. These are depreciated in accordance with the disclosed accounting policies

The fixed assets reserve finances those fixed assets of the group funded other than by restricted donations

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| 30. Unrestricted funds Charity | At | | | | | At |
|-----------------------------------|---------------|-----------------------|-----------------------|-----------|---------------------|------------------|
| | 1 May 2011 | Incoming resources | Outgoing resources | Transfers | Gains and losses | 30 April 2012 |
| | £ | £ | £ | £ | £ | £ |
| General Fund | 29,061 | 103,368 | (115,786) | - | - | 16,643 |
| | <u>29,061</u> | <u>103,368</u> | <u>(115,786)</u> | <u>-</u> | <u>-</u> | <u>16,643</u> |

Purposes of unrestricted funds

General Funds of The Lee Abbey Movement are donations and other incoming resources receivable or generated for the objects of the charities without further specific purpose and which the charities may use for their purposes at their discretion

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| 31. Restricted funds Group | At 1 May 2011 | | | | At 30 April 2012 |
|--|--------------------|--------------------|------------------|----------------|------------------|
| | Incoming resources | Outgoing resources | Transfers | | |
| | £ | £ | £ | £ | £ |
| Lee Abbey Towards Tomorrow | 571,632 | 47,873 | (1,895) | (488,944) | 128,666 |
| The Beacon (fixed assets reserve) | 1,010,623 | - | (44,592) | 5,535 | 971,566 |
| The Youth Suite (fixed assets reserve) | 269,800 | - | (6,388) | 14,269 | 277,681 |
| Kitchen (fixed assets reserve) | 13,080 | - | (28,135) | 432,181 | 417,126 |
| Camp (fixed assets reserve) | 22,336 | - | (10,307) | 18,893 | 30,922 |
| Building improvement fund | 4,320 | - | - | - | 4,320 |
| The Greenhill Trust fund | 522 | - | (445) | - | 77 |
| The Devon holiday fund | 1,397 | 470 | (1,511) | - | 356 |
| Provision of Hydro Electric Power | 9,769 | 1,128 | - | - | 10,897 |
| Scargill Movement | 1,000 | - | - | - | 1,000 |
| Aston Development | 30,439 | 774 | - | (2,500) | 28,713 |
| Moos Development (Fixed Asset Reserve) | 652,774 | - | (16,771) | 18,066 | 654,069 |
| Camp Friends | 4,454 | - | - | - | 4,454 |
| Community Pastoral Fund | 770 | - | (250) | - | 520 |
| Student fund | - | 500 | - | - | 500 |
| Community fund | - | 150 | - | - | 150 |
| | <u>2,592,916</u> | <u>50,895</u> | <u>(110,294)</u> | <u>(2,500)</u> | <u>2,531,017</u> |

Purposes of restricted funds

The Lee Abbey Towards Tomorrow appeal is collecting funds for the capital building projects to further develop the Abbey. Current plans include improved community accommodation and expansion of the kitchen and dining area. Later plans will include a community resource area, upgraded guest rooms, improved camp facilities, and a better courtyard and welcome area.

The Beacon (fixed asset reserve) represents the capital value of The Beacon youth and outdoor activity centre at the Lee Abbey Fellowship. It is being depreciated in accordance with the group's disclosed accounting policies.

The Youth Suite (fixed asset reserve) represents the capital value of The Youth Suite at the Lee Abbey Fellowship. The construction of the Youth Suite was financed by the Lee Abbey Towards Tomorrow appeal. It is being depreciated in accordance with the group's disclosed accounting policies.

The kitchen fund represents funds for the refurbishment of the kitchen which was financed by Lee Abbey Towards Tomorrow appeal.

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The Camp fund represents funds for the refurbishment of camp facilities which was financed by the Lee Abbey Towards Tomorrow appeal

The balance in the building improvement fund represents monies raised and spent on major building improvements, such as the fire precaution works, at the Lee Abbey International Students' Club. These capital items are depreciated in line with the charity's disclosed accounting policies

The Greenhill Trust fund is a fund to pay for social needs in Knowle West.

The Devon Holiday fund is to pay for the Knowle West residents to visit Lee Abbey, Devon

The Provision of Hydro Electric Power fund is a donation towards future development of Hydro Electricity for Lee Abbey Fellowship at Lynton

The Scargill Movement fund exists to assist with the purchase and re-opening of Scargill House

The Aston Development fund is a fund to pay for the redevelopment of the Aston buildings

The Moos development (fixed asset reserve) represents the capital value of the Moos development. It is being depreciated in accordance with the charity's disclosed accounting policies

Camp Friends are donations received from Camp Friends

The Community Pastoral fund is for wages received from ex-community, to be used for pastoral expenses

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| 32. Restricted funds Charity | At | | | At |
|---------------------------------|---------------|-----------------------|-----------------------|------------------|
| | 1 May 2011 | Incoming resources | Outgoing resources | 30 April 2012 |
| | £ | £ | £ | £ |
| Pastoral Care | 64,077 | 130,261 | (105,956) | 88,382 |
| Scargill Movement | 1,000 | - | - | 1,000 |
| | <u>65,077</u> | <u>130,261</u> | <u>(105,956)</u> | <u>89,382</u> |

Purposes of restricted funds

The Pastoral Care fund exists to finance pastoral care grants to the subsidiary charitable companies in Lee Abbey Movement.

The Scargill Movement fund exists to assist with the purchase and re-opening of Scargill House

33. Capital commitments

34. Related party transactions

At 30 April 2012, the Movement was owed £235,000 (2011 - £610,018) by The Scargill Movement. Trustees J Denniston and S A Weatherley are also trustees of The Scargill Movement having been nominated by The Lee Abbey Movement.

At 30 April 2012, the Movement had repaid J Denniston and his wife (2011 - owed £100,000) J Denniston is a trustee of The Lee Abbey Movement.

35. Indemnity insurance

The charity paid for the insurance premiums to indemnify trustees and senior staff from any loss arising from neglect or defaults of trustees or staff and any consequent loss

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36. Gross cash flows

| | 2012 | 2011 |
|--|------------------|------------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 8,888 | 5,853 |
| Interest paid | (2,800) | (2,384) |
| | <u>6,088</u> | <u>3,469</u> |
| Capital expenditure | | |
| Payments to acquire tangible assets | (565,280) | (949,991) |
| Receipts from sales of tangible assets | 906 | - |
| | <u>(564,374)</u> | <u>(949,991)</u> |
| Financing | | |
| Repayment of bank loan | (179,613) | (113,873) |
| Repayment of Diocese of Exeter loan | - | (50,000) |
| | <u>(179,613)</u> | <u>(163,873)</u> |

37. Analysis of changes in net funds

| | Opening balance | Cash flows | Other changes | Closing balance |
|--------------------------|--------------------|----------------|------------------|--------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 3,163,288 | 147,918 | - | 3,311,206 |
| Debt due within one year | (246,263) | (61,337) | (15,000) | (322,600) |
| Debt due after one year | (1,016,795) | 255,950 | 15,000 | (745,845) |
| | <u>(1,263,058)</u> | <u>194,613</u> | <u>-</u> | <u>(1,068,445)</u> |
| Net funds | <u>1,900,230</u> | <u>342,531</u> | <u>-</u> | <u>2,242,761</u> |

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38. Company limited by guarantee

The Lee Abbey Movement is a company limited by guarantee and accordingly does not have a share capital

Every member of the company undertakes to contribute such amount as may be required not exceeding £10 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member