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THE LEE ABBEY MOVEMENT

TRUSTEES' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 APRIL 2010

REGISTRATION NUMBER
4428832

CHARITY NUMBER
1094098

THE LEE ABBEY MOVEMENT

CONTENTS

	Page
Legal and administrative information	1 - 2
Trustees' report	3 - 7
Auditors' report to the trustees	8 - 9
Consolidated statement of financial activities	10
Consolidated balance sheet	11
Charity balance sheet	12
Consolidated cash flow statement	13
Notes to the financial statements	14 - 33

**THE LEE ABBEY MOVEMENT
(A 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 J Perry	Chairman (resigned 9 March 2010)
The Rt Revd G Cassidy	Chairman (appointed 9 March 2010)
C J H Rogers	
The Revd Canon P Bayes	
St S Berry	(appointed 9 March 2010)
The Revd J Denniston	
Dr G Haig	(resigned 9 March 2010)
Revd S Holland	(appointed 1 November 2009)
The Rt Revd D M Hallatt	
The Revd Dr E Ineson	
L Jenkins	(resigned 9 March 2010)
The Revd Canon A O Ladipo	
The Revd Canon A F Lawson	(resigned 27 October 2009)
St S I McCarten	(resigned 1 December 2009)
The Revd A B Martin-Doyle	
Dr R Moran	
Dr J M Tomkins	
J G Turner	
S A Weatherley	

Secretary G Bishop

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

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
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 APRIL 2010

The trustees present their report and the financial statements for the year ended 30 April 2010. 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 Mr G Bishop, the Secretary to the Council, in consultation, where appropriate, with the Chairman, and of the group to the subsidiary charities local senior management teams.

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.

On 9th March 2010, Rt Revd John Perry resigned as Chairman, and Rt Revd George Cassidy was appointed as his successor. The Council would wish warmly to express its huge appreciation of the wise and inspirational leadership which Bishop John has brought to the whole Movement during his term of office.

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.

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 APRIL 2010

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 Stephen Weatherley (London), Bishop David Haliatt (Households) and Dr Gavin Haig (Devon), and to the commitment and skills of Board members. Stephen Weatherley and Dr Gavin Haig stood down from these roles during the year, and Council wishes to put on record its sincere appreciation of the dedication, care and skill they have brought to their respective Boards during their terms of office.

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.

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 our charitable objectives. 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 Camp. Our Community there has been privileged to welcome over nine thousand guests of all ages.

We have continued to see God working week by week in the lives of our guests, both those with a long standing relationship with Him and those who are seeking Him for the first time. We have also sought to reach out to those who are unable to come to Lee Abbey and have actively sought opportunities for community members to go out on missions and church weekends to support Christians in their own churches and towns. We have also sought to develop the Christian discipleship of community members through spiritual formation groups and other training.

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. Prayer has continued to be at the heart of the life of the communities, which gather for prayer each morning and evening, and have also introduced prayers in the middle of the day. As part of the rhythm of prayer within the communities, our guests are prayed for on a regular basis.

Lee Abbey London has continued to make pastoral support to students available. A number of community members have also been engaged in ministry to the homeless. 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 our 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.

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. Knowle West now has a number of other groups of Christians living on the estate and they, with the Lee Abbey Community Members, meet regularly for prayer and to discuss joint ways of seeking to serve the wider community.

Our Warden at Aston continues to coordinate the Community Drop In Centre based on St. James. Community members continue to be involved with the local Churches in many ways, including in offering prayer to fans visiting nearby Villa Park, home of Aston Villa Football Club. At Aston, one feature of the refurbished house is a designated prayer room which - it is hoped - will be used by the wider Christian community as well as Community Members.

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 APRIL 2010

Movement

The annual Movement gathering was held for the first time in London in January 2010. At this event, stories of lives affected by our ministries in all three subsidiary charities were shared. We give praise and thanks to our unchanging God for his faithfulness and abundant provision throughout another year. To God be the glory, great things He has done!

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 fee-charging. To assist this process the Council established a small working party which reviews public benefit aspects of the group's activities, liaises with the Boards of the operating subsidiaries and reports to Council.

The beneficiaries of our charity include both members of the Community and also all those whom we welcome in the name of Christ to stay either in Devon or in London. At the heart of the ministry of the charity to all our 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 testimony of one Serbian member of the London Community after leaving sums it up "in a sense I came to Lee Abbey as a child and by the time I left, forsaking childish things all the way, I matured in love. And in spite of failing many times, I realized that every act of sincere care for others wasn't meaningless, because it was in fact the act of love. Moreover, as most of us come to Lee Abbey in a first place to communicate Christ through relationships, I learned that the best way to fulfill our ministry is to love one another, just as our Lord taught us in John 13:35."

The members of our communities also obtain work skills while with us 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 our mission who would otherwise not be able to afford the fees are able to come to Lee Abbey to meet with God. In 2010 we gave bursaries amounting to £70,335 (2009 £77,154). 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. A number of grants have also been made to specific projects being supported or promoted by those subsidiaries including assistance with theological training for a community member, the development of the community houses in Aston and Bristol, and a divorce recovery workshop in Devon. The Council considers that each of these grants has been for the benefit of the public within the guidelines issued by the Charity Commissioners.

During the previous year, the 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 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 Movement has continued to provide practical and financial support to the Scargill Movement, which reopened as a Christian community during the year under review. The Council is satisfied that the making of this interest-free loan has demonstrably been for public benefit.

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 APRIL 2010

Financial review

Financial review

The Lee Abbey Movement made a surplus of £20,995 (2009 - £1,647) on our unrestricted funds and a deficit of £93,908 (2009 - £64,364 surplus) on our restricted funds. The Consolidated Statement of Financial Activities shows a surplus of £346,535 (2009 - £110,601) on our unrestricted funds and a deficit of £38,674 (2009 - £159,000 surplus) on our restricted funds for the year.

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 £1,275,050 (2009 - £1,222,015). In Devon the House and Beacon fees rose to £1,492,465 (2009 - £1,463,694). Legacies have been a vital source of income amounting to £86,315 (2009 - £46,776), but fluctuate significantly and cannot be budgeted for. We continue to be grateful to The Lee Abbey Friends for donations amounting to £128,367 (2009 - £121,593).

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 have 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 7.70 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.

We 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

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 APRIL 2010

Statement as to disclosure of information to auditors

In so far as the trustees are aware

- there is no relevant audit information of which the charity's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Statement of trustees' responsibilities

The trustees are responsible for preparing the 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees are required to

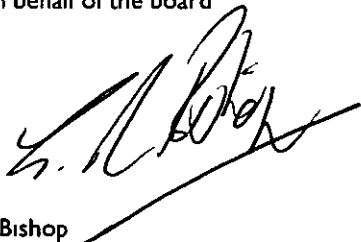
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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 ensure that the financial statements comply with the Companies Act 2006. 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.

Auditors

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

On behalf of the board



G Bishop
Secretary

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

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

We have audited the group and parent entity financial statements (the financial statements) of The Lee Abbey Movement for the year ended 30 April 2010 which comprise the consolidated statement of financial activities, the consolidated and company balance sheet, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 495 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

The trustees' (who are also directors for the purposes of company law) responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006, and whether the information given in the trustees' report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the trustees' report. We 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 audit opinion

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

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

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out below.

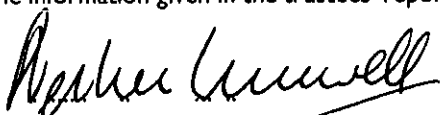
In common with many other businesses of our size and nature we use our auditors assist with the preparation of the financial statements.

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

In our opinion,

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company and group's affairs as at 30 April 2010 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, and
- the information given in the trustees' report is consistent with the financial statements



Stephen Cresswell BA-PCA DChA

For and on behalf of Thomas Westcott

Chartered Accountants and

Registered Auditors

47 Boutport Street

Barnstaple

Devon

EX31 1SQ

12 November 2010

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 30 APRIL 2010

	Notes	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
<u>Incoming resources</u>					
Incoming resources from generating funds					
Voluntary income	2	381,050	185,150	566,200	785,599
Activities for generating funds	3	106,988	-	106,988	86,124
Investment income	4	5,449	2,756	8,205	86,599
Incoming resources from charitable activities	5	3,071,532	-	3,071,532	2,975,859
<u>Total incoming resources</u>		<u>3,565,019</u>	<u>187,906</u>	<u>3,752,925</u>	<u>3,934,181</u>
<u>Resources expended</u>					
Costs of generating funds					
Cost of generating voluntary income	6	21,742	34,861	56,603	50,771
Fundraising trading					
cost of goods sold and other costs	7	68,371	-	68,371	59,053
Charitable activities	8	2,934,538	191,719	3,126,257	3,373,690
Governance costs	10	193,868	-	193,868	180,719
<u>Total resources expended</u>		<u>3,218,519</u>	<u>226,580</u>	<u>3,445,099</u>	<u>3,664,233</u>
<u>Net incoming resources for the year</u>		346,500	(38,674)	307,826	269,948
Realised gains/(losses) on disposal of investment assets		37	-	37	247
<u>Other recognised gains and losses</u>					
Losses on revaluation of investment assets		(2)	-	(2)	(592)
<u>Net movement in funds</u>		346,535	(38,674)	307,861	269,603
Total funds brought forward		8,886,792	2,649,188	11,535,980	11,266,377
<u>Total funds carried forward</u>		<u>9,233,327</u>	<u>2,610,514</u>	<u>11,843,841</u>	<u>11,535,980</u>

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 14 to 33 form an integral part of these financial statements.

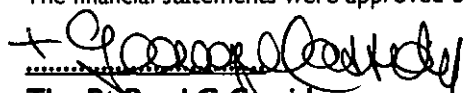
**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

CONSOLIDATED BALANCE SHEET

AS AT 30 APRIL 2010

	Notes	£	2010 £	£	2009 £
<u>Fixed assets</u>					
Tangible assets	17		9,513,912		9,752,192
Investments	19		231		1,586
			<u>9,514,143</u>		<u>9,753,778</u>
<u>Current assets</u>					
Stocks	20	104,632		101,212	
Debtors	21	2,043,221		1,469,918	
Cash at bank and in hand		2,563,655		2,632,592	
		<u>4,711,508</u>		<u>4,203,722</u>	
<u>Creditors: amounts falling due within one year</u>	23	(1,180,266)		(1,396,303)	
<u>Net current assets</u>			<u>3,531,242</u>		<u>2,807,419</u>
<u>Total assets less current liabilities</u>			<u>13,045,385</u>		<u>12,561,197</u>
<u>Creditors: amounts falling due after more than one year</u>	25		(1,201,544)		(1,025,217)
<u>Net assets</u>			<u>11,843,841</u>		<u>11,535,980</u>
<u>Funds</u>	27				
Restricted income funds	31		2,610,514		2,649,188
Unrestricted income funds	29				
Unrestricted income funds			5,631,989		5,226,443
Revaluation reserve			3,601,338		3,660,349
Total unrestricted income funds			<u>9,233,327</u>		<u>8,886,792</u>
<u>Total funds</u>			<u>11,843,841</u>		<u>11,535,980</u>

The financial statements were approved by the board on and signed on its behalf by


The Rt Revd G Cassidy
Chairman

The notes on pages 14 to 33 form an integral part of these financial statements.

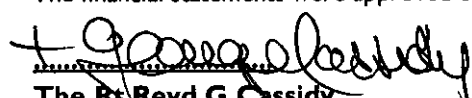
**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

CHARITY BALANCE SHEET

AS AT 30 APRIL 2010

	Notes	2010 £	2009 £
<u>Fixed assets</u>			
Tangible assets	18	987	1,316
<u>Current assets</u>			
Debtors	22	1,094,819	1,073,240
Cash at bank and in hand		1,412,869	1,529,493
		<u>2,507,688</u>	<u>2,602,733</u>
<u>Creditors: amounts falling due within one year</u>	24	<u>(1,588,860)</u>	<u>(1,538,804)</u>
<u>Net current assets</u>		<u>918,828</u>	<u>1,063,929</u>
<u>Creditors: amounts falling due after more than one year</u>	26	<u>(865,668)</u>	<u>(938,185)</u>
<u>Net assets</u>		<u>54,147</u>	<u>127,060</u>
<u>Funds</u>	28		
Restricted income funds	32	21,466	115,374
Unrestricted income funds	30	32,681	11,686
<u>Total funds</u>		<u>54,147</u>	<u>127,060</u>

The financial statements were approved by the board on and signed on its behalf by


The Rt Revd G Cassidy
Chairman

The notes on pages 14 to 33 form an integral part of these financial statements.

**THE LEE ABBEY MOVEMENT
(A COMPANY LIMITED BY GUARANTEE)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2010

	Notes	2010 £	2009 £
Net movement in funds		307,861	269,603
(Losses)/gains on revaluation		2	592
Net incoming resources for the year		307,863	270,195
Interest payable		1,873	18,049
Interest receivable		(8,205)	(86,599)
Loss on disposal of investments		(37)	(247)
Depreciation and impairment		395,952	373,388
(Increase)/Decrease in stocks		(3,420)	2,214
Increase in debtors		(573,303)	(1,166,511)
Increase in creditors		17,807	9,422
<u>Net cash inflow/(outflow) from operating activities</u>		138,530	(580,089)
Returns on investments and servicing of finance	38	6,332	68,550
Capital expenditure and financial investment	38	(156,282)	(172,490)
		(11,420)	(684,029)
Financing	38	(57,517)	396,948
<u>Decrease in cash in the year</u>		<u>(68,937)</u>	<u>(287,081)</u>
<u>Reconciliation of net cash flow to movement in net funds</u>	39		
<u>Decrease in cash in the year</u>		(68,937)	(287,081)
Cash increase/(decrease) in debts and lease financing		307,517	(396,948)
Change in net funds resulting from cash flows		238,580	(684,029)
Other movements		(250,000)	-
<u>Movement in net funds in the year</u>		(11,420)	(684,029)
<u>Net funds at 1 May 2009</u>		1,148,144	1,832,173
<u>Net funds at 30 April 2010</u>		<u>1,136,724</u>	<u>1,148,144</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

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.

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

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.

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

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. Stock

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

1.9. Defined contribution pension schemes

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

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

1.10. Defined benefit pension scheme

The Lee Abbey Movement participates in the Church of England Funded Pensions Scheme and employs 3 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

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
Donations - Fellowship	36,438	157,477	193,915	150,415
Donations - LAISC	3,304	-	3,304	1,521
Donations - Household Communities	17,781	18,581	36,362	20,318
Donations - Movement	128,367	-	128,367	466,920
Bursary Donations Received - Fellowship	50,168	-	50,168	39,095
Camp Thank Offering - Fellowship	2,113	-	2,113	2,278
Charity Concessions - Fellowship	47,915	-	47,915	36,863
Gift Aid reclaimed - Fellowship	8,649	9,092	17,741	21,413
Legacies - Fellowship	86,315	-	86,315	29,025
Legacies - Household Communities	-	-	-	17,751
	<u>381,050</u>	<u>185,150</u>	<u>566,200</u>	<u>785,599</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

3. Activities for generating funds

	Unrestricted funds £	2010 Total £	2009 Total £
Shop income - Fellowship	77,954	77,954	79,161
Lee Cottage Income - Fellowship	29,034	29,034	6,963
	<u>106,988</u>	<u>106,988</u>	<u>86,124</u>

4. Investment income

	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
Bank interest and dividends receivable - Fellowship	2,781	2,733	5,514	71,746
Bank interest receivable - LAISC	2,527	-	2,527	13,621
Bank interest receivable - Household Communities	124	-	124	690
Bank interest receivable - Movement	17	23	40	542
	<u>5,449</u>	<u>2,756</u>	<u>8,205</u>	<u>86,599</u>

5. Incoming resources from charitable activities

	Unrestricted funds £	2010 Total £	2009 Total £
House and Beacon Fees - Fellowship	1,492,465	1,492,465	1,463,694
Contributions from community members - HC	16,562	16,562	38,434
Sundry Income - Fellowship	1,597	1,597	966
Camp Fees - Fellowship	38,224	38,224	36,993
Discounts Received - Fellowship	992	992	1,626
Community Keep - Fellowship	141,346	141,346	125,633
Canteen income - Fellowship	6,734	6,734	7,123
Estate Income - Fellowship	66,516	66,516	46,719
Mission and Outreach - Fellowship	4,342	4,342	115
Fees - LAISC	1,058,257	1,058,257	1,222,015
Sundry Income - LAISC	216,793	216,793	5,180
Amenities Income - LAISC	26,007	26,007	27,341
Sundry Income - Movement	1,697	1,697	20
	<u>3,071,532</u>	<u>3,071,532</u>	<u>2,975,859</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

6. Cost of generating voluntary income

	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
Fundraising department costs and salaries	21,742	34,861	56,603	50,771
	<u>21,742</u>	<u>34,861</u>	<u>56,603</u>	<u>50,771</u>

7. Fundraising trading

	Unrestricted funds £	2010 Total £	2009 Total £
Shop Purchases - Fellowship	50,876	50,876	55,671
Lee Cottage Costs	17,495	17,495	3,382
	<u>68,371</u>	<u>68,371</u>	<u>59,053</u>

8. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2010 Total £	2009 Total £
Fellowship	1,808,678	60,094	1,868,772	1,923,527
International Students' Club	1,040,142	47,592	1,087,734	1,066,573
Household Communities	60,873	386	61,259	92,723
Movement	24,845	83,647	108,492	290,867
	<u>2,934,538</u>	<u>191,719</u>	<u>3,126,257</u>	<u>3,373,690</u>

9. Costs of charitable activities - by activity

	Activities undertaken directly £	Grant funding activities £	Support costs £	2010 Total £	2009 Total £
Fellowship	1,589,573	61,511	217,688	1,868,772	1,923,527
International Students' Club	1,013,762	-	73,972	1,087,734	1,066,573
Household Communities	61,259	-	-	61,259	92,723
Movement	23,790	84,702	-	108,492	290,867
	<u>2,688,384</u>	<u>146,213</u>	<u>291,660</u>	<u>3,126,257</u>	<u>3,373,690</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

10. Governance costs

	Unrestricted funds £	2010 Total £	2009 Total £
Trustees' honoraria	8,000	8,000	8,000
Trustees Indemnity Insurance	1,317	1,317	1,706
Auditor's Remuneration	15,223	15,223	15,803
Legal Fees, consultancy and subscriptions	36,471	36,471	23,484
Professional - Household Communities	-	-	2,028
Cost of trustees' meetings	2,536	2,536	3,939
Community Allowances	118,299	118,299	106,882
Employer's NIC	3,126	3,126	3,306
Motor and travelling costs	7,023	7,023	10,079
Bank charges and interest	1,873	1,873	5,492
	<u>193,868</u>	<u>193,868</u>	<u>180,719</u>

11. Analysis of support costs

	Lee Abbey Fellowship £	Lee Abbey International Students' Club £	Governance costs £	2010 Total £	2009 Total £
Staff costs	13,269	-	121,425	134,694	129,711
Other Establishment Costs	-	7,989	-	7,989	8,099
Insurance	29,826	21,218	-	51,044	58,347
Travelling	-	3,715	-	3,715	3,889
Communication and Information Technology	-	1,324	-	1,324	1,926
Office Expenses	-	21,516	-	21,516	20,804
Other Support Costs	-	464	7,023	7,487	10,186
Promotion costs	86,964	-	-	86,964	111,781
Activity Administration	51,516	-	-	51,516	37,639
Other office expenses	12,452	8,824	-	21,276	14,121
Bank Charges	-	-	1,873	1,873	5,492
Depreciation and impairment	-	8,922	-	8,922	8,355
Community Sundry Costs	12,461	-	-	12,461	9,172
Gratuities	11,200	-	-	11,200	720
	<u>217,688</u>	<u>73,972</u>	<u>130,321</u>	<u>421,981</u>	<u>420,242</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

12. Net incoming resources for the year

	2010	2009
	£	£
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	395,953	373,388
Auditors' remuneration	15,223	15,803
	<u> </u>	<u> </u>

13. Employees

Employment costs	2010	2009
	£	£
Wages and salaries	949,980	954,607
Social security costs	42,130	45,020
Pension costs	74,847	69,030
	<u>1,066,957</u>	<u>1,068,657</u>

No employee received emoluments of more than £60,000 (2009 - none)

Number of employees

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

	2010	2009
	Number	Number
Fellowship	92	93
International Students' Club	40	39
Household Communities	7	6
Governance	2	2
	<u>141</u>	<u>140</u>

13.1. Trustees' emoluments

Trustees' Honoraria	<u>8,000</u>	<u>8,000</u>
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Travel expenditure of £6,321 (2008 - £6,695) was reimbursed to the Trustees

14. Other interest

	2010	2009
	£	£
On loans repayable in five years or more	<u>413</u>	<u>12,623</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

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 £41,016 (2009 - £37,338).

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 £28,181 (2009 - £26,367).

	2010	2009
	£	£
Pension charge	<u>69,197</u>	<u>63,705</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.

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

17. Tangible fixed assets	Land and buildings freehold	Major Buildings Improvements	Fixtures, fittings and equipment	Motor vehicles	Total
Group	£	£	£	£	£
Cost					
At 1 May 2009	9,984,676	1,184,950	935,444	111,552	12,216,622
Additions	911	-	152,762	5,000	158,673
Disposals	-	-	(11,679)	(1,000)	(12,679)
At 30 April 2010	<u>9,985,587</u>	<u>1,184,950</u>	<u>1,076,527</u>	<u>115,552</u>	<u>12,362,616</u>
Depreciation					
At 1 May 2009	1,026,186	676,363	680,054	81,827	2,464,430
Charge for the year	197,460	89,508	100,038	8,947	395,953
On disposals	-	-	(11,679)	-	(11,679)
At 30 April 2010	<u>1,223,646</u>	<u>765,871</u>	<u>768,413</u>	<u>90,774</u>	<u>2,848,704</u>
Net book values					
At 30 April 2010	<u>8,761,941</u>	<u>419,079</u>	<u>308,114</u>	<u>24,778</u>	<u>9,513,912</u>
At 30 April 2009	<u>8,958,490</u>	<u>508,587</u>	<u>255,390</u>	<u>29,725</u>	<u>9,752,192</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.

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

		Fixtures, fittings and equipment	Total
		£	£
18.	<u>Tangible fixed assets</u>		
	<u>Charity</u>		
	<u>Cost</u>		
	At 1 May 2009 and		
	At 30 April 2010	4,459	4,459
	<u>Depreciation</u>		
	At 1 May 2009	3,143	3,143
	Charge for the year	329	329
	At 30 April 2010	3,472	3,472
	<u>Net book values</u>		
	At 30 April 2010	987	987
	At 30 April 2009	1,316	1,316

		Listed investments	Total
		£	£
19.	<u>Fixed asset investments</u>		
	<u>Group</u>		
	<u>Valuation</u>		
	At 1 May 2009	1,586	1,586
	Disposals	(1,392)	(1,392)
	Revaluations	37	37
	At 30 April 2010	231	231
	Historical cost as at 30 April 2010	231	231

All fixed asset investments are held within the United Kingdom

Charity

The charity holds no investments

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

20. Stocks
Group

	2010 £	2009 £
Household, estate and goods for resale	<u>104,632</u>	<u>101,212</u>

Charity

The charity holds no stock

21. Debtors
Group

	2010 £	2009 £
Trade debtors	15,009	29,491
Amounts owed by Scargill Movement	1,050,000	1,050,000
Other debtors	21,014	42,712
Prepayments and accrued income	196,196	130,882
Development work in progress	761,002	216,833
	<u>2,043,221</u>	<u>1,469,918</u>

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

Other debtors	500,000	500,000
Prepayments and accrued income	15,000	16,500
	<u>515,000</u>	<u>516,500</u>

22. Debtors
Charity

	2010 £	2009 £
Amounts owed by Scargill Movement	1,050,000	1,050,000
Amounts owed by group undertakings	35,000	-
Other debtors	9,819	23,240
	<u>1,094,819</u>	<u>1,073,240</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

23. Creditors: amounts falling due
within one year
Group

	2010	2009
	£	£
Bank loan	96,263	96,263
Other loans	150,000	400,000
Payments received on account	331,835	249,088
Trade creditors	376,742	377,296
Other taxes and social security	39,570	38,144
Other creditors	10,160	14,021
Accruals and deferred income	175,696	221,491
	<u>1,180,266</u>	<u>1,396,303</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 £300,000 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.

24. Creditors: amounts falling due
within one year
Charity

	2010	2009
	£	£
Bank loan	96,263	96,263
Other loans	150,000	400,000
Amounts owed to group undertakings	1,084,450	1,034,782
Accruals and deferred income	8,147	7,759
	<u>1,338,860</u>	<u>1,538,804</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 £300,000 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.

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

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

	2010	2009
	£	£
Bank loan	865,668	938,185
Other loans	265,000	-
Other taxes	20,876	37,032
Diocese of Exeter loan	50,000	50,000
	<u>1,201,544</u>	<u>1,025,217</u>

Loans

Repayable in one year or less, or on demand (Note 23)	246,263	496,263
Repayable between one and two years	346,263	96,263
Repayable between two and five years	338,789	338,789
Repayable in five years or more	495,616	553,133
	<u>1,426,931</u>	<u>1,484,448</u>

Repayable in five years or more

Bank loan	495,616	553,133
	<u>495,616</u>	<u>553,133</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

Interest is charged at a rate of 0.9125% over LIBOR. The company has purchased a maximum rate facility on the loan of 6.5% until 31 December 2009.

The other taxes totalling £37,032 (2009 - £53,188) are payable to H M Revenue & Customs under the Capital Goods Scheme over a remaining period of five years. The next year's instalment of £16,156 is classified in creditors' amounts due in less than one year.

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

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

	2010	2009
	£	£
Bank loan	865,668	938,185
Loans		
Repayable in one year or less, or on demand (Note 24)	246,263	496,263
Repayable between one and two years	346,263	96,263
Repayable between two and five years	288,789	288,789
Repayable in five years or more	495,616	553,133
	<u>1,376,931</u>	<u>1,434,448</u>

27. Analysis of net assets between funds
Group

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 April 2010 as represented by			
Tangible fixed assets	7,988,241	1,525,671	9,513,912
Investment assets	231	-	231
Current assets	3,561,665	1,149,843	4,711,508
Current liabilities	(1,180,266)	-	(1,180,266)
Long-term liabilities	(1,136,544)	(65,000)	(1,201,544)
	<u>9,233,327</u>	<u>2,610,514</u>	<u>11,843,841</u>

28. Analysis of net assets between funds
Charity

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 April 2010 as represented by			
Tangible fixed assets	987	-	987
Current assets	2,486,222	21,466	2,507,688
Current liabilities	(1,588,860)	-	(1,588,860)
Long-term liabilities	(865,668)	-	(865,668)
	<u>32,681</u>	<u>21,466</u>	<u>54,147</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

29. Unrestricted funds	At					At
Group	1 May	Incoming	Outgoing	Transfers	Gains and	30 April
	2009	resources	resources		losses	2010
	£	£	£	£	£	£
General Fund	545,276	3,565,019	(3,208,164)	153,746	37	1,055,914
Designated Bursary Fund	5,405	-	(8,824)	28,419	-	25,000
Property revaluation reserve	3,660,346	-	-	(59,009)	-	3,601,337
Investment revaluation reserve	2	-	-	-	(2)	-
Fixed assets reserve	4,675,763	-	(1,531)	(123,156)	-	4,551,076
	<u>8,886,792</u>	<u>3,565,019</u>	<u>(3,218,519)</u>	<u>-</u>	<u>35</u>	<u>9,233,327</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 investment revaluation reserve represents unrealised gains on the revaluation of investments held as fixed assets by the Lee Abbey Fellowship.

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

30. Unrestricted funds	At					At
Charity	1 May	Incoming	Outgoing	Transfers	Gains and	30 April
	2009	resources	resources		losses	2010
	£	£	£	£	£	£
General Fund	11,686	110,400	(89,405)	-	-	32,681
	<u>11,686</u>	<u>110,400</u>	<u>(89,405)</u>	<u>-</u>	<u>-</u>	<u>32,681</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 Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

31. <u>Restricted funds</u>	At	Incoming	Outgoing		At
<u>Group</u>	1 May	resources	resources	Transfers	30 April
	2009				2010
	£	£	£	£	£
Lee Abbey Towards Tomorrow	1,130,484	167,837	(34,861)	(223,244)	1,040,216
The Beacon (fixed assets reserve)	1,061,198	-	(42,420)	32,765	1,051,543
The Youth Suite (fixed assets reserve)	266,018	-	(10,973)	183,012	438,057
Kitchen (fixed assets reserve)	16,673	-	(5,115)	3,787	15,345
Camp (fixed assets reserve)	12,182	-	(1,586)	3,680	14,276
Building improvement fund	54,041	-	(47,592)	-	6,449
The Greenhill Trust fund	532	1,000	(250)	-	1,282
The Devon holiday fund	168	440	(136)	-	472
Provision of Hydro Electric Power	7,545	1,465	-	-	9,010
Scargill Movement	84,624	23	(83,647)	-	1,000
Aston Development	15,723	17,141	-	-	32,864
	<u>2,649,188</u>	<u>187,906</u>	<u>(226,580)</u>	<u>-</u>	<u>2,610,514</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.

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 Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

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

32. Restricted funds	At			At
Charity	1 May	Incoming	Outgoing	30 April
	2009	resources	resources	2010
	£	£	£	£
Pastoral Care	30,750	130,081	(140,365)	20,466
Scargill Movement	84,624	23	(83,647)	1,000
	<u>115,374</u>	<u>130,104</u>	<u>(224,012)</u>	<u>21,466</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. Financial commitments

At 30 April 2010 the company had annual commitments under non-cancellable operating leases as follows

	Other	
	2010	2009
	£	£
<u>Expiry date:</u>		
Within one year	<u>-</u>	<u>384</u>

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

34. Capital commitments

2010	2009
£	£

Details of capital commitments at the accounting date are as follows

Contracted for but not provided in the financial statements

<u>71,177</u>	<u>413,019</u>
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The capital commitment relates to the redevelopment of the Aston house and the completion of the Moos extension at Lynton. The above amount relates to the contract for the building, any additional professional fees are not included in the figure.

The amount spent to date is shown in note 21 in accordance with group policy as it is under the course of construction.

35. Contingent liabilities

H M Revenue and Customs are making enquiries into the tax status of part of the income from Lee Abbey International Students Club. Negotiations are currently taking place concerning this matter. The trustees are vigorously defending the position and strongly refute the interpretation of H M Revenue and Customs. In the event of the enquiry being successful, the amount payable to H M Revenue and Customs is provisionally calculated at a maximum of £150,000.

36. Related party transactions

At 30 April 2010, the Movement was owed £1,050,000 (2009 - £1,050,000) 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 2010, the Movement owed £100,000 (2009 - £100,000) to J Denniston and his wife. J Denniston is a trustee of Lee Abbey Movement.

37. 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.

The Lee Abbey Movement
(A company limited by guarantee)

Notes to financial statements
for the year ended 30 April 2010

38. Gross cash flows

	2010 £	2009 £
<u>Returns on investments and servicing of finance</u>		
Interest received	8,205	86,599
Interest paid	(1,873)	(18,049)
	<u>6,332</u>	<u>68,550</u>
<u>Capital expenditure and financial investment</u>		
Payments to acquire tangible assets	(158,673)	(174,993)
Receipts from sales of tangible assets	1,000	-
Receipts from sales of investments	1,391	2,503
	<u>(156,282)</u>	<u>(172,490)</u>
<u>Financing</u>		
New bank loan	-	1,050,000
New other loans	15,000	800,000
Repayment of bank loan	(72,517)	(1,053,052)
	<u>(57,517)</u>	<u>796,948</u>

39. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	2,632,592	(68,937)	-	2,563,655
Debt due within one year	(496,263)	250,000	-	(246,263)
Debt due after one year	(988,185)	57,517	(250,000)	(1,180,668)
	<u>(1,484,448)</u>	<u>307,517</u>	<u>(250,000)</u>	<u>(1,426,931)</u>
<u>Net funds</u>	<u>1,148,144</u>	<u>238,580</u>	<u>(250,000)</u>	<u>1,136,724</u>

40. 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