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Charity number: 1094098
Company number: 4428832

The Lee Abbey Movement
Trustees' report and financial statements
for the year ended 30 April 2005



The Lee Abbey Movement

Contents

	Page
Legal and administrative information	1 - 2
Trustees' report	3 - 5
Auditors' report to the members	6
Statement of financial activities	7
Group Balance Sheet	8
Charity Balance Sheet	9
Consolidated cash flow statement	10
Notes to the financial statements	11 - 26

The Lee Abbey Movement

Legal and administrative information

Status

The Charity is a private company limited by guarantee without share capital. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed by its Articles of Association.

The charity makes itself known as The Lee Abbey Movement.

Trustees	The Rt Revd J Perry Mr A J L Firman Dr G Haig The Rt Revd D Hallatt The Revd Canon Y Ladipo The Revd Canon A F Lawson Sr S McCarten The Revd A Martin-Doyle Mr C Rogers The Revd D Runcorn Mr J Turner Mr S Weatherley Canon D Witts
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Secretary	Mr G Bishop
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Company number	4428832
Charity number	1094098

Registered office	Lee Abbey Lynton Devon EX35 6JJ
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Auditors	Davison Bedworth Limited 96 High Street Ilfracombe Devon EX34 9NH
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Business address	Lee Abbey Lynton Devon EX35 6JJ
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The Lee Abbey Movement

Legal and administrative information

Bankers

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

Solicitors

Carter Lemon Camerons
11 Bream Buildings
London
EX4A 1DW

The Lee Abbey Movement

Trustees' report **for the year ended 30 April 2005**

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charitable company and group for the year ended 30 April 2005.

Legal and administrative information set out on page 1 forms part of this report.

Charitable objects

The object of the charity and its principal activity continues to be the advancement of the Christian religion through the promotion and extension of the Kingdom of our Lord Jesus Christ in any part of the world, the promotion of fellowship for progressive Christian action and the extension of the Christian faith by every available means. These objectives are fulfilled through three operating subsidiary charities which share the same Council.

Structure, governance and management

The Charity is constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association. The Charity is one of four charities under the common control of the Lee Abbey Council. The Lee Abbey Movement is regarded as the parent Charity, and prepares consolidated accounts. The Council members shown on page 1 are the Trustees of The Lee Abbey Movement and are directors of the company. The Council meets three or four times a year. It has appointed a Standing Committee which meets three times a year.

Trustees

The Trustees, who are directors for the purposes of company law and trustees for the purposes of charity law, who served during the year are listed on page 1.

As the charitable company is limited by guarantee and has no share capital, there are no individual share interests to be disclosed. The Trustees are the sole guarantors/members of each company in this group.

Review of activities and achievements

The Movement carries out management and fund raising activities for the Group through the Lee Abbey Friends. Friends donations received during the year amounted to £144,217, an increase of 32.6% on 2003/04.

At the International Students' Club demand for student accommodation remains high, and we have many more applications for long-term student beds than we can accommodate during term time. The occupancy level during vacations has been significantly better this year and well above budget. This improvement is largely the result of steps we have taken to strengthen our advertising of such vacancies, and in particular by networking with language schools.

The Household Communities have continued to serve their local communities and churches and the Leaders and Members are greatly valued and appreciated by them. Although small in number they are a respected and valued presence and a source of wisdom and advice to many as well as being of invaluable support to local church leaders.

In Devon April 2004 saw the completion of the building of The Beacon Youth and Outdoor Activity Centre. The official opening and dedication of the building by the Rt. Revd. John Perry Chairman of the Lee Abbey Movement took place in June. Since its opening, over one thousand children and young people have benefited from this new facility. There have been many mid-week school groups, church youth weekends and we have also been able to work in partnership with organisations like Care for the Family and CPAS Falcon Camps. Links with Exeter Diocese and churches of other denominations in the Devon and Somerset area continue to be strengthened and appreciated. Examples of this include a series of one day conferences for ordained and lay leaders at Lee Abbey, and plans for Lee Abbey one day conferences at Buckfastleigh in South Devon.

An ever deepening commitment to environmental issues is a hallmark of the Lee Abbey Movement. This is shown by the work on an environmental policy which our estate manager in Devon is developing, and our new agreement of understanding with "A Rocha" a Christian environmental organisation, with similar vision and values to the Lee Abbey Movement.

The Lee Abbey Movement

Trustees' report **for the year ended 30 April 2005**

Transactions and financial position

The Group Statement of Financial Activities shows a net outflow of £117,704 on our general funds for the year to 30 April 2005. The outflow is a result of the performance of the Fellowship in Devon which has experienced a drop in fee income. A review of their cost structures, pricing and marketing has been undertaken and a three year plan has been put into place to bring them back into a financially stable position. Other constituent parts of the Movement have shown small surpluses during the year.

Fund-raising has continued at a low level during the year resulting in a net inflow of £152,206 after fund raising costs, the official launch of the "Towards 2006" appeal in Devon took place in June 2005. The charge of £138,772 to the restricted funds as direct costs represent depreciation charges in London and Devon and none capital setup costs of The Beacon.

Tangible fixed assets for use by the charity

Details of the movement in tangible fixed assets are set out in note 17 to the accounts. The fixed asset of The Beacon shown in last years accounts of The Lee Abbey Fellowship as "Assets under the course of construction" was brought into use on 1 May 2004. The opening cost of Freehold land and buildings has been increased by £1,571,698 and Fixtures fittings and equipment by £53,897. Certain freehold land and buildings had been revalued in the predecessor unincorporated charity in 1990 and where necessary had been depreciated. At 1 May 2003 this has resulted in a net surplus on revaluation of £974,441. The company has treated the written down values of freehold land and buildings as its historic cost on transfer to this company and therefore no revaluation reserve is shown in these accounts.

Reserves

The Movement seeks to maintain liquid unrestricted funds at a level of three months expenditure which provides sufficient funds to cover unexpected costs or other expenditure which arises from time to time. At the year end there were in excess of four months expenditure in cash.

Investment powers, policy and performance

Under the Memorandum and Articles of Association the charity has the power to make any investments which the trustees see fit. *The trustees make and hold investments using the general funds of the group.* Following their strong run since last autumn, global equity markets have struggled to make much progress in the first quarter of 2005, the UK market making small gains. Overall our portfolio has benefited from the continued rise in the markets and has risen in capital vales by 8% compared to the beginning of the year. Income yields ranged from 2.1% to 7.8%, with an average across all investments of 4.2%.

Council has agreed to sell its investments.

Grant making policy

This year the value of bursary grants was £71,375 (2004 £87,595), The Fellowship has set levels of bursary grants for UK students, stipendiary ministers of religion and missionaries. For those who do not fall within these categories applications can be made to the Warden. Other grants are given at the discretion of the Warden.

Risk management

During the year, management and Trustees reviewed a range of potential operational and wider risks to the charity. The major risks to which the charity is exposed have been considered and systems are being established to mitigate them

The Lee Abbey Movement

Trustees' report for the year ended 30 April 2005

Statement of trustees' responsibilities

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any 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 charity will continue in business.

The trustees have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. 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

Davison Bedworth Limited were appointed auditors to the charity and a resolution proposing their reappointment will be put to the Annual General Meeting.

This report was approved by the trustees on 3 December 2005 and signed on its behalf by

Mr G Bishop

A handwritten signature in black ink, appearing to read 'G. Bishop', written over a horizontal line.

The Lee Abbey Movement

Independent auditors' report to the members of The Lee Abbey Movement

We have audited the financial statements of The Lee Abbey Movement for the year ended 30 April 2005 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's Members, as a body, in accordance with Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's Members those matters we are required to state to them in an auditors' 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 charity and the charity's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustee trustees and auditors

As described in the statement of trustees' responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees report is not consistent with the financial statements, if 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 transactions with the charitable company is not disclosed.

We read the trustees report and consider the implications for our report if we become aware of any apparent misstatements within it.

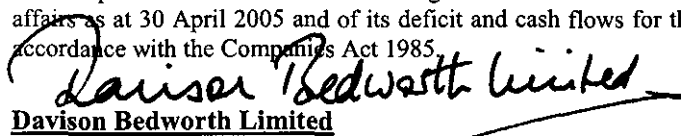
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's and group's affairs as at 30 April 2005 and of its deficit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Davison Bedworth Limited
Chartered Accountants and
Registered Auditors
3 December 2005

96 High Street
Ilfracombe
Devon
EX34 9NH

The Lee Abbey Movement

Group Statement of financial activities (including Income and Expenditure Account) For the year ended 30 April 2005

	Notes	Unrestricted funds £	Restricted funds £	2005 Total £	2004 Total £
<u>Incoming resources</u>					
Donations	2	187,755	152,339	340,094	508,017
Legacies	3	5,468	-	5,468	13,143
Grants	4	-	-	-	3,816,855
Activities in furtherance of the charity's objects	5	2,412,831	-	2,412,831	2,369,013
Activities for generating funds:					
Shop income	6	78,330	-	78,330	72,780
Income from investments	7	37,634	5,405	43,039	48,981
Other incoming resources	8	22,169	16,124	38,293	52,348
<u>Total incoming resources</u>		<u>2,744,187</u>	<u>173,868</u>	<u>2,918,055</u>	<u>6,881,137</u>
<u>Less: Cost of generating funds</u>					
Shop expenditure	9	(44,473)	-	(44,473)	(42,216)
Fundraising and publicity	10	(15,017)	(21,662)	(36,679)	(74,160)
		<u>(59,490)</u>	<u>(21,662)</u>	<u>(81,152)</u>	<u>(116,376)</u>
<u>Net incoming resources available for charitable application</u>		<u>2,684,697</u>	<u>152,206</u>	<u>2,836,903</u>	<u>6,764,761</u>
<u>Charitable expenditure</u>					
Grants payable	11	(74,969)	-	(74,969)	(93,915)
Cost of activities in furtherance of the charity's objects:					
Direct costs	12	(2,563,940)	(138,772)	(2,702,712)	(2,505,959)
Management and administration	13	(172,306)	-	(172,306)	(151,425)
<u>Total charitable expenditure</u>		<u>(2,811,215)</u>	<u>(138,772)</u>	<u>(2,949,987)</u>	<u>(2,751,299)</u>
<u>Total resources expended</u>		<u>(2,870,705)</u>	<u>(160,434)</u>	<u>(3,031,139)</u>	<u>(2,867,675)</u>
<u>Net incoming resources</u>					
<u>- Net (expenditure)/income for the year</u>		<u>(126,518)</u>	<u>13,434</u>	<u>(113,084)</u>	<u>4,013,462</u>
Gains and losses on revaluations and disposals of investment assets		8,814	-	8,814	7,975
<u>Net movement in funds</u>		<u>(117,704)</u>	<u>13,434</u>	<u>(104,270)</u>	<u>4,021,437</u>
Total funds brought forward		<u>8,313,376</u>	<u>1,803,145</u>	<u>10,116,521</u>	<u>6,095,084</u>
<u>Total funds carried forward</u>		<u>8,195,672</u>	<u>1,816,579</u>	<u>10,012,251</u>	<u>10,116,521</u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and charitable expenditure are derived from continuing activities.

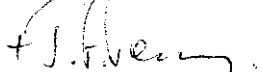
The notes on pages 11 to 26 form an integral part of these financial statements.

The Lee Abbey Movement

Group Balance Sheet
as at 30 April 2005

	Notes	2005	2004
		£	£
<u>Fixed assets</u>			
Tangible assets	17	10,585,357	10,612,252
Investments	18	119,894	111,080
		<u>10,705,251</u>	<u>10,723,332</u>
<u>Current assets</u>			
Stocks	19	91,903	93,201
Debtors	20	250,580	217,093
Cash at bank and in hand		1,130,422	1,101,441
		<u>1,472,905</u>	<u>1,411,735</u>
<u>Creditors: amounts falling due within one year</u>	21	<u>(842,889)</u>	<u>(639,046)</u>
<u>Net current assets</u>		<u>630,016</u>	<u>772,689</u>
<u>Total assets less current liabilities</u>		<u>11,335,267</u>	<u>11,496,021</u>
<u>Creditors: amounts falling due after more than one year</u>	22	<u>(1,323,016)</u>	<u>(1,379,500)</u>
<u>Net assets</u>		<u><u>10,012,251</u></u>	<u><u>10,116,521</u></u>
<u>Funds</u>			
Unrestricted funds	24	8,195,672	8,397,376
Restricted funds	25	1,816,579	1,719,145
		<u><u>10,012,251</u></u>	<u><u>10,116,521</u></u>

The financial statements were approved by the Board on 3 December 2005 and signed on its behalf by



The Rt Revd J Perry


The notes on pages 11 to 26 form an integral part of these financial statements.

The Lee Abbey Movement

Charity Balance Sheet
as at 30 April 2005

	Notes	2005		2004	
		£	£	£	£
<u>Fixed assets</u>					
Tangible assets	17		2,392		1,049
			<u>2,392</u>		<u>1,049</u>
<u>Current assets</u>					
Debtors	20	2,865		6,177	
Cash at bank and in hand		16,934		13,488	
		<u>19,799</u>		<u>19,665</u>	
<u>Creditors: amounts falling due within one year</u>	21	<u>(23,796)</u>		<u>(4,328)</u>	
<u>Net current assets</u>			<u>(3,997)</u>		<u>15,337</u>
<u>Net assets</u>			<u>(1,605)</u>		<u>16,386</u>
<u>Funds</u>					
Unrestricted funds	24		(2,622)		14,286
Restricted funds	25		1,017		2,100
			<u>(1,605)</u>		<u>16,386</u>

The financial statements were approved by the Board on 3 December 2005 and signed on its behalf by


The Rt Revd J Perry

The notes on pages 11 to 26 form an integral part of these financial statements.

The Lee Abbey Movement

Cash flow statement for the year ended 30 April 2005

	Notes	2005 £	2004 £
<u>Reconciliation of changes in resources to net inflow from operating activities</u>			
Net (outgoing)/incoming resources		(104,270)	4,021,437
Gains and losses on revaluations of investments		(8,814)	(7,975)
Interest payable		80,683	67,420
Transfer of assets from unincorporated charity		-	(2,165,253)
Depreciation		444,056	210,796
Decrease in stocks		1,298	(86,215)
(Increase) in debtors		(33,487)	(128,021)
Increase in creditors		148,009	474,210
<u>Net cash inflow from operating activities</u>		<u>527,475</u>	<u>2,386,399</u>
<u>Cash flow statement</u>			
Net cash inflow from operating activities		527,475	2,386,399
Returns on investments and servicing of finance	29	(80,683)	(67,420)
Capital expenditure and financial investment	29	(417,161)	(1,456,075)
<u>Increase in cash in the year</u>		<u>29,631</u>	<u>862,904</u>
<u>Reconciliation of net cash flow to movement in net funds (Note 30)</u>			
<u>Increase in cash in the year</u>		29,631	862,904
Cash inflow from decrease in debts and lease financing		(101,516)	-
Change in net funds resulting from cash flows		(71,885)	862,904
<u>Net debt at 1 May 2004</u>		<u>(181,459)</u>	<u>1,044,363</u>
<u>Net funds at 30 April 2005</u>	30	<u>(253,344)</u>	<u>(181,459)</u>

The Lee Abbey Movement

Notes to the financial statements **for the year ended 30 April 2005**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investments and follow the recommendations in 'Accounting and Reporting by Charities: Statement of Recommended Practice' (SORP) issued in October 2000.

The group is comprised of registered charities, and so achievements cannot be measured by normal commercial criteria of profit and loss. Accordingly, in order to give a true and fair view the directors have applied the provisions of section 226 (5) of the Companies Act 1985 and have presented a Statement of Financial Activities instead of a profit and loss account. This has been prepared in accordance with the SORP and in the opinion of the directors better reflects the special nature of the group's activities.

1.2. Basis of Consolidation

The group financial statements consolidate the accounts of The Lee Abbey Movement and all its subsidiary undertakings - The Lee Abbey Fellowship, Lee Abbey Household Communities, and International Students Club (Lee Abbey) Limited - made up to 30 April 2005 each year; the group Statement of Financial Activities includes the results of all subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal.

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 304 of SORP 2000.

1.3. Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Income from the charity shop and tea cottage 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.

The Lee Abbey Movement

Notes to the financial statements **for the year ended 30 April 2005**

1.4. Resources expended

This is accounted for when incurred and includes all attributable VAT which cannot be recovered. Where costs relate to more than one financial category then they have been split according to an estimate based on staff time.

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

Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold buildings	-	2.5% reducing balance
Major building improvements	-	ten to fifteen years
Fixtures, fittings and equipment	-	25% reducing balance
Motor vehicles	-	25% per annum

1.6. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7. Investments

Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on valuation is taken to the Statement of Financial Activities.

1.8. Stock

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

1.9. Pensions

Defined contribution and stakeholder schemes. These schemes apply to all employees on a contract of three years or more who are not Church of England clergy. The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

Defined benefits scheme. This scheme applies to employees who are clergy in the Church of England and employed by The Lee Abbey Movement. The company participates in the Church of England Funded Pension Scheme which is a defined benefit scheme but the 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. The latest valuation of the Scheme was carried out as at 31 December 2003, and the The Lee Abbey Movement contribution rate increased from 29.5% to 33.8% of pensionable stipends with effect from 1st April 2005. For schemes of this nature paragraph 9(b) of FRS 17 requires the The Lee Abbey Movement to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

2. Donations

	Unrestricted funds £	Restricted funds £	2005 £	2004 £
Donations	46,370	152,339	198,709	386,878
Lee Abbey Friends Income	84,023	-	84,023	63,580
Bursary Donations Received	37,632	-	37,632	39,828
Camp Thank Offering	2,962	-	2,962	3,117
Charity Concessions	16,768	-	16,768	14,614
	<u>187,755</u>	<u>152,339</u>	<u>340,094</u>	<u>508,017</u>

3. Legacies

	Unrestricted funds £	2005 £	2004 £
Legacies	5,468	5,468	13,143
	<u>5,468</u>	<u>5,468</u>	<u>13,143</u>

4. Grant income

	2005 £	2004 £
Net Assets transferred from unincorporated charity	-	3,816,855
	<u>-</u>	<u>3,816,855</u>

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

5. Activities in furtherance of the charity's objects

	Unrestricted funds	2005	2004
	£	£	£
Fees	2,041,653	2,041,653	1,885,503
Commission	1,543	1,543	1,086
Fees remission	95,165	95,165	119,349
Sundry income	15,726	15,726	141,323
Camp Fees	39,836	39,836	37,105
Community keep and contributions	145,794	145,794	113,644
Estate Income	31,911	31,911	28,502
Abbey and Students Club amenities income	41,203	41,203	42,501
	<u>2,412,831</u>	<u>2,412,831</u>	<u>2,369,013</u>

6. Activities for generating funds

	Unrestricted funds	2005	2004
	£	£	£
<u>Shop income and expenditure</u>			
Income:			
Shop sales	64,386	64,386	55,949
Lee cottage income	13,944	13,944	16,831
Total shop income	<u>78,330</u>	<u>78,330</u>	<u>72,780</u>
Expenditure:			
Shop purchases	38,682	38,682	35,017
Lee cottage costs	5,791	5,791	7,199
Total shop expenditure	<u>44,473</u>	<u>44,473</u>	<u>42,216</u>
Net income from trading	<u>33,857</u>	<u>33,857</u>	<u>30,564</u>

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

7. Investment income

	Unrestricted funds £	Restricted funds £	2005 £	2004 £
Interest and dividends receivable	37,634	5,405	43,039	48,981
	<u>37,634</u>	<u>5,405</u>	<u>43,039</u>	<u>48,981</u>

8. Other incoming resources

	Unrestricted funds £	Restricted funds £	2005 £	2004 £
Other income - Tax reclaimed	22,169	16,124	38,293	52,348
	<u>22,169</u>	<u>16,124</u>	<u>38,293</u>	<u>52,348</u>

9. Cost of generating funds

	Unrestricted funds £	2005 £	2004 £
Purchases	38,682	38,682	35,017
Tea cottage costs	5,791	5,791	7,199
	<u>44,473</u>	<u>44,473</u>	<u>42,216</u>

10. Cost of generating funds

	Unrestricted funds £	Restricted funds £	2005 £	2004 £
Wages and salaries	-	16,847	16,847	45,187
Post, printing and stationery	15,017	-	15,017	15,623
General expenses	-	4,815	4,815	9,726
Subscriptions and donations	-	-	-	3,624
	<u>15,017</u>	<u>21,662</u>	<u>36,679</u>	<u>74,160</u>

The Lee Abbey Movement

Notes to the financial statements
for the year ended 30 April 2005

11. Grants payable

	2005 £	2004 £
Grants payable	74,969	93,915
	<u>74,969</u>	<u>93,915</u>

12. Costs of activities in furtherance of the objects of the charity

	Unrestricted funds £	Restricted funds £	2005 £	2004 £
Community allowances and salaries	787,874	-	787,874	777,563
Catering costs	411,614	-	411,614	370,090
Pastoral activity conference	68,282	-	68,282	75,471
Activity administration	58,553	-	58,553	85,765
Maintenance and establishment costs	428,790	-	428,790	452,149
Camp costs	32,722	-	32,722	34,753
Promotions costs	54,306	-	54,306	51,229
Estate costs	43,388	-	43,388	45,848
The Beacon	72,966	17,310	90,276	34,812
Rent payable	19,203	-	19,203	10,100
Outside decoration costs	-	-	-	103,130
Vehicle and travel costs	18,092	-	18,092	18,351
Legal and professional	19,732	-	19,732	7,891
Insurance	40,337	-	40,337	34,291
Office expenses	27,609	-	27,609	52,112
Hire of equipment	20,891	-	20,891	18,984
Community, pastoral and mission etc	28,509	-	28,509	33,671
Sundry expenses	17,725	-	17,725	11,521
Interest and charges	90,753	-	90,753	77,432
Depreciation	320,368	121,462	441,830	206,881
Loss on disposal of tangible assets	2,226	-	2,226	3,915
	<u>2,563,940</u>	<u>138,772</u>	<u>2,702,712</u>	<u>2,505,959</u>

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

13. Management and administration

	2005 £	2004 £
Community allowances	131,132	105,477
Management and administration of the Charity	20,296	33,640
Legal and professional	4,472	2,524
Accountancy fees	-	1,283
Audit fees	16,406	8,501
	<u>172,306</u>	<u>151,425</u>

14. Operating (deficit)/gain

	2005 £	2004 £
Operating (deficit)/gain is stated after charging:		
Depreciation	441,830	206,881
Loss on disposal of tangible fixed assets	2,226	3,915
Operating lease rentals		
- Plant and machinery	-	103,130
- Land and buildings	19,203	10,100
Auditors' remuneration	16,406	8,501
	<u>479,465</u>	<u>332,527</u>

15. Employees

Number of employees

The average monthly numbers of employees during the year were:

	2005 Number	2004 Number
Lee Abbey Fellowship	100	88
International Students' Club	39	43
Household Communities	7	7
Management and administration	2	2
	<u>148</u>	<u>140</u>

Employment costs

	Cost of generating funds £	Charitable expenditure £	2005 £	2004 £
Wages and salaries	16,847	860,137	876,984	871,681
Social security costs	-	15,518	15,518	16,337
Other pension costs	-	43,351	43,351	40,209
	<u>16,847</u>	<u>919,006</u>	<u>935,853</u>	<u>928,227</u>

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

	Unrestricted	Restricted	2005	2004
	£	£	£	£
Wages and salaries	860,137	16,847	876,984	871,681
Social security costs	15,518	-	15,518	16,337
Other pension costs	43,351	-	43,351	40,209
	<u>919,006</u>	<u>16,847</u>	<u>935,853</u>	<u>928,227</u>

No employee received emoluments of more than £50,000.

15.1. Trustees' emoluments

	2005	2004
	£	£
Remuneration and other emoluments	<u>2,000</u>	<u>2,000</u>

During the year, travel expenditure of £7,759 (2004: £6,075) was reimbursed to the Trustees. Carter Lemon Camerons, of which Mr A Firman is a partner, received legal fees totalling £2,248.

16. Pension costs

The company 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 £26,902 (2004 - £29,673).

The company also 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 £23,796 (2004 - £14,916).

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

17. Tangible fixed assets	Land and buildings freehold £	Major Building improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<u>Group</u>					
<u>Cost</u>					
At 1 May 2004	9,479,570	974,798	672,366	64,754	11,191,488
Additions	140,146	117,603	144,431	17,481	419,661
Disposals	-	-	(21,761)	(2,976)	(24,737)
At 30 April 2005	<u>9,619,716</u>	<u>1,092,401</u>	<u>795,036</u>	<u>79,259</u>	<u>11,586,412</u>
<u>Depreciation</u>					
At 1 May 2004	38,426	223,247	280,454	37,109	579,236
On disposals	-	-	(18,124)	(1,887)	(20,011)
Charge for the year	203,187	91,211	135,522	11,910	441,830
At 30 April 2005	<u>241,613</u>	<u>314,458</u>	<u>397,852</u>	<u>47,132</u>	<u>1,001,055</u>
<u>Net book values</u>					
At 30 April 2005	<u>9,378,103</u>	<u>777,943</u>	<u>397,184</u>	<u>32,127</u>	<u>10,585,357</u>
At 30 April 2004	<u>9,441,144</u>	<u>751,551</u>	<u>391,912</u>	<u>27,645</u>	<u>10,612,252</u>

The freehold land and buildings held by the Lee Abbey Fellowship had been revalued in the predecessor unincorporated charity in 1990 and where necessary have been depreciated. At 1 May 2003 this has resulted in a net surplus on revaluation of £974,441. The company has treated the written down values of freehold land and buildings as its historic cost on transfer to this company and therefore no revaluation reserve is shown in these accounts. The fixed asset of The Beacon shown in last year's Lee Abbey Fellowship accounts as 'Assets under the course of construction' was brought into use on 1 May 2004. The opening cost of Freehold land and buildings has been increased by £1,571,698 and Fixtures fittings and equipment increased by £53,897.

Freehold property held by the Lee Abbey International Students Club (London) is included at its 1989 valuation plus additions to date. The 1989 valuation was made at an open market value based on a continuing existing use. Following the implementation of SORP 2000, the trustees have chosen not to adopt a policy of stating freehold property at current valuation. There are no fixed assets not capitalised. Depreciation is not charged on freehold land. Freehold land and building includes £1,300,000 with regard to freehold land. The additions in the year are due to the operation of the Capital Goods Scheme as the company is now partially exempt. The additions are the calculation of the VAT due over the remainder of the period under the scheme. Major improvements are capitalised and depreciated. The original cost of the buildings was £2,326,713.

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

	Land and buildings freehold £	Major Building improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<u>Charity</u>					
<u>Cost</u>					
Cost or valuation					
At 1 May 2004	-	-	1,573	-	1,573
Additions	-	-	2,140	-	2,140
At 30 April 2005	-	-	3,713	-	3,713
<u>Depreciation</u>					
At 1 May 2004	-	-	524	-	524
Charge for the year	-	-	797	-	797
At 1 May 2004	-	-	-	-	-
At 30 April 2005	-	-	1,321	-	1,321
<u>Net book values</u>					
At 30 April 2005	-	-	2,392	-	2,392
At 30 April 2004	-	-	1,049	-	1,049

18. Fixed asset investments **Group**

	Listed investments £	Total £
<u>Cost</u>		
At 1 May 2004	111,080	111,080
Revaluations	8,814	8,814
At 30 April 2005	119,894	119,894
<u>Net book values</u>		
At 30 April 2005	119,894	119,894
At 30 April 2004	111,080	111,080

The cost of the Listed Investments owned by the charity is £103,105.

Included in the above is cash held by the charities brokers of £8,989 (£8,414). This cash is held to be used for investments.

Charity

The charity holds no fixed asset investments

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

<u>19. Stocks</u>	2005	2004
<u>Group</u>	£	£
Household, estate and goods for resale	<u>91,903</u>	<u>93,201</u>

Charity

The charity holds no stocks or consumables.

<u>20. Debtors</u>	2005	2004
<u>Group</u>	£	£
Trade debtors	20,111	34,478
Other debtors	12,075	27,244
Prepayments and accrued income	218,394	155,371
	<u>250,580</u>	<u>217,093</u>

Charity

	2005	2004
	£	£
Amounts owed by group undertakings	-	4,192
Other debtors	2,865	1,985
	<u>2,865</u>	<u>6,177</u>

Group

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

Prepayments and accrued income	<u>22,500</u>	<u>24,000</u>
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Charity

The charity has no debtors due in more than one year.

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

**21. Creditors: amounts falling due
within one year**

Group

	2005	2004
	£	£
Bank overdraft	-	650
Bank loan	58,000	58,000
Payments received on account	313,502	259,300
Trade creditors	170,773	161,219
Other taxes and social security costs	31,532	13,679
Other creditors	5,009	33,081
Accruals and deferred income	264,073	113,117
	<u>842,889</u>	<u>639,046</u>

Charity

	2005	2004
	£	£
Amounts owed to group undertaking	19,814	1,560
Accruals and deferred income	3,982	2,768
	<u>23,796</u>	<u>4,328</u>

**22. Creditors: amounts falling due
after more than one year**

Group

	2005	2004
	£	£
Bank loan	1,219,500	1,377,500
Other creditors including long term VAT	103,516	2,000
	<u>1,323,016</u>	<u>1,379,500</u>

Loans

Repayable in one year or less, or on demand (Note 21)	60,750	60,750
Repayable between one and two years	58,000	58,000
Repayable between two and five years	174,000	174,000
Repayable in five years or more	989,500	1,147,500
	<u>1,282,250</u>	<u>1,440,250</u>

The bank loan is secured by a charge over the freehold land and property and is repayable over a 25 year period from 30 April 2004. Interest is charged at a rate of 0.9125% over LIBOR. The company has purchased a maximum rate facility on this loan of 6.5% until 31 December 2009. Of the amount of £103,516 above the sum of £101,516 is payable to H M Revenue & Customs under the Capital Goods Scheme over a period of eight years.

Charity

The charity has no creditors that are due in more than one year.

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

23. Analysis of net assets between funds

Group

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 30 April 2005 as represented by:			
Tangible fixed assets	9,062,283	1,523,074	10,585,357
Investment assets	119,894	-	119,894
Current assets	1,161,337	311,568	1,472,905
Current liabilities	(824,826)	(18,063)	(842,889)
Long-term liabilities	(1,323,016)	-	(1,323,016)
	<u>8,195,672</u>	<u>1,816,579</u>	<u>10,012,251</u>

Charity

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 30 April 2005 as represented by:			
Tangible fixed assets	2,392		2,392
Current assets	15	19,784	19,799
Current liabilities	5,029	18,767	(23,796)
	<u>(2,622)</u>	<u>1,017</u>	<u>(1,605)</u>

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

24. Unrestricted funds	1 May 2004	Incoming	Outgoing	Transfers	30 April 2005
<u>Group</u>	£	£	£	£	£
General fund	3,790,891	2,752,843	(2,745,566)	-	3,798,168
Designated bursary fund	5,075	158	-	-	5,233
Revaluation fund	4,517,410	-	(125,139)	-	4,392,271
	<u>8,313,376</u>	<u>2,753,001</u>	<u>(2,870,705)</u>	<u>-</u>	<u>8,195,672</u>

Purposes of unrestricted funds

General 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.

The balance in the bursary fund represents monies designated for that purpose even though there is no legal force to the designation.

Charity	1 May 2004	Incoming	Outgoing	Transfers	30 April 2005
	£	£	£	£	£
General fund	14,286	77,558	(85,866)	(8,600)	(2,622)
	<u>14,286</u>	<u>77,558</u>	<u>85,866</u>	<u>(8,600)</u>	<u>(2,622)</u>

Purposes of unrestricted funds

General 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.

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

25. <u>Restricted funds</u>	1 May 2004	Incoming	Outgoing	Transfers	30 April 2005
<u>Group</u>	£	£	£	£	£
Lee Abbey Towards Tomorrow	1,511,659	172,868	(111,130)	-	1,573,397
Building improvement fund	291,486	-	(49,304)	-	242,182
Coffee bar	-	1,000	-	-	1,000
	<u>1,803,145</u>	<u>173,868</u>	<u>(160,434)</u>	<u>-</u>	<u>1,816,579</u>

Purposes of restricted funds

The balance in the Lee Abbey Towards Tomorrow appeal is for a capital building project at Lee Abbey.

The balance in the Building Improvement fund represents monies received for improvements to the International Students Club buildings.

The balance of the Coffee bar fund represents monies received that are to be used for a free coffee bar at the International Students Club.

	1 May 2004	Incoming	Outgoing	Transfers	30 April 2005
<u>Charity</u>	£	£	£	£	£
Pastoral care	2,100	114,217	(123,900)	8,600	1,017
	<u>2,100</u>	<u>114,217</u>	<u>(123,900)</u>	<u>8,600</u>	<u>1,017</u>

26. Financial commitments

At 30 April 2005 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2005	2004	2005	2004
	£	£	£	£
<u>Expiry date:</u>				
Within one year	13,140	11,700	-	-
Between one and five years	-	-	9,336	16,011
	<u>13,140</u>	<u>11,700</u>	<u>9,336</u>	<u>16,011</u>

The Lee Abbey Movement

Notes to the financial statements for the year ended 30 April 2005

27. Capital commitments

2005	2004
£	£

Details of capital commitments at the accounting date are as follows:

Contracted for but not provided in the financial statements

<u>104,162</u>	<u>112,514</u>
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28. Controlling interest

The company is controlled by its Council. No Council member has overall control. The Trustees are the sole guarantors of this company. The liability of each member is limited to £10.

29. Gross cash flows

2005	2004
£	£

Returns on investments and servicing of finance

Interest paid

<u>(80,683)</u>	<u>(67,420)</u>
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Capital expenditure and financial investment

Payments to acquire tangible assets

<u>(419,661)</u>	<u>(1,356,696)</u>
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Payments to acquire investments

-	<u>(103,105)</u>
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Receipts from sales of tangible assets

<u>2,500</u>	<u>3,726</u>
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<u>(417,161)</u>	<u>(1,456,075)</u>
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30. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,101,441	28,981	1,130,422
Overdrafts	(650)	650	-
	<u>1,100,791</u>	<u>29,631</u>	<u>1,130,422</u>
Debt due within one year	(60,750)	-	(60,750)
Debt due after one year	(1,221,500)	(101,516)	(1,323,016)
	<u>(1,282,250)</u>	<u>(101,516)</u>	<u>(1,383,766)</u>
<u>Net funds</u>	<u>(181,459)</u>	<u>(71,885)</u>	<u>(253,344)</u>