



Scargill Movement
Lives shared, lives transformed

COUNCIL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 DECEMBER 2011

SCARGILL MOVEMENT
(A company limited by guarantee)

Registered Charity Number: 1127838
Company Number: 06778628

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Scargill Movement
(A company limited by guarantee)

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Scargill Movement
(A company limited by guarantee)

Report of the council (incorporating the directors' report)
for the year ended 31 December 2011

Charity number	1127838		
Company registration number	06778628		
Registered office and Business address	Scargill House Kettlewell Skipton North Yorkshire BD23 5HU		
Council	Rt Revd Chris Edmondson Tony Hesselwood John Fell Susie Mapledoram Philip Ratcliff Stephen Weatherley Revd Hilary Young Clive Rowe-Evans Revd Canon Felicity Lawson Sister Jocelyn Carter	- appointed 10 February 2011 - appointed 10 February 2011	
Community director	Revd Phil Stone		
Project director	Simon Browning		
Statutory auditor	Stubbs Parkin Taylor & Co Limited Chartered Accountants 18A London Street Southport Merseyside PR9 0UE		
Bankers	Barclays bank plc 49 High Street Skipton BD23 1DH	The Co-operative bank P O Box 250 Delf House Skelmersdale WN8 6WT	CCLA 80 Cheapside London EC2V 6DZ
Solicitors	Napthens 7 Winkley Square Preston PR1 3DJ		

Scargill Movement
(A company limited by guarantee)

Report of the council (incorporating the directors' report)
for the year ended 31 December 2011

The council present their report and the financial statements for the year ended 31 December 2011. The council, who are also directors for the purposes of company law and who served during the year up to the date of this report are as follows

Rt Revd Chris Edmondson	Chairman
Tony Hesselwood	Vice Chairman
John Fell	
Susie Mapledoram	
Philip Ratcliff	
Andy Ryland	- resigned 8 March 2012
Stephen Weatherley	
Revd Hilary Young	
Clive Rowe-Evans	
Revd Canon Felicity Lawson	- appointed 10 February 2011
Sister Jocelyn Carter	- appointed 10 February 2011

Structure, governance and management

Scargill Movement is a company limited by guarantee. It was incorporated on 22 December 2008 and it became a registered charity on 3 February 2009. Its governing document is its memorandum and articles of association.

Organisational structure

The council, who are also directors and trustees of the charity, meet on a bi-monthly basis to review progress. Their names are set out above. The Bishop of Bradford and the Chair of the council of the Lee Abbey Movement are each entitled to nominate two council members. All council are fully involved in the decisions of the charity. The council shall (unless otherwise determined by ordinary resolution) number not less than six. A new member may be appointed by ordinary resolution. All council members receive appropriate induction and training in respect of their role.

Related parties

The council regard the Lee Abbey Movement as a related party, by virtue of the loan funding provided.

Risk

The council has identified a number of risks which face the charity, the principal one being its continuing liability through insufficient funding, guests and community. The council has a finance committee that prepares a budget and meets monthly to report and monitor the ongoing financial position and takes steps as necessary to address and mitigate the risks that may arise.

Objectives and activities

Charitable objects

The purpose of the charity is to advance the Christian faith and to advance education through the provision of a community of people to live out relevant and authentic expression of the Christian faith in today's world through their life together.

The activity is to continue to develop Scargill House, Kettlewell, and to establish a resident community who will offer an excellent standard of hospitality and spiritual renewal to guests in the conference centre.

Scargill Movement
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Report of the council (incorporating the directors' report)
for the year ended 31 December 2011 (cont.)

Objectives and activities (cont)

Charitable objects (cont)

Under the strap line "lives shared, lives transformed" the agreed aim is -

- through hospitality to all, to share lives changed by faith,
- to send our guests home with new vision and purpose,
- to model and promote responsible stewardship of creation, and
- to help guests and community alike to gain and be enriched by a vision for community in an individualistic society

This will be implemented by offering at Scargill House -

- a resident, caring group of people with prayer at their heart,
- hospitality to individuals and groups,
- challenging programmes and outdoor activities especially for young people,
- resources and training for Christian mission and service,
- opportunities for creativity and personal development, and
- a community practising both ecological and sustainable stewardship of God's creation

Achievements and performance

The Ministry at Scargill continues to grow and develop. We recently had a day away with the Council and Community at Bishopthorpe. We spent some time thanking God for his 'blessing and favour' since the amazing purchase of Scargill House. Much has been achieved.

- The community continues to grow in its identity and in numbers
- A significant upgrading of some bedroom accommodation
- Refurbishment of community accommodation
- We completed our first full calendar year of programmed events in 2012
- We continue to pay back chunks of the loan to Lee Abbey through our Move the Mountain appeal

As mentioned, one of the significant developments has been the growth of Community identity and discovering the values that are important to our community life. Here are some of them:

- Expectant hearts – that God will work in our lives and the lives of our guests. What we mean by this is that as lives are shared lives will be transformed and people will discover their true identity and potential in God.
- A generous welcome – where we desire to be 'God's Yes' to all who come through our doors
- A safe place where people can be themselves
- A place where love and laughter are seen as real gifts from God which enables healing to take place
- Valuing being real rather than 'shiny' – where everything is perceived to be all OK and wonderful!

One guest commented recently that they appreciated and valued Scargill as it was 'a safe place to say dangerous things'.

Oswald Sanders wrote, 'A great deal more failure is the result of an excess of caution than a bold experimentation with new ideas. The frontiers of the Kingdom of God were never advanced by men and women of caution.'

Scargill continues to be a great adventure and our prayer is that we would continue to go bravely forward.

Scargill Movement
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Report of the council (incorporating the directors' report)
for the year ended 31 December 2011 (cont.)

Financial review

The accounts show the financial transactions for the year. The total incoming resources was £668,067 and resources expended amounted to £475,371, leaving net resources of £192,696 to carry forward to add to last years funds of £655,529 making a total of £848,225. The detailed figures are shown on page 8 and the attached notes. As well as unrestricted donations of £138,636, which was a remarkable achievement on top of the Move the Mountain appeal which received £284,065 in the year, £239,792 was received from conferences, courses and guests, compared to the £79,625 received in the previous year. The costs of £422,597 were incurred in providing the conference service and community facilities. The restricted Move the Mountain appeal fund amounted to £67,993 at 31 December 2011. The balance of £12,625 restricted fund represents monies held in the Bursary fund. During the year £390,000 of the Move the Mountain appeal was used to pay off some of the Lee Abbey loan and £1,900 of bursaries were used.

Reserves

The Charity is in its early stages in renewing and developing the estate and conference centre. A funding campaign was launched in 2010 and following the grant of planning permission, a programme is being launched to raise some £6 million to finance the programme of capital refurbishment. In the meantime, the ongoing ministry of Scargill is continuing and the council believe that at least three months' expenditure should be kept in reserve to provide working capital. At the end of 2011, the estimated requirement for working capital was £140,000, £80,618 was currently held in restricted funds and £767,607 in unrestricted funds which finance part of the purchase price. Nevertheless, whilst the council believes that the current funds are sufficient to finance the next three months, regular donations are still encouraged to support the ongoing ministry of Scargill as well as generating fee income from courses and conferences.

The council are grateful to the many donors who have given financial and prayer support during the year.

Indemnity insurance

The charity paid insurance premiums to indemnify the council from any loss arising from neglect or defaults of council or staff and any consequent loss.

Plans for future periods

We have an exciting programme for 2012, and we are currently working on the new 2013 programme. In 2012 we will increase the ministry, and grow the community to deliver the programme so the earliest time we will be able to do any of the phased building work will be in 2014. We also need to give our full attention to finishing paying off the loans raised to finance the initial purchase of the house.

Huge challenges still face us, but we truly believe that our loving, generous God is at the heart of this adventure, and He is asking us to keep trusting and loving and holding our nerve.

Public benefit

The council confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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Report of the council (incorporating the directors' report)
for the year ended 31 December 2011 (cont.)

Statement as to disclosure of information to auditors

In so far as the council are aware

- there is no relevant audit information of which the charity's auditors are unaware, and
- the council 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 council responsibilities

The council 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 council 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 council 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 council 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

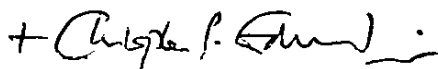
Auditors

A resolution proposing that Stubbs Parkin Taylor & Co Limited be reappointed as auditors/independent examiners of the charity will be put to the annual general meeting

Small company provisions

This report has been prepared in accordance with the special provisions for small companies within Part 15 of the Companies Act 2006

On behalf of the board



Chris Edmondson
Chairman/Director
Dated 26 March 2012

Scargill Movement
(A company limited by guarantee)

Independent auditor's report to the council of Scargill Movement

We have audited the financial statements of Scargill Movement for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of council and auditor

As explained more fully in the statement of council responsibilities set out on page 5, the council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Scargill Movement
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Independent auditor's report to the council of Scargill Movement (continued)

Matters on which we are required to report by exception

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

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



Katharine Thompson ACA (Senior Statutory Auditor)
For and on behalf of Stubbs Parkin Taylor & Co Limited
Statutory Auditor
18A London Street
Southport
PR9 0UE

Dated 22/6/12

Scargill Movement
(A company limited by guarantee)

Statement of financial activities

For the year ended 31 December 2011

	Notes	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Incoming resources					
Incoming resources from generating funds					
Voluntary income	2	138,636	286,978	425,614	398,863
Investment income	3	2,661	-	2,661	420
Incoming resources from charitable activities	4	239,792	-	239,792	79,625
Total incoming resources		381,089	286,978	668,067	478,908
Resources expended					
Costs of generating voluntary income	5	11,094	-	11,094	19,430
Charitable activities	6	422,597	-	422,597	239,123
Governance costs	7	2,002	-	2,002	2,665
Support costs	8	39,678	-	39,678	30,297
Total resources expended		475,371	-	475,371	291,515
Net incoming / (outgoing) resources		(94,282)	286,978	192,696	187,393
Transfers between funds		391,900	(391,900)	-	-
Total funds brought forward		469,989	185,540	655,529	468,136
Total funds carried forward		767,607	80,618	848,225	655,529

The company has no recognised gains or losses other than the results for the year as set out above
All the activities of the company are classed as continuing

The notes on pages 10 to 16 form an integral part of these financial statements

Scargill Movement
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Balance sheet
As at 31 December 2011
Company registration number: 06778628

	Notes	£	2011 £	2010 £
Fixed assets				
Tangible fixed assets	12		1,790,760	1,536,956
Current assets				
Stocks		14,128		4,200
Debtors	13	45,111		64,354
Cash at bank and in hand		<u>211,836</u>		<u>628,690</u>
			271,075	697,244
Creditors : amounts falling due within one year	16		(513,610)	(528,672)
Net current assets			<u>(242,535)</u>	<u>168,572</u>
Total assets less current liabilities			1,548,225	1,705,528
Creditors : amounts falling due after more than one year	17		(700,000)	(1,050,000)
Net assets			<u>848,225</u>	<u>655,528</u>
Funds				
Represented by.				
Unrestricted funds	18		767,607	469,989
Restricted funds			80,618	185,540
Total funds			<u>848,225</u>	<u>655,529</u>

The council acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small company regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008) The financial statements were approved by the board on 26 March 2012 and signed on its behalf by



Anthony P Hesselwood
Director

The notes on pages 10 to 16 form an integral part of these financial statements

Scargill Movement
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Notes to the financial statements
for the period ended 31 December 2011

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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2 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. 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. 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 investments is included in the year in which it is receivable.

1.3 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. 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.

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

Governance costs include those costs associated with meeting costs associated with the constitutional requirements of the charity and include costs of indemnity insurance.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets used for operational purposes are stated at cost less accumulated 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:

Leasehold properties	-	straight line over the life of the lease
Fixtures, fittings and equipment	-	25% straight line
Refurbishment expenditure	-	7 years straight line

Depreciation is provided from when the asset is brought into use.

Refurbishment expenditure specifically funded by the Dewhurst loan (note 16) is capitalised in anticipation of the redevelopment of the site and facilities and is depreciated over the term of the loan period.

Scargill Movement
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Notes to the financial statements
for the period ended 31 December 2011 (cont.)

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Donations	92,335	286,978	379,313	398,863
Legacies	46,301	-	46,301	-
	<u>138,636</u>	<u>286,978</u>	<u>425,614</u>	<u>398,863</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Deposit interest receivable	2,661	-	2,661	420
	<u>2,661</u>	<u>-</u>	<u>2,661</u>	<u>420</u>

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Fees and seminars	234,923	-	234,923	79,322
Sales	4,869	-	4,869	303
	<u>239,792</u>	<u>-</u>	<u>239,792</u>	<u>79,625</u>

5 Costs of generating voluntary income

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Fundraising fees and costs	3,568	-	3,568	10,764
Marketing, PR and literature	7,526	-	7,526	8,666
	<u>11,094</u>	<u>-</u>	<u>11,094</u>	<u>19,430</u>

Scargill Movement
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Notes to the financial statements
for the period ended 31 December 2011 (cont.)

6 Costs of charitable activities

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Food and programme expenses	117,646	-	117,646	35,285
Community allowances and staff costs	95,897	-	95,897	90,330
Utilities	111,191	-	111,191	82,388
Repairs and maintenance	28,095	-	28,095	10,543
Finance costs	1,287	-	1,287	1,199
Depreciation and amortisation	68,481	-	68,481	19,378
	<u>422,597</u>	<u>-</u>	<u>422,597</u>	<u>239,123</u>

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Trustees expenses	56	-	56	1,165
Audit	1,946	-	1,946	1,500
	<u>2,002</u>	<u>-</u>	<u>2,002</u>	<u>2,665</u>

8 Analysis of support costs

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Motor and travelling expenses	7,996	-	7,996	6,027
Office expenses	16,991	-	16,991	10,245
Legal and professional fees	11,286	-	11,286	7,878
Recruitment and training costs	3,405	-	3,405	6,147
	<u>39,678</u>	<u>-</u>	<u>39,678</u>	<u>30,297</u>

9 Net incoming resources for the year

	Total 2011 £	Total 2010 £
Net incoming resources is stated after charging		
Depreciation and other amounts written off tangible fixed assets	68,481	19,378
Auditors' remuneration	1,946	1,500
	<u>70,427</u>	<u>20,878</u>

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Notes to the financial statements
for the period ended 31 December 2011 (cont.)

10 Employees

	Total 2011 £	Total 2010 £
Employment costs		
Wages and salaries	76,463	78,713
Social security costs	846	3,685
Pensions	18,588	7,932
	<u>95,897</u>	<u>90,330</u>

No employee received emoluments of more than £60,000

Number of employees

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

	2011	2010
Programme delivery and community	<u>20</u>	<u>12</u>
	<u>20</u>	<u>12</u>

The charity is dependent upon the support of volunteers and received support from over 160 (2010 - 75) during the year

11 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

12 Tangible fixed assets

	Freehold operational property £	Fixtures fittings and equipment £	Refurbishment expenditure	Total £
Cost or valuation				
At 1 January 2011	1,454,980	24,376	84,132	1,563,488
Additions	28,876	9,654	283,755	322,285
Disposals	-	-	-	-
At 31 December 2011	<u>1,483,856</u>	<u>34,030</u>	<u>367,887</u>	<u>1,885,773</u>
Depreciation				
At 1 January 2011	13,528	6,995	6,009	26,532
Charge for the year	7,419	8,507	52,555	68,481
Disposals	-	-	-	-
At 31 December 2011	<u>20,947</u>	<u>15,502</u>	<u>58,564</u>	<u>95,013</u>
Net book value				
At 31 December 2011	<u>1,462,909</u>	<u>18,528</u>	<u>309,323</u>	<u>1,790,760</u>
At 1 January 2011	<u>1,441,452</u>	<u>17,381</u>	<u>78,123</u>	<u>1,536,956</u>

Some of the freehold property is charged in support of borrowings

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Notes to the financial statements
for the period ended 31 December 2011 (cont.)

13 Debtors

	2011 £	2010 £
Income tax recoverable	30,101	40,677
Other debtors	15,010	23,677
	<u>45,111</u>	<u>64,354</u>

14 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	33,259	15,299
Accruals and deferred income	5,116	3,698
Deposits in advance	15,200	6,000
Other creditors	35	3,675
Loan - Lee Abbey syndicated loan (secured)	460,000	500,000
	<u>513,610</u>	<u>528,672</u>

15 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Lee Abbey syndicated loan	200,000	550,000
Audrey Dewhurst settlement - refurbishment loan (secured)	500,000	500,000
	<u>700,000</u>	<u>1,050,000</u>
Loans		
Repayable in less than 1 year	460,000	500,000
Repayable in two to five years	200,000	550,000
Repayable in over 5 years	500,000	500,000
	<u>1,160,000</u>	<u>1,550,000</u>

The Lee Abbey loan is initially interest free and is repayable on 31 March 2012. The Audrey Dewhurst Settlement has been provided interest free for 3 years and is repayable by 31 December 2017.

16 Funds

	At 1 January £	Incoming resources £	Resources expended	Transfers	At 31 December £
Unrestricted					
General fund	469,989	381,089	(475,371)	391,900	<u>767,607</u>
Restricted					
Bursary fund	11,612	2,913	-	(1,900)	12,625
Move the Mountain Appeal fund	173,928	284,065	-	(390,000)	67,993
	<u>185,540</u>	<u>286,978</u>	<u>-</u>	<u>(391,900)</u>	<u>80,618</u>
Total funds	<u>655,529</u>	<u>668,067</u>	<u>(475,371)</u>	<u>-</u>	<u>848,225</u>

The bursary fund represents funds received to finance conference and residential fees for guests unable to contribute to the full amount of fees chargeable. The Lee Abbey appeal fund represents funds received to cover the Lee Abbey movement loan repayment and thereafter the planned redevelopment.

Scargill Movement
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Notes to the financial statements
for the period ended 31 December 2011 (cont.)

17 Analysis of net assets by fund	Unrestricted funds £	Restricted funds £	Total 2011 £
Tangible fixed assets	1,790,760	-	1,790,760
Stocks	14,128	-	14,128
Debtors	45,111	-	45,111
Cash at bank and in hand	131,218	80,618	211,836
Creditors due within one year	(513,610)	-	(513,610)
Creditors due over one year	(700,000)	-	(700,000)
	<u>767,607</u>	<u>80,618</u>	<u>848,225</u>

18 Capital commitments

There were no capital commitments at the year end

19 Transactions with council

No remuneration has been paid to any trustee or any other persons Expenses of £56 (2010 - £1,165) have been paid to trustees

20 Related party transactions

Stephen Weatherley and Revd Canon Felicity Lawson are appointed by the Chair of the Lee Abbey Movement Council (LAM) and Stephen Weatherley is also a member of LAM LAM are a major loan creditor Neither can derive any personal benefit from their membership of LAM

21 Indemnity insurance

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

22 Company limited by guarantee

Scargill Movement is a company limited by guarantee and accordingly does not have a share capital Every member of the company (the members being the council members for the time being) 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

23 Church of England funded pension scheme

The Scargill Movement participates in the Church of England funded pensions scheme and employs 2 members of the scheme out of a total membership of approximately 9,000 active members

The Church of England funded pensions scheme is a defined benefit scheme but Scargill 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 31 December 2009 This revealed a shortfall of £262m, with assets of £605m and a funding target of £867m, assessed using the following assumptions

Scargill Movement
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Notes to the financial statements
for the period ended 31 December 2011 (cont)

23 Church of England funded pension scheme (cont.)

- An investment strategy of
 - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from nil at 31 December 2009 to 2/3 by 31 December 2029, with the balance in return-seeking assets, and
 - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets
- Investment returns of 4.4% pa on gilts and 5.9% pa on equities,
- RPI inflation of 3.8% pa (and pension increases consistent with this),
- Increase in pensionable stipends of 3.8% pa, and
- Post-retirement mortality in accordance with 80% of the S1NA tables, with allowance for future improvements according to the "medium cohort" projections, and subject to an annual improvement in mortality rates of 1.5% for males and 1.0% for females

For schemes such as the Church of England funded pensions scheme, paragraph 9(b) of FRS 17 requires Scargill Movement to account for pension costs on the basis of contributions actually payable to the scheme in the year

Following the results of the 2006 valuation, the Scargill Movement's contribution rate was set at 39.7% of pensionable stipends with effect from 1 April 2008. The contribution rate was subsequently increased to 45% of pensionable stipends with effect from 1 January 2010, reflecting unfavourable investment experience and changes in financial market conditions. Following the valuation of the scheme as at 31 December 2009, and some agreed changes to benefits, the contribution rate has been set at 38.2% with effect from 1 January 2011.

The next valuation of the Scheme will be due as at 31 December 2012.