

Annual Report and Accounts 2016

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Chair's Introduction



Our world and society seem to be increasingly fragmented. We each want to live individual lives, with our own preferences, meeting our own needs, separated from others and even

suspicious of them. We want to protect our own 'rights' whatever the effect on others. On a global scale, we hear cries of 'make Britain great again' or 'America first' 'Make America great again' and behind it, it sounds like 'Me first'. Walls are being built and by the time you read this there may be even more walls.

In *Countering the politics of resentment* by Dr Stanley Hauerwas (Church Times, adapted from a lecture given at St.

Martin-in-the-Fields) he talks about the widespread discontent in American culture which has led to resentment, anxiety and even racism which Mr Trump has exploited. People are profoundly unhappy with the lives they are living. 'At a time when Christians are seeking to say something confident and useful about "church growth", what we communicate is superficial and simplistic. You do not need to come to church to be told that you need to be nice.'

Now, more than ever, Christians have a calling to show the world an alternative way of living. To proclaim the transforming message of Jesus and to create community without walls.

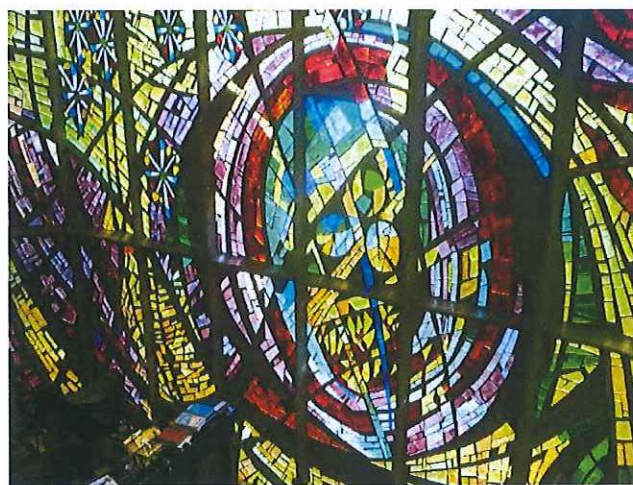
Many ICS congregations have always had many different nationalities. In Versailles, where my husband and I ministered for twelve years, we rejoiced in being an international family. I learned that we are not all alike, but what we had in common was stronger than our differences. The family of God is international. We wept with our American brothers and sisters over 9/11. We

prayed with our Iraqi family during the second gulf war. There are no walls separating us.

In many of our permanent chaplaincies the demography is changing, bringing huge challenges. There are fewer professionals who in the past have helped support the ministry with their giving. Now places like Grenoble have more refugees and migrants with their complex needs including financial. We have even more opportunities to tear down the walls and to show love and compassion.

Thank you for your prayer support for ICS, pray that the gospel may be faithfully and lovingly shared in all our chaplaincies. That we may create communities of safety and love as an example to the world and that we may experience the Kingdom of God growing. Pray too for Richard and the Council that we would hear God's call to where he is leading us and for new ventures such as Izmir—ancient Smyrna.

The Revd Angela Marshall
Chair of ICS Council



Glass window at St. George's Barcelona

Mission Director Report



I have been struggling to think of the right phrase to start this section. The phrase I want to use is that 2016 has been plain sailing! This, however, gives the idea that things have been either easy or not challenging, neither of which are true. Rather, on every journey there is a time when you simply **make progress**, and 2016 feels like a year when we have made significant progress. Much of what was planned for in the previous year has moved forward but some of the milestones that we would like to celebrate have yet to be achieved.

We continue to be at heart, a mission agency. We recruit, prepare, place and support mission partners, chaplains who operate in seasonal chaplaincies, permanent chaplaincies and new work. Undergirding this, is making people aware of the opportunities and needs within ICS so that communications function and, of course, raising funds and wisely governing the Society. All areas that we have again made significant progress in 2016.

One area I am particularly pleased with is our progress in Seasonal Mission. Jim Perryman has had time to significantly impact on this ministry, and together we have developed the ministry and lever some change. In 2016 we developed a strategy for each area of this mission and this has led to some significant changes. In Ibiza, we ended the existing model of ministry while reaffirming our ongoing commitment to ministry on the island alongside the permanent chaplaincy. This has meant a time of waiting, praying and talking with various partners to look at what could be in 2017. It can feel almost harder to stop something then to start something but we believed it was a crucial moment to set the direction in which we want this ministry to develop. We have also been taking a hard look at the ministry in Zermatt and we are exploring ways to maximise the opportunities

that God has given us while at the same time honouring the people for whom this ministry is an important resource.

We have made progress in our partnership with the ministry in Izmir. We had hoped to be further forward by now, however, the recruitment has proven difficult. We are grateful to the energy of the locums and especially Michael Selman, whose commitment and enthusiasm have been infectious. In 2016 we did much fundraising for the work in Izmir and found ourselves in the position of having the funds but not the worker. Our prayer continues to be 'Lord of the harvest, send the worker for this unique opportunity'.

I want to take this opportunity to thank our Honorary Treasurer, Keith Robbins who stood down in early 2017, it is important to mention our huge appreciation for his commitment, hard work and the energy he put into ICS. I am delighted that Chris Weller has agreed to take over this role. I look forward to working with him as we develop the ministry.

My sense is that as we came to the end of 2016, we were ready to start to explore the new mission opportunities that God is preparing us for in 2017. It is with an optimistic sense that I present you with this annual report.

The Revd Richard W Bromley MA
Mission Director ICS

Michael
Selman at
St. John's,
Izmir



Executive Summary

There are going to be many highlights that will capture your attention as you read this report. For me there are five that I want to mention now, so they do not get lost in the following pages.

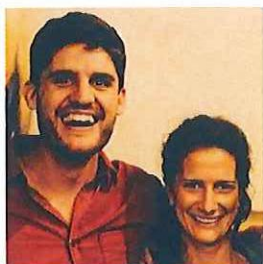
Firstly, **the Youth Leaders Forum**. In 2016 we gathered together youth leaders online to network them and to push out resources. Youth Work is easy to miss in all the busyness and the nature of many of the chaplaincies we are engaged in. The challenges of not only being a young person within a chaplaincy but also the role youth leaders play. It is our ambition to resource and support youth leaders and these are our early steps into the arena.



Student ministry is another area of ministry in many chaplaincies that is vibrant and growing. Be that lunches after church, Alpha programmes ran on campus or discussion groups. There is a huge amount that happens around the chaplaincies connected with students.

Chaplaincy

In 2016, the Rio Summer Olympics took place. It has been great to see how Mark and Jess Simpson have settled and developed the ministry at Christ Church Rio.



Their engagement with the Olympics, the programmes they ran that fed off it are a credit to the church and the leadership as they get used to a new chaplain. I have been encouraged in 2016 to see the way Mark has settled in and developed his team.

Networking

As an organisation that is good at networking we can make connections and hopefully increase capacity. Our focus on student ministry has been aided with our informal partnership with Fusion, a student ministry group based in the UK which is operating more widely around Europe. Partnership for World Mission is the grouping of the Anglican Mission Agencies that gathers under the auspices of the World Mission and Anglican Communion Group. Why this is noteworthy is that **the level of cooperation and communication is exceptionally high** and the mission agencies find themselves able to speak with one voice about some key issues. My experience of it as Mission Director of ICS is extremely positive, we are working well together.

Diocese of Egypt Chapter Meeting

Finally, in 2016 a personal highlight was going to Egypt and leading an ICS Chapter meeting. The opportunity to spend time with Kerry and Cynthia Buttram, Jos and Adrienne Strenghtolt and Mike and Janet Dobson at an out-of-season Red Sea resort was invaluable. We talked about not only issues relating to ministry in Cairo, but also allowed our souls to be refreshed and enjoyed a sense of retreat with the Lord. The ministry in Egypt is intense, loud and frenetic. Oasis moments are exceptionally important and to have the privilege of being part of that was wonderful.



It was sad to hear that we heard that Jos and Adrienne would be returning to the Netherlands at the end of 2016. They have spent many years serving in Cairo and will be greatly missed.

Jos, Mike, Janet, Cynthia, Kerry and Adrienne

ICS Conference

In 2016 the ICS Conference took place in Ashburnham Place in Sussex. Our bible teacher was Gerard Kelly who spoke on *Ephesians*, his theme being 'The church as an explosion of colour'. Gerard and his wife Chrissie are church planters in France and their wisdom, teaching and encouragement was hugely appreciated. The ICS Conference is a key part of the support that we give to chaplains who work in isolated, geographically wide-spread areas with unique pressures. The conference is one place where they can feel normal and discuss chaplaincy life with others who understand. Therefore, ICS puts a high priority on this and supports it heavily, both practically and financially.

Annie Morris from the International Organisation for Migration joined us to help us better understand and respond to the challenges of trafficking and people movements and Charles Hipsley from the London Institute of Contemporary Christianity challenged us regarding workplace ministry. I believe our chaplaincies are at their best when they are outward looking and focussed on mission and Charles' teaching and emphasis provided the resources for this. From the Diocese in Europe we were pleased to welcome Archdeacon Meurig Williams and Bishop Robert and his wife Helen. While not all the chaplains attending come from the Diocese in Europe, our strategic partnership with them is invaluable and Bishop Robert's presence is warmly appreciated.



Recruitment

We are grateful to Angela Marshall who has put so much energy into the recruitment ICS is involved in by virtue of our patronage. In 2016 Nick Clarke left Chantilly where he had been for many years. His service there and on the ICS council had been much appreciated. In December, we interviewed and presented Sarah Tillett to take up this key post at St. Peter's, Chantilly.

We took part in the recruitment of a new chaplain for Poitou-Charentes and attended the licencing of Adam Boulter to this chaplaincy, a place where ICS has had a long involvement.

St. Michael's, Paris appointed a new Associate, Dale Hanson, who with his wife Pat came from Hong Kong to join Alyson Lamb.

We were delighted to add three new Associates to the ICS family in 2016: Christopher Parsons in Freiburg-im-Breisgau, Drew Schmotzer in Sharjah, and Jeremy Cross in Brittany.

Seasonal Mission

New chaplains, new venues, new ideas, a new disappointment, new procedures—and a fair amount of 'more of the same'—is a reasonable summary of 2016 seasonal mission.

New Chaplains

Of the forty-three different chaplains who served during the year (some accompanied by spouse, family and/or other team members), eight were first-timers and some others were returning after a significant break or going to resorts that they were unfamiliar with. One served both winter and summer and another served two spells in the summer. Both these, and three others served for elongated periods of between four and eight weeks.

New Venues

After a three-year experiment of offering English-language services at the Swiss Reformed Church in Grindelwald, circumstances led us to move to the more centrally-placed Roman Catholic Church where we received an equally warm and accommodating welcome. It appears to be a positive move into better-



situated and resourced premises, which we hope will continue for years to come.

Our Ibiza chaplains also found a new venue, at the open-air chapel in Cala Llonga, for our evening worship in what was a very strong and positive conclusion to the east-coast mission—more on that shortly.



New Ideas

We trialled having a longer-term chaplain in place in **Wengen**, where the Seasonal Mission Manager (during his sabbatical from his Parish ministry) spent eight weeks in July and August exploring the different opportunities and relationships that this more stable base in the resort could bring. Those who spend longer periods in Wengen during the summer, as well as all-year residents, seemed to greatly appreciate the sense of continuity in worship and pastoral presence. Also, **the opportunity to make better use of the building as a place of prayer and reflection for visitors**, by placing prayer stations guiding people through the Lord's Prayer, seemed of great

benefit. The opportunity for the Seasonal Mission Manager to visit and encourage the other areas of our work in Switzerland during this time was also very helpful. While this cannot be repeated, some of the ideas formed can be translated into the more usual pattern of chaplaincy for the future.

In **Ibiza**, after ten years of mission alongside the permanent chaplaincy to the more senior tourists in hotels on the east coast (Es Canar, Ste Eulalia, Cala Llonga), we decided that after a mix of changing circumstances, closing doors and new opportunities, to refocus this work. 2016 saw the celebration of all that has been—a consistently good and valuable time of service and mission from a dedicated group of chaplains—and the beginning of seeing what might be. The last still-serving couple of the original team, Colin and Jenifer Pontin, (pictured)

concluded their final chaplaincy for ICS by fittingly concluding



that part of the work in Ibiza to which they have made such a contribution. Sadly, Colin died in May after a short illness. We hold Jenifer in our prayers and our thoughts, thankful for their service, faithfulness and love over many years.

New Disappointment

At the end of 2016, we were disappointed to learn that the management of the Kandersteg International Scout Centre (KISC) had decided to conclude the partnership with ICS and operate in future without the support of our chaplains. This despite the extremely positive and exciting time our chaplains had serving at the KISC during the summer, working well with staff and guests alike and being involved in the International Evenings and other organised events. We recognise that it was a great privilege to work so openly within what has become an increasingly secular organisation. We wish KISC every success for the future, are grateful to our other partners in Kandersteg (Swiss Reformed Church and

Hotel des Alpes) for the way they have helped to support our work there over the years and we look ahead to where God is leading us to place our resources in the future. History has shown that the closing of one door unexpectedly opens another.

New Procedures

The vital role of 'Safeguarding', in our seasonal work, has been taken on more fully this year by the specialist team at the Diocese in Europe. This is a very positive move and, once the initial extra effort involved in change has filtered through the system, will result in a much easier and more secure process for all—not least in bringing a significant reduction in office admin time for Seasonal Mission. Most of our ordained chaplains will now be granted a five-year Diocese-wide permission to officiate rather than a temporary PTO for their specific chaplaincy period. Not only will this allow them to serve more freely and widely within the diocese should the situation call for it, but those who serve regularly will be freed from the continual repetition of paperwork.

More of the same

Seasonal Mission has been a part of ICS's work since the very early days of the Society and continues to be at the heart of it. Switzerland was where it began, in Interlaken in 1844, and where we are most established with owning our church buildings in Zermatt (since 1870) and Wengen (since 1928). Our long-standing partnership with Union Lido in Cavallino near Venice remains a valued and fruitful ministry. We also continue to look for new possibilities and, guided by God's Holy Spirit, we aim to remain a channel of his love and blessing in a variety of venues for years to come



Governance

In 2016 the Governance Group had been meeting for its second year and the impact of an intentional focus on our policies and procedures has borne fruit. ICS is well governed and has robust policies that serve the Society well. 2016 saw a major change in the make-up of the Council and other roles within ICS. Viscount Brentford has been a faithful President for the Society for many years and having indicated in 2015 he felt that it was time to stand down, we reluctantly said goodbye to him at the 2016 AGM. His advocacy on behalf of the Society has been hugely appreciated and we continue to value his friendship.

The Council saw major changes this year with the departure of: Bishop Julian Henderson, our Chair; Dennis Sadler, a long-standing member of the Council; Thea Price who served in an ICS chaplaincy in The Hague; Sylvia Leyton who has contributed to the Society through her joyful service for so many years, and Jim Duxbury who has been a long-standing fixture in the ministry in Wengen.

Our thanks go out to all these people for their dedication, wisdom and the energy they have brought to ICS. We are enormously grateful but also delighted that the friendships remain strong.



Dennis and Elizabeth Sadler receive Life Membership certificates from Viscount Brentford

We welcome the new members of Council who bring skills and understanding that will serve ICS as we move forward. A full list can be found later in this document.

As an agency regulated by the Charity Commission we have been adapting to the new Statement of Recommended Practice, the Council has sought to do this with enthusiasm and transparency to give the clearest picture of the work of ICS.

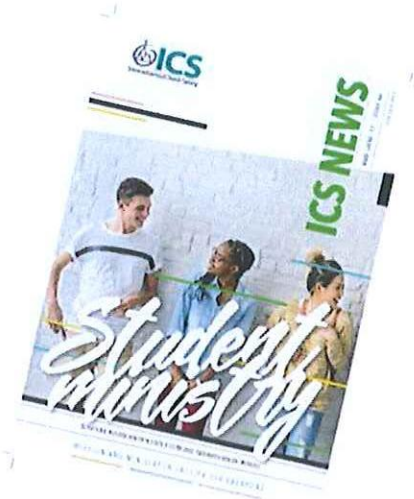
The vote to leave the EU has had some significant impact on ICS's ministry already. The changing exchange rates and insecurity amongst mission partners and chaplaincies create an atmosphere of uncertainty. The Council has produced a Risk Assessment based on available knowledge and understanding at this point. Obviously, this is developing still and Council remains alert to the issues raised. The Partnership for World Mission and Anglican Communion panel on which ICS is represented, believe it is an important role for mission agencies to maintain strong links with Europe and beyond.

Communications

Jeannette Spaanderman has been developing the Communications for ICS in various areas. *ICS News and Prayer Diary* in its new format, is well received by many. In 2016 we have made changes to the way we present our Seasonal Mission publicity to not only have a clearer and consistent brand but to also ensure that we do this in the most economical way such that the relationship between the chaplain, the publicity and the location work well together to maximise opportunities.

Richard continues to speak on behalf of the Society and participates in deputations. The regular visits to Northern Ireland where ICS support runs high is a highlight and our thanks go to John Dinnen (ICS Council Observer) for his great work in keeping the ICS profile prominent and positive in churches and agencies there.

Our goal with our Communications is to convey well the ICS message of 'Mission and Ministry in English for Everyone' simply and wherever possible beautifully. In the twenty-first century where people are so image driven we believe it is important to present our work in an eye-catching manner and we are grateful to Alex Grey, our designer for delivering so well on this.

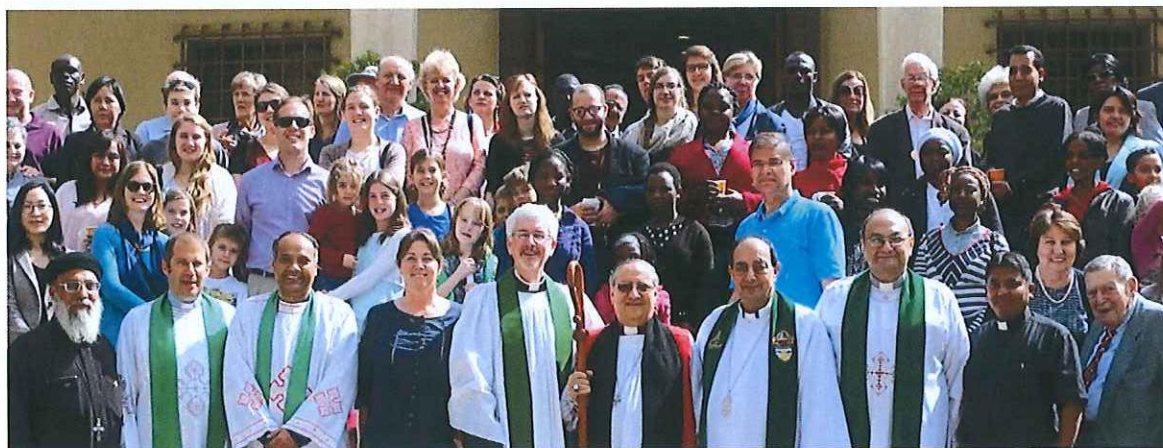


Fundraising

2016 has been a year where a lot of energy has been put into fundraising. Michael Sanders (ICS Council) has been supporting Jeannette and Richard in the work we do with Trusts. Several parts of our work are funded by their generous donations, allowing our work to flourish. We are particularly grateful to the Dove Trust, the Maurice and Hilda Laing Trust, the Deo Gloria Trust and the Jerusalem Trust.

Once again in 2016 we were overwhelmed by the generosity of our supporters, friends and partners. During the year, we write to them regarding the financial needs of the Society. At Easter *ICS News* often carries details of a specific project that people are invited to support. In the Autumn, we send out our yearly appeal letter. We are grateful for the obvious confidence they have in us and we value their partnership with us.

Partnership with Dioceses



Kerry Buttram's licensing to All Saints' Cathedral, Cairo

We have a significant partnership with two dioceses. Firstly, the Diocese of Egypt and North Africa where Archbishop Mouneer is a great friend of ICS. We serve him in the ministry in Cairo, Tunis, Algiers and to a lesser degree in Tripoli. We value our relationship with the Diocese and rejoice in our genuine friendship.

Secondly, ICS has had a long association with the Diocese in Europe with much of our work happening in this area. Our relationship is extremely positive and we value their friendship. We play an active role at Synod with some ICS people as elected members or Bishop's nominee, both Richard Bromley and David White sit as Bishop's nominees on Bishop's Council. We are grateful for the warmth of fellowship and the opportunity to serve alongside the Diocese.

New Mission Work

Two pieces of new mission work are currently running at ICS. Firstly, the ongoing work in the EU Institutions led by Jeremy Heuslein who has been the **EU Institutions Outreach Worker** since 2013.

His work is divisible into three parts:

- 1) Cooperation with the ecumenical Chapel for Europe.
- 2) Development of pastoral relationships with professionals of the European Institutions.
- 3) Growth of the community of Holy Trinity Brussels.

The Chapel for Europe is an ecumenical centre for dialogue, encounter, and exchange. For over fifteen years, the Chapel has had this mission and vision, yet in the last five it has found new life in being administered by the Jesuits. Working closely with the director of the Chapel, a nearly emptied programme has evolved into one bursting at the seams. The Chapel now has daily events during the week with everything from theological and political conferences, to film discussion evenings and art exhibitions taking place



Schuman Conference

The second part of his job is **developing pastoral relationships** in the EU Institutions. Jeremy has had the privilege to come alongside all sorts of people in all sorts of circumstances. From drug and alcohol addiction or terminal cancer to abusive partners or vocational angst, persons within the Institutions have need of a pastoral and spiritual presence as they face these life issues. Many have now moved from Brussels, as there is a turnover, yet some relationships continue both in Brussels and beyond, with new ones constantly developing.

Thirdly, as the Outreach Worker, people are welcomed into the community of faith at **Holy Trinity Brussels**. Being a diverse, Anglican, and international church in the heart of Brussels, there are many ways for people to find a place. Jeremy is attached to the evening service, an open and welcoming community.

The second piece of new mission work we have developed alongside the Diocese in Europe and Mission to Seafarers, is a partnership seeking to support the **ministry at St. John's, Izmir, Turkey**. This new venture has taken longer than hoped to be established. The most difficult part has been the appointment of a priest. The first round of recruitment was unsuccessful and we continue to pray that the right person is found. We have been extremely pleased by the generous promises of support for this work and the interest showed in it. Again, we pray: 'Lord of the harvest send the worker...'



Izmir Bible study group

It feels that 2016 has been an opportunity to lay the foundations for new work opportunities that will be developed in the future. More about that later.

Objective

The object for which the Society is established is **to advance the Christian Gospel by evangelical mission and ministry to English-speaking people throughout the world.**

Seasonal Mission and outreach, with the opportunity to communicate the Good News of Jesus Christ, provide acts of worship and a resident chaplain to allow us to fulfil our object in numerous locations around Europe.

The Permanent Chaplaincies, both Patronage and Associate, provide communities of outreach, worship and care. Our support of these chaplaincies in recruitment, the ICS Chaplains and Families' Conference and visits, add to their ability to operate effectively. Our Mission Partnerships as outlined above allow outreach to take place, as in the example of Brussels' Outreach Worker.

Success for us looks like transformed lives, strong chaplaincies with quality chaplains thriving in the situation they find themselves. The ICS key Strategic Objectives are available upon request.

Our key objective for 2015 was to implement the strategy and explore the frontiers and opportunities available to us. ICS has undergone a huge amount of change over the last three years and this is beginning to bear fruit.



Holy Trinity, Utrecht students

Values

The ICS values are as follows:

- We value the Bible as our guide and final authority.
- We value the pursuit of excellence in all that we do.
- We value integrity in all areas of our work, seeking to be transparent, honest and genuine in our dealings, internally and externally.
- We value partnerships and seek to work this way whenever possible with like-minded groups and individuals.
- We value the pursuit of ministering at the frontiers; this has marked ICS over the years.
- We value volunteers and the voluntary principle in the pursuit of our objectives.

Future Plans

In 2016 we met nearly all the targets outlined in the previous Annual Report. Looking ahead it is our ambition to:

- Pilot a new way of working in Izmir
- Create a strategy for chaplaincies and implement the first stages of this that we may continue to serve them well
- Deliver a high-quality conference
- Support chaplaincies during an interregnum while simultaneously reviewing the recruitment process
- Explore developing the seasonal programme in one other location
- Operate the new Seasonal strategy and review effectiveness
- Develop a new model for ministry in Zermatt alongside the existing work
- Develop a new area of ministry
- Develop a new area of ministry alongside an existing chaplaincy

Staff and Volunteers

The staff team (*pictured*) has remained stable throughout 2016. I am grateful for their willingness to adapt to change and work together as we develop the ministries of ICS.



We have been hugely blessed by volunteers, and I particularly want to thank Brian Hutton, Michael Gear and John Dadd who have given their time and energy to support us and without whom we would not have made the progress that we have in 2016.

For many years, Madge Olby has been a huge asset to the Society and represented us as an Honorary Travelling Secretary in a variety of forms. This year she stood down from this role and we are truly grateful for her energy and continued support for ICS. In naming people and thanking them there is always a risk of missing others. I am always pleased to meet with people who volunteer in their chaplaincies, keeping the profile of ICS up and supporting us in the work that we do. We continue to be grateful to Sylvia Leyton who, though she stood down from Council, continues to receive and process stamps on behalf of the Society and generate a steady income towards the ministry. Also, the ICS prayer group leaders who organise and facilitate ICS prayer support.

ICS has benefitted from the time and energy of volunteers in several ways.

- **Seasonal Chaplains (47):** This team of dedicated missionaries serve in summer and winter chaplaincies contributing to the mission of ICS.
- **Honorary Travelling Secretaries (11):** Speaking in churches, prayer meetings and at local clergy gatherings, this team of people put a public face on ICS.
- **Office Volunteers (3):** Serving in the office and at the ICS Conference, these people oil the cogs that keep ICS going; without them we would struggle to achieve what we do.
- **Council (15):** All Council Members are also volunteers. This year many have taken on extra responsibility, doing discreet roles that draw out skills and gifts for the benefit of ICS. The Society does appoint serving Council Members to seasonal chaplaincies at no personal profit to them, and these functions are open to any qualified applicant who is interested in undertaking them on the same basis.

Add to the above, church representatives, prayer group coordinators and chaplains who undertake deputations on our behalf, and a three-figure number appears. We appreciate and value all that the volunteers contributed to the life of ICS in 2016.

Public Benefit

The Charity Trustees 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. The Society's achievements and activity, as detailed above have benefitted the public in numerous ways.

- In the European locations where our seasonal outreach occurs, through: the provision of seasonal chaplains and teams to pastorally care for, counsel and explain the Christian gospel to holidaymakers; distribution of Christian literature; conduct of public worship and other open Christian meetings; visitation of those unwell or bereaved; conducting memorial services for those who die on holiday; the provision and maintenance of church buildings in Wengen and Zermatt, which are open daily for private prayer and reflection.
- Through the ownership of numerous church buildings, we provide and help maintain facilities used both for public Christian worship and wider community activities, and through owning or funding accommodation to enable the local ministry of ministers of religion. We use our network

to find priests with cross-cultural skills to serve people from many economic, cultural and religious backgrounds and lay people to assist in and expand English-language ministry.

- Through the provision of finance, prayer support and expertise we enable the pastoral and outreach ministries of the chaplaincies by backing a variety of mission initiatives, as detailed above.
- In our role as an evangelical private patronage Society combined with the training and materials we provide to advance the Christian religion; we contribute to the life and mission of the Church.
- In locating and contacting English-speaking churches and ministers abroad through our website.

Financial Review

Income

The Society was greatly blessed in 2016 with the receipt of an unexpected legacy of £171,158. As the benefactor wished to remain anonymous, Council took steps to verify the authenticity of the receipt of such a large gift under the appropriate legislation and guidelines. Council take the opportunity again in this report to say a big “thank you” to the family of the donor for this generous contribution to the work of the Society. In May 2017, before these financial statements had been approved, a further legacy of £40,000 was received. As the testator died last year the accounting rules require us to show this amount as a “post-balance sheet event” and consequently include it as income in the 2016 accounts. These gifts brought our unrestricted donation and legacy income to a total of £422,070 for the year compared to £267,102 in 2015. Worryingly, all other unrestricted donation income sources were down on the previous year. Conversely donations received for specific chaplaincies and projects showed an increase of £27,850, although this includes £10,000 of grants for future years where, under the new SORP, a formal offer of unconditional funding has been communicated in writing to the Society. Total income came to £607,677 against £423,345 in the previous year. It is worthwhile pointing out that 82% of the Society’s donation income from individuals is given tax-efficiently including £32,033 of tax recoveries from the gift aid scheme.

Dividends and interest received on the investment portfolio amounted to £60,684, a similar figure to the previous year.

Expenditure

There has been a change in the way the Society’s expenses have been shown in this year’s accounts. To fit in with the Society’s strategic objectives, its charitable activities have been redefined under two new headings:

- **New Mission work:** to cover developing new mission opportunities and initiatives in outreach situations for both permanent and seasonal ministry
- **Ongoing Mission work:** to cover recruitment, placement and the continuing support of chaplains in their permanent and seasonal ministries.

Previously staff and central costs had been proportionately allocated between permanent and seasonal chaplaincies and did not identify the time and effort spent on developing new mission opportunities. Under the revised analysis, management and staff time and resource spent on developing new initiatives in both seasonal and permanent chaplaincies is identified, quantified and shown under main headings in the accounts. This new analysis gives a picture of what is spent on the Society’s strategic activities and focuses attention on its mission objectives.

Expenditure on New Mission work is detailed in Note 3 of the financial statements and totalled £54,382. Unconditional direct service provision and grants payable in future years totalling £18,458 are included in these figures as a requirement of the new SORP. Expenditure for ongoing Mission work for 2016 amounted to £352,419.

The costs of raising funds are required to be shown as a separate heading in the accounts. Investment management costs of £11,085 are included in this total, but the largest element is the allocation of staff and administration expense which includes management time on researching sources of trust income, appeal publicity, trading activities, administering of the daily monitoring of receipts, gift-aid tax claims and the acknowledgment of gifts. The apportioned administrative cost of this is 22% of total staff and administration expense. The total cost for the year was £81,488, 8% higher than in 2015, reflecting the energy put into fundraising during the year.

Overall overhead expenses for staff and administration came to £292,992, just below the figure for 2015 and £3,960 below budget for the year.

Governance costs which were analysed separately under the previous SORP are now included as part of Staff and Support costs under this new SORP, and allocated between the Society's activities. All comparative figures for 2015 have been restated in the accounts to reflect this change.

Total expenditure amounted to £488,289, a reduction of £12,272 on the previous year.

Net gains on investments

Net gains on the investment portfolio amounted to £202,585 compared to £15,378 in 2015. The accounting rules compel the Society to show this as income in the accounts although it is an unrealised profit, being the difference in valuation of the portfolio from one year end to the next.

This was an exceptional performance and unlikely to be repeated on such a scale in most years and certainly cannot be relied upon as an assured source of regular income.

Financial result for the year

The three most significant financial items for the year were the receipt of the unexpected large legacy (£171,158), the net gain on the investment portfolio (£202,585) and the inclusion in income of the post-balance sheet receipt of the £40,000 legacy. As a consequence, the financial result for the Society in 2016 came to a net surplus £321,973 against a net deficit in 2015 of £61,838. Whilst expenditure remained within budget and well controlled, donation income for general funds was disappointingly lower than anticipated. Without the three major credits in the accounts the result for the year would have been a deficit of over £91,000, £30,000 higher than in 2015.

Total funds carried forward at the end of the year totalled £2,873,898 against £2,551,925 the previous year.

Investments

The portfolio of investments is professionally managed by CCLA Investment Management Ltd and Ruffer LLP. It is invested to provide regular income whilst maintaining capital value. The investment policy is to invest in companies whose activities do not conflict with the ethos and basis of belief of the Society, but give the levels of yield necessary to enable it to continue supporting both new and ongoing mission work. The Society has made no social investments.

The performance of the portfolio last year was exceptional following the Brexit vote and the US elections. The first three months of 2017 also showed positive growth in the value of the investments, but to highlight the uncertain nature of the world markets the portfolio had returned almost to the year-end value towards the end of April 2017. The value of investments at the end of the year was £2.29 million against £2.05 million at the end of 2015. £50,000 was withdrawn from the portfolio during the year for cash flow purposes.

Current assets

The Society has short term deposits with Ruffer and CCLA Investment Management Ltd totalling £363,572. This is higher than the previous year as the legacy funds were placed on deposit when received. Council believes that the Society has sufficient working capital for the next year.

Reserves

The Council has continued with its policy of setting aside designated reserves for specific new mission projects, investment opportunities and operational prudence. Note 11 of the financial statements details the movement on these reserve accounts for the year. Additional sums were set aside in 2016 for the property reserve £100,000 (to provide for roof repairs in Zermatt), Interlaken mission £3,000 and Cavallino mission £3,000, but the amount previously set aside for the work in Kandersteg of £11,000 was undesignated following the cessation of that mission work.

Total designated reserves at year end stood at £1.33 million (last year £1.28 million). Free general reserves amounted to £777,248 an increase of £215,895 over 2015, while restricted funds for Chaplaincies totalled £167,354 (2015 - £170,151) and Endowment funds £597,551 (2015 - £544,415).

2017 Financial plan and prospects

The financial plan for 2017 aims for a break-even position on General account. To meet this target donation income will need to be increased by £31,000 above what was received last year and a positive investment performance achieved. Operational and investment management costs are budgeted at £312,000, an increase of £5,000 over 2016. These are ambitious targets and meeting them is dependent on a continuing fund raising effort.

However, and most importantly, £30,000 has been allowed in the figures for investment in new work from funds in hand or specific giving. There are exciting opportunities and Council will encourage enterprise and be ready to invest in sound new projects aimed to bring the Good News to new people in new ways or in new places.

Council Members' Responsibilities

Council Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. The Annual Report also contains the Directors Report as required by Company Law. Company Law requires Council Members to prepare financial statements for each year. Under that law Council Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company Law Council Members must not approve the financial statements unless they are satisfied that these give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that period. In preparing these financial statements, Council Members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the activities of the Company will continue.

Council Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council Members who held office at the date of approval of this annual report as set out on page 18 each confirm that:

- as far as they were aware, there is no relevant audit information (information required by the Company's Auditors in connection with preparing their report) of which the Company's Auditors are unaware; and
- as Council Members of the Company, they have taken all steps necessary to establish that the Company's Auditors are aware of that information.

Funds held as Custodian Trustee on behalf of others

Funds are held in the CBF Church of England Deposit Funds, and COIF Charities Investment Funds, in accounts separate from those of the Society's on behalf of three chaplaincies totalling £182,927.

Governance and Management

Intercontinental Church Society (commonly known as ICS) operated through a charitable trust from the date of formation of its oldest parent charity on 30 June 1823. The Society then transferred its operations to the Company on 11 September 1998. The Company was incorporated under the Companies Act 1985 as a Company Limited by Guarantee, and its governing instrument is its Memorandum and Articles of Association, last amended by a special resolution passed on 21 September 2013. Each member has undertaken to contribute a sum not exceeding £10.00 on winding up as set out in Clause 8 of the Memorandum.

The Society has a subsidiary charity which is a charitable trust (The Colonial and Continental Church Society, formerly known as ICS Trust, charity number 1072584-1, formerly 241111), and is the sole shareholder in Intercontinental Church Society (Nominees) Limited, both of which are the owners of a number of properties used in the Society's work.

The Board of Directors is known as the Council. The Council Members are Directors under companies' legislation and Trustees under Charity Law. Those who served during the year are listed on page 18. The fifteen Council Members and the Honorary Treasurer are elected by the members; the Council additionally includes: The President who is a member of the Council ex-officio and appointed by the Council, and a maximum of two co-opted Council Members who are appointed by the Council. One-third of the elected Council Members retire each year, and are entitled to offer themselves for re-election.

The key management personnel of the charity as listed on page 18 direct, control, run and operate the charity on a day-to-day basis. All Trustee Directors give of their time freely and no Trustee Director received any remuneration in the year. Details of Trustee Directors' expenses and related party transactions are disclosed in Note 5 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with the recommendations made in the Report of the Central Stipends Authority published by the Archbishop's Council.

Each Council Member receives a comprehensive induction on election or appointment, and is encouraged to become involved in the Society's activities by serving on one or more of its executive and advisory sub-committees, promote the Society's interests through e.g. seeking to increase support for the Society's work and to maintain a prayerful interest in the chaplaincies of which the Society is patron.

The Council is responsible for setting strategy, overall policy and budgets, and then delegates to the salaried staff the management of the Society. The senior staff advise and brief the Council and its sub-committees (one executive and two advisory) on strategy and policy, and regularly consult sub-committees for advice. The Council also invites a number of observers to its meetings, including one from the General Synod of the Church of England; this place became vacant in 2013 with the previous observer being elevated to Bishop of Blackburn. We were pleased to have Canon Stephen Hance, Canon Missioner at Southwark Cathedral join us in this role in 2016.

The Society plays its full part in the Partnership for World Mission of the Church of England. In common with all other Anglican mission agencies, the Society receives no funding from the central resources of the Church of England, save for the valuable assistance provided by the Church of England in meeting CEFPS pension payments for priests in missionary service under the Vote 4 arrangements. ICS is also an active member of Global Connections (a network of evangelical international mission agencies, membership of which affords the Society access to information, know-how and conferences helping to further its object), the cross-tradition Patrons Consultative Group, and the Evangelical Patrons Consultative Council.

Risk Review

The Mission Director alongside the Governance sub-group of the Council review regularly the risks faced by ICS. A comprehensive list of risks and their likelihood and impact is maintained by the Mission Director using the Charity Commission template. This year the risk register was adjusted in the light of Brexit. Three items stood out as high risks.

1. The risks to the Society if we fail to renew our supporter base. Our average age of supporters has increased.
2. The risk of a safeguarding incident. Whilst we operate within best practice and follow robust procedures, we highlight this risk to maintain vigilance in light of the impact on young people and vulnerable adults' lives.
3. Risks associated with our property portfolio. ICS owns a number of properties in Europe and a major incident associated with one could have significant financial implications.

Throughout the year the risk management document is revisited and action taken to reduce the risk exposure to the Society. This is very much a working document.

How we are structured

Patron	His Royal Highness The Duke of York, KG KCVO ADC(P)	
Vice-Patrons	The Archbishop of Canterbury	The Bishop of London
	The Archbishop of York	Mr Dennis Sadler
	The Archbishop of Armagh	(Appointed 17 September 2016)
President	The Viscount Brentford (Resigned 17 September 2016)	
Council Members	The Revd L J Biggs	Mr K C Robbins (Honorary Treasurer)
	Mr J Carter	(Resigned 7 January 2017)
	(Elected 17 September 2016)	Mr D Sadler
	The Revd Canon J C Duxbury	(Resigned 17 September 2016)
	(Resigned 17 September 2016)	The Revd M B Sanders
	The Rt Revd J T Henderson (Chair)	The Rt Revd H W Scriven
	(Resigned 17 September 2016)	Mrs S V Thomas
	Mrs S Leyton	Mrs A C Tyndall
	(Resigned 17 September 2016)	Mr C S Weller
	The Revd A Marshall (Vice-Chair)	(Elected 17 September 2016)
	(Appointed Acting Chair	(Appointed Acting Honorary
	25 November 2016)	Treasurer 6 April 2017)
	The Revd D G Newstead	Mr D M White
	The Revd Canon J D Philpott	The Revd S M Wookey
	Mrs D E Price	The Revd T Wright
	(Resigned 17 September 2016)	(Elected 17 September 2016)
	Vacancy (2)	
Key Management Personnel	The Council Members and Mission Director – The Revd R W Bromley	
Company Secretary	The Revd R W Bromley	
Solicitors	Barlow Robbins LLP Concord House 165 Church Street East WOKING GU21 6HJ	
Registered Auditors	Jacob Cavenagh & Skeet 5 Robin Hood Lane SUTTON SM1 2SW	
Principal Bankers	Barclays Bank plc 100 Fenchurch Street LONDON EC3M 5JD	
Investment Advisers	CCLA Investment Management Ltd	Ruffer LLP
	Senator House 85 Queen Victoria Street LONDON EC4V 4ET	80 Victoria Street LONDON SW1E 5JL

Unit 11, Ensign Business Centre
Westwood Way
Westwood Business Park
COVENTRY
CV4 8JA

For and on behalf of the Council



The Revd Angela Marshall
Chairman of ICS Council
15 June 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERCONTINENTAL CHURCH SOCIETY

We have audited the financial statements of Intercontinental Church Society for the year ended 31 December 2016 set out on pages 21 to 33. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Intercontinental Church Society 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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, based on the work undertaken in the course of our audit, the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Trustees' Report has been prepared in accordance with applicable legal requirements.

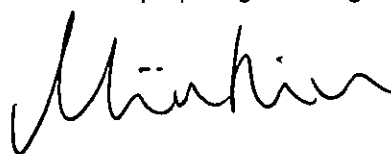
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERCONTINENTAL CHURCH SOCIETY *(continued)*

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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.
- the trustees are not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and from preparing a strategic report.



Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Chartered Accountants

Statutory Auditor
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

20 June 2017

Statement of Financial Activities
(including income and expenditure account)
for the year ended 31st December 2016

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2016 £	Total Funds 2015 £
Income from:						
Donations and legacies	2 (a)	422,070	110,362	-	532,432	349,614
Investment income	2 (b)	58,900	1,784	-	60,684	60,533
Charitable activities	2 (c)	11,134	-	-	11,134	10,764
Other trading activities	2 (d)	2,610	-	-	2,610	1,526
Other income	2 (e)	817	-	-	817	908
Total		495,531	112,146	-	607,677	423,345
Expenditure on:						
Charitable activities						
New Mission work	3 (a)	13,466	40,916	-	54,382	46,880
Ongoing Mission work	3 (b)	269,348	83,071	-	352,419	378,575
Raising funds	3 (c)	80,490	998	-	81,488	75,106
Total		363,304	124,985	-	488,289	500,561
Net gains on investments	2 (f)	149,449	-	53,136	202,585	15,378
Net income/(expenditure)	4	281,676	(12,839)	53,136	321,973	(61,838)
Transfers between funds		(10,042)	10,042	-	-	-
Gains/(losses) on revaluation of fixed assets	2 (g)	-	-	-	-	(7,676)
Net movement in funds		271,634	(2,797)	53,136	321,973	(69,514)
Balances brought forward 1st January 2016		1,837,359	170,151	544,415	2,551,925	2,621,439
Balances carried forward 31st December 2016		2,108,993	167,354	597,551	2,873,898	2,551,925
Analysis of net assets by fund						
Fixed assets		1,865,237	-	597,551	2,462,788	2,226,768
Current assets		289,570	167,354	-	456,924	353,416
Liabilities		(45,814)	-	-	(45,814)	(28,259)
		2,108,993	167,354	597,551	2,873,898	2,551,925

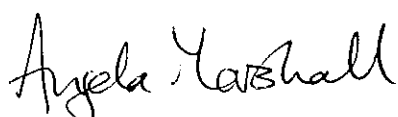
Analysis of net assets by fund 2015

Fixed assets	1,682,353	-	544,415	2,226,768
Current assets	183,265	170,151	-	353,416
Current liabilities	(28,259)	-	-	(28,259)
	<u>1,837,359</u>	<u>170,151</u>	<u>544,415</u>	<u>2,551,925</u>

Balance Sheet
as at 31 December 2016

		2016		2015	
	<i>Note</i>	£	£	£	£
Fixed assets					
Tangible fixed assets	6	173,441		181,069	
Investments	7	<u>2,289,347</u>		<u>2,045,699</u>	
			2,462,788		2,226,768
Current assets					
Debtors	8	72,577		29,943	
Cash held with Investment Managers	7	363,572		286,357	
Cash at bank and in hand		<u>20,775</u>		<u>37,116</u>	
		456,924		353,416	
Creditors: falling due within one year	9	<u>36,356</u>		<u>28,259</u>	
Net current assets			<u>420,568</u>		<u>325,157</u>
Total assets less current liabilities	10		2,883,356		2,551,925
Creditors: falling due after more than one year	9		<u>9,458</u>		<u>-</u>
Net assets			<u><u>2,873,898</u></u>		<u><u>2,551,925</u></u>
Income funds					
Unrestricted funds					
General		777,248		561,353	
Designated	11	<u>1,331,745</u>		<u>1,276,006</u>	
			2,108,993		1,837,359
Restricted funds	12		167,354		170,151
Capital funds					
Endowments	13		<u>597,551</u>		<u>544,415</u>
Total Charity funds			<u><u>2,873,898</u></u>		<u><u>2,551,925</u></u>

The accounts were approved by the Council on 15 June 2017



The Revd A Marshall
Chair



Mr C S Weller
Acting Honorary Treasurer

Statement of Cash Flows
for the year ended 31 December 2016

	2016	2015
	£	£
Cash flows from operating activities:		
Net cash provided by (used in) operating activities Note (a)	52,737	(108,831)
Returns on investments and servicing of finance		
Investment Income	60,684	60,533
Investment Manager costs	(11,085)	(11,338)
Capital expenditure and Income		
Payments to acquire tangible fixed assets	(399)	(2,615)
Payments to acquire investments	(1,416,063)	(1,775,880)
Receipts from sale of investments	<u>1,375,000</u>	<u>1,923,557</u>
	(41,462)	145,062
Increase in cash Note (b)	<u>60,874</u>	<u>85,426</u>

(a) Reconciliation of income/(expenditure) to net cash flow from operating activities

Net income/(expenditure) for the period (as per the statement of financial activities)	321,973	(61,838)
Adjustments for:		
Depreciation charges	8,027	8,158
Investment income	(60,684)	(60,533)
Gains on Investments	(202,585)	(15,378)
Investment Manager costs	11,085	11,338
(Increase)/Decrease in debtors	(42,634)	8,946
Increase/(Decrease) in creditors	<u>17,555</u>	<u>476</u>
Net cash provided by (used in) operating activities	<u>52,737</u>	<u>(108,831)</u>

(b) Analysis of changes in net debt

	At 31st December 2015	Cash flows	At 31st December 2016
	£	£	£
Cash at bank and in hand	37,116	(16,341)	20,775
Cash held with Investment Managers	<u>286,357</u>	<u>77,215</u>	<u>363,572</u>
Total	<u>323,473</u>	<u>60,874</u>	<u>384,347</u>

Notes to the Accounts for the year ended 31 December 2016

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Accounting convention

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP 2015 FRS 102), Financial Reporting Standard 102, (FRS102) and the Charities Act 2011. The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments. These financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity meets the definition of a public benefit entity under FRS 102, is a company registered in England and Wales (No: 3630342) and a registered charity (No: 1072584). The registered office is at Unit 11, Ensign Business Centre, Westwood Way, Westwood Business Park, COVENTRY, CV4 8JA.

The financial statements contain information about Intercontinental Church Society as an individual charity and do not contain consolidated financial information as the parent of a group on the grounds of immateriality.

(b) Reconciliation with previous financial statements

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by the Charities SORP 2015 FRS 102 the restatement of comparative items was required. Comparative information has been restated as far as practicable on a like-for-like basis. The net income for the year under previous United Kingdom Generally Accepted Accounting Practice has been adjusted for the presentation of investment gains as a component of reported income. In accordance with the requirements of FRS 102 a reconciliation of net income is provided as follows:

Reconciliation of funds

	£
Net (expenditure) as previously stated	(77,216)
Net investment gains now treated as component of net income/(expenditure)	15,378
Net (expenditure) as restated	<u>(61,838)</u>

(c) Fixed assets

Tangible fixed assets are stated at cost less depreciation. For two freehold properties owned by the charity no reliable information on the historic cost or value when donated is available for these properties. The Trustees believe that such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity due to the fact that it is impracticable to obtain these values as the Society's records are incomplete and as such reliable cost information is not to hand, therefore the Trustees believe the costs involved in clarifying these values will be prohibitive.

The Trustees have also considered obtaining a current valuation for these properties and have concluded that this cost is not justified by the usefulness of the information to the users of the accounts and to the charity for its own stewardship purposes. For these reasons these freehold properties are shown at a nil value in the financial statements. Where cost information is available for two other overseas freehold properties the Trustees have estimated that the acquisition costs is split equally between land and buildings. The land element is not depreciated, with buildings being depreciated over 50 years, as are also the two leasehold flats in the Society's ownership.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Buildings - over 50 years Equipment - between 3 and 10 years

Notes to the Accounts for the year ended 31 December 2016 (continued)

1 Accounting Policies (continued)

(d) Heritage assets

Heritage assets comprise cathedrals, historic churches and other integral buildings where the contribution to knowledge and culture is ancillary to faith and other purposes. No reliable information on the historic cost or value when donated is available for these properties. The Trustees believe that such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity due to the fact that it is impracticable to obtain these values as in some instances the Society's records were destroyed during the Blitz in 1941. In other cases properties were acquired in the 1800's with the Society's records being incomplete and in other instances reliable costs information is not to hand, therefore the costs involved in clarifying these costs are prohibitive. The Trustees have also considered obtaining a current valuation for these properties and have concluded that this cost is not justified by the usefulness of the information to the users of the accounts and to the charity for its own stewardship purposes. For these reasons heritage assets are shown at a nil value in the financial statements.

(e) Investments

Assets held for investment purposes are carried at fair value. Movements in fair value are shown as unrealised gains or losses in the Statement of Financial Activities.

(f) Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be reliably measured.

- (i) Annual subscriptions are accounted for as income in the year receivable.
- (ii) Donations, including contributions through parishes, are accounted for strictly on a receivable basis. Income tax recoverable in respect of Gift-Aided donations is accounted for on an accruals basis. Gifts in kind are valued at estimated open market value at the date of the gift in the case of assets for retention or consumption, or at the value to the charity in the case of donated services or facilities. The time donated by general volunteers is not recognised in the financial statements but their significant contribution is discussed in the annual report.
- (iii) Income from investments is accounted for on the basis of the due and payable dates.
- (iv) Contributions, including collections in respect of permanent and seasonal chaplaincies, are accounted for on a receivable basis.
- (v) The net proceeds of sales of church properties are credited to the General Fund on a cash received basis.
- (vi) Legacies are accounted for on a receivable basis, which is when the company becomes entitled to receipt and the amount can be reliably quantified.

(g) Expenditure

Expenditure is recognised as soon as an outflow of economic benefit is probable and that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the charity.

Functional classification

'Charitable activities' comprises all expenditure directly related to furthering the object of the charity.

'Raising funds' comprise the costs actually incurred in inducing others to make voluntary gifts to the Society, the costs of trading, associated costs, and cost of goods sold, and also investment management fees.

'Governance costs' are costs associated with meeting the constitutional and statutory requirements of the charity.

Natural classification

The total cost of salaries is apportioned on the basis of the approximate use of employees' time, and certain administration expenditure and governance costs are apportioned on the basis of the approximate use of goods and services amongst the following:

Charitable Activities, New Mission work
Charitable Activities, Ongoing Mission work
Raising funds

Notes to the Accounts for the year ended 31 December 2016 (continued)

1 Accounting Policies (continued)

(g) Expenditure (continued)

Costs have been apportioned in relation to time spent on matters relating to both Unrestricted and Restricted funds, and the comparative information for 2015 has been restated as far as practicable on a like-for-like basis. Staff and support costs apportioned to Restricted funds are met by a transfer to Unrestricted funds. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

(h) Debtors

Income tax recoverable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

(i) Cash at bank and in hand and cash held with Investment Managers

This includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

(j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

(k) Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(l) Pensions

The charity contributes to defined contribution pension schemes, the assets of which are held separately from those of the charity. Contributions are charged to expenditure on an accruals basis.

(m) Rates of exchange

Foreign currency balances are translated into sterling at the rates of exchange prevailing at the year end. Exchange differences on conversion arising from day-to-day transactions are dealt with in the Statement of Financial Activities.

(n) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities in the period to which they relate.

(o) Going concern

Council believe that there are no material uncertainties about the charity's ability to continue.

Notes to the Accounts for the year ended 31 December 2016 (continued)

2 Income

Income	2016			Total £	2015			Total £
	Unrestricted £	Restricted £	Endowment £		Unrestricted £	Restricted £	Endowment £	
(a) Donations and legacies								
Subscriptions and donations	118,732	89,244	-	207,976	125,729	66,981	-	192,710
Income Tax recoverable on Gift Aid	19,707	12,326	-	32,033	20,045	11,137	-	31,182
Donations from churches	9,380	8,792	-	18,172	14,635	3,950	-	18,585
Donations from chaplaincies	22,617	-	-	22,617	26,491	444	-	26,935
Seasonal mission collections	26,939	-	-	26,939	30,576	-	-	30,576
Legacies receivable	223,561	-	-	223,561	47,249	-	-	47,249
Receipts from donations of stamp collections	1,134	-	-	1,134	2,377	-	-	2,377
	422,070	110,362	-	532,432	267,102	82,512	-	349,614
(b) Investment income								
UK sourced	53,270	1,784	-	55,054	51,854	1,784	-	53,638
Overseas sourced	5,630	-	-	5,630	6,895	-	-	6,895
	58,900	1,784	-	60,684	58,749	1,784	-	60,533
(c) Charitable activities								
Chaplains' conference	11,134	-	-	11,134	10,764	-	-	10,764
(d) Other trading activities								
Greeting card sales	2,610	-	-	2,610	1,526	-	-	1,526
(e) Other income								
Sundry income	817	-	-	817	908	-	-	908
TOTAL INCOME	495,531	112,146	-	607,677	339,049	84,296	-	423,345
(f) Net gains on investments	149,449	-	53,136	202,585	12,761	-	2,617	15,378
(g) (Losses) on revaluation of fixed assets	-	-	-	-	(7,676)	-	-	(7,676)

Notes to the Accounts for the year ended 31 December 2016 (continued)

3 Expenditure

	2016			2015		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Charitable activities						
(a) New Mission work						
Brussels Outreach Worker	-	16,687	16,687	-	4,500	4,500
Algiers	-	9,188	9,188	-	6,870	6,870
Cairo	-	612	612	-	12,274	12,274
Tunis grant (<i>see below</i>)	-	12,000	12,000	-	14,805	14,805
Staff and support costs (<i>see below</i>)	13,466	2,429	15,895	7,313	1,118	8,431
	13,466	40,916	54,382	7,313	39,567	46,880
Charitable activities						
(b) Ongoing Mission work						
Permanent chaplaincies	22,874	76,089	98,963	35,237	71,747	106,984
Seasonal missions	41,361	1,754	43,115	40,062	4,741	44,803
Staff and support costs (<i>see below</i>)	205,113	5,228	210,341	221,642	5,146	226,788
	269,348	83,071	352,419	296,941	81,634	378,575
(c) Raising funds						
Fundraising costs	1,543	-	1,543	2,147	-	2,147
Fundraising trading costs	2,104	-	2,104	1,772	-	1,772
Investment management costs	11,085	-	11,085	11,338	-	11,338
Staff and support costs (<i>see below</i>)	65,758	998	66,756	58,032	1,817	59,849
	80,490	998	81,488	73,289	1,817	75,106
TOTAL EXPENDITURE	363,304	124,985	488,289	377,543	123,018	500,561
Staff and support costs						
Salaries	138,590	3,323	141,913	136,414	2,784	139,198
National insurance	10,182	244	10,426	10,627	217	10,844
Pension contributions	15,063	361	15,424	14,829	303	15,132
Other staff costs	5,634	135	5,769	5,451	111	5,562
Total staff costs	169,469	4,063	173,532	167,321	3,415	170,736
Premises	22,708	544	23,252	22,429	458	22,887
Travel	21,714	521	22,235	22,760	464	23,224
Communications	16,425	1,482	17,907	21,815	1,249	23,064
Governance - Audit Fees	6,745	255	7,000	6,874	326	7,200
Other support costs	47,276	1,790	49,066	45,788	2,169	47,957
	284,337	8,655	292,992	286,987	8,081	295,068
Apportioned to activities as follows:						
New Mission work	13,466	2,429	15,895	7,313	1,118	8,431
Ongoing Mission work	205,113	5,228	210,341	221,642	5,146	226,788
Raising funds	65,758	998	66,756	58,032	1,817	59,849
	284,337	8,655	292,992	286,987	8,081	295,068

The grant figure of £12,000 for Tunis in Charitable activities represents £5,000 expended in 2016. Additionally, an amount of £4,000 for 2017 and £3,000 for 2018, as unconditional grants payable in future years are included in these figures as a requirement of this SORP. Of the figure of £2,429 allocated to Staff and support costs in Restricted funds charitable activities, £757 relates to this grant. These grants are payable to Church Missionary Society and are in support of the work of The Revd Peter Knight, ICS Mission Partner in Tunis.

Notes to the Accounts for the year ended 31 December 2016 (continued)

4 Net Income/(Expenditure)

	2016	2015
	£	£
This is stated after charging:		
Auditors' remuneration for audit services	7,000	6,720
Auditors' remuneration for other services	1,767	1,200
Depreciation	8,027	8,158
Operating lease rentals - land and buildings	10,673	10,400
Operating lease rentals - other equipment	<u>4,578</u>	<u>4,835</u>

5 Staff Costs and Council Members' Expenses

	2016	2015
	No.	No.
The average number of employees during the year was:	<u>6</u>	<u>6</u>

Total staff emoluments for the year were as set out in note 3.

No employee received remuneration over £60,000 in the year 2016 (2015: none). The total employee benefits of the key management personnel of the charity as listed on page 18 were £46,004 (2015: £45,101). No honorarium were paid to any Council Members (none in 2015). Travel expenses of £5,434 (2015: £6,252) were reimbursed to 16 (2015: 15) Council Members in the year. Total donations of £8,663 (2015: £7,706) were received from 19 (2015: 17) Council Members in the year.

6 Fixed Assets

	Heritage assets	Leasehold Property	Freehold Property	Equipment	Total
Cost	£	£	£	£	£
At 01 January 2016	-	192,475	85,084	64,209	341,768
Additions	-	-	-	399	399
Disposals	-	-	-	(5,068)	(5,068)
At 31 December 2016	<u>-</u>	<u>192,475</u>	<u>85,084</u>	<u>59,540</u>	<u>337,099</u>
Depreciation					
At 01 January 2016	-	85,713	19,465	55,521	160,699
Charge for the year	-	3,850	850	3,327	8,027
On disposals	-	-	-	(5,068)	(5,068)
At 31 December 2016	<u>-</u>	<u>89,563</u>	<u>20,315</u>	<u>53,780</u>	<u>163,658</u>
Net book value					
At 31 December 2016	<u>-</u>	<u>102,912</u>	<u>64,769</u>	<u>5,760</u>	<u>173,441</u>
At 31 December 2015	<u>-</u>	<u>106,762</u>	<u>65,619</u>	<u>8,688</u>	<u>181,069</u>

The charity beneficially owns a freehold property used as Chaplain's accommodation in Floriac (France) which is 80% owned by the Society. The charity also beneficially owns a freehold property used as Chaplain's accommodation in Blonay (Switzerland), which is subject to a mortgage (amount outstanding as at 31st December 2016 Chf27,953/£22,362 (31st December 2015 Chf34,687/£23,597)) in favour of Banque Cantonale Vaudoise. The charity also owns two leasehold flats in Wengen and Zermatt (Switzerland). These four properties are valued in the above table.

The charity also beneficially owns the following freehold properties which are shown at nil value:

France: Chaplaincy House, Holy Trinity, Maisons-Laffitte
Chaplaincy House, St. Mark's, Versailles

The charity beneficially owns the following heritage assets which are shown at nil value:

Belgium: Holy Trinity, Brussels	Netherlands: St. Mary's Rotterdam
France: Holy Trinity, Cannes	Holy Trinity, Utrecht
St. Peter's, Chantilly	St. George's, Barcelona
Holy Trinity, Maisons-Laffitte	St. Peter's, Château d'Oex
St. Michael's, Paris	All Saints', Vevey
St. Mark's, Versailles	St. Bernard's, Wengen
	St. Peter's, Zermatt

Notes to the Accounts for the year ended 31 December 2016 (continued)

7 Investments

	2016 £	2015 £
Quoted investments		
Brought forward	2,045,699	2,177,998
Additions	1,416,063	1,775,880
Disposals	(1,375,000)	(1,923,557)
Net realised gains/(losses)	(39,651)	1,332
	<u>2,047,111</u>	<u>2,031,653</u>
Net unrealised gains	242,236	14,046
Quoted investments at fair value carried forward	2,289,347	2,045,699
Cash held by Investment Manager	48,584	150,732
Cash held at CCLA	314,988	135,625
	<u>2,652,919</u>	<u>2,332,056</u>

8 Debtors

	2016 £	2015 £
Income tax recoverable	1,923	4,032
Other debtors	469	4,494
Prepayments and accrued income	70,185	21,417
	<u>72,577</u>	<u>29,943</u>

9 Creditors

	2016 £	2015 £
Provisions for trade creditors	27,356	28,259
Accruals for expenditure payable falling due within one year	9,000	-
Accruals for expenditure payable falling due after one year	9,458	-
	<u>45,814</u>	<u>28,259</u>

10 Net Assets

The balances carried forward on the various funds are held as follows:

	<i>Tangible fixed assets</i> £	<i>Investments</i> £	<i>Current assets less liabilities</i> £	2016 <i>Total</i> £	2015 <i>Total</i> £
Unrestricted funds	-	534,272	242,976	777,248	561,353
Designated funds	173,441	1,158,304	-	1,331,745	1,276,006
Restricted funds	-	-	167,354	167,354	170,151
Endowments	-	596,771	780	597,551	544,415
	<u>173,441</u>	<u>2,289,347</u>	<u>411,110</u>	<u>2,873,898</u>	<u>2,551,925</u>

Notes to the Accounts for the year ended 31 December 2016 (continued)

11 Designated Funds

	<i>Income</i>	<i>Expenditure</i>	<i>Net Income/ (Expenditure)</i>	<i>Transfers</i>	<i>Balance brought forward</i>	<i>Balance carried forward</i>
	£	£	£	£	£	£
Fixed asset reserve	-	-	-	(7,604)	181,045	173,441
Operational reserve	-	-	-	(26,128)	510,274	484,146
Chaplaincies reserve	-	-	-	-	150,000	150,000
Mission Partnerships reserve	-	-	-	(10,529)	34,687	24,158
Loans reserve	-	-	-	-	200,000	200,000
Property reserve	-	-	-	100,000	200,000	300,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,739</u>	<u>1,276,006</u>	<u>1,331,745</u>

The General fund includes a revaluation reserve of £381,652 (2015: £163,836) representing unrealised increases in the value of investments.

In line with its reserves policy the Society has decided to set aside funds for the following specific purposes:

Fixed asset reserve: to cover the investment in fixed assets as valued in the annual financial statements.

Operational reserve: to ensure that ICS can sustain the cost of maintaining operations for a period of 12 months. As well as setting aside funds for 2017, funds have been designated by Council to cover the cost of subsidising the Chaplains' Conference and the mission in Ibiza for 2018. Also the missions in Interlaken and Cavallino for 2018 and 2019.

Chaplaincies reserve: to ensure the continuing function of existing work for 12 months.

Mission Partnerships reserve: to ensure that once a new partnership has been agreed that appropriate funding is set aside.

Loans reserve: to ensure funds are available to support and extend existing work.

Property reserve: to ensure that ICS has reserves available to meet any unforeseen, or emergency work, which needs to be undertaken on one of the properties that it owns. An additional £100,000 was set aside for expected work required on the roof of the church in Zermatt.

12 Restricted Funds

	<i>Income</i>	<i>Expenditure</i>	<i>Net Income/ (Expenditure)</i>	<i>Transfers</i>	<i>Balance brought forward</i>	<i>Balance carried forward</i>
	£	£	£	£	£	£
Mission Partnerships - Europe	19,142	17,078	2,064	1,778	5,000	8,842
Mission Partnerships - N. Africa	6,845	24,835	(17,990)	3,036	24,335	9,381
St. Peter's, Zermatt	842	2,284	(1,442)	530	8,480	7,568
Income for Chaplaincy Work	85,317	80,788	4,529	4,698	132,336	141,563
	<u>112,146</u>	<u>124,985</u>	<u>(12,839)</u>	<u>10,042</u>	<u>170,151</u>	<u>167,354</u>

The Restricted funds were established for the following purposes:

Mission Partnerships: these are funds received towards the costs of new mission work and the expenditure of these funds on these initiatives. Any excess of expenditure over income is met by a transfer from general funds.

St. Peter's, Zermatt: this fund is for the maintenance of the church building and the ministry in Zermatt.

Income for Chaplaincy Work: these are funds received expressed to be in support of specified chaplaincies' work and equivalent sums are passed on to them.

Notes to the Accounts for the year ended 31 December 2016 (continued)

13 Endowments

	<i>Income</i>	<i>Expenditure</i>	<i>Net Income/ (Expenditure)</i>	<i>Gains and transfers</i>	<i>Balance brought forward</i>	<i>Balance carried forward</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trust Funds	-	-	-	53,136	544,415	597,551

Trust Endowment funds represent capital gifts to the Society. Income arising from the Trust fund investments is used for general purposes.

14 Commitments

The Society has financial commitments in respect of non-cancellable operating leases of land and buildings and of equipment. The total future minimum payments under non-cancellable operation lease are payable:

	2016	2015
	£	£
Within one year	15,567	16,134
Between 1 and 5 years	6,789	22,356
After more than 5 years	-	-
	<u>22,356</u>	<u>38,490</u>

The operating lease charges for the year were:

	2016	2015
	£	£
Hire of Equipment	4,578	4,835
Rental	10,673	10,400
	<u>15,251</u>	<u>15,235</u>

15 Registered Holder

Two properties are registered in the Society's name. Two church properties are registered in the name of Intercontinental Church Society (Nominees) Ltd (a wholly owned subsidiary). The remainder are registered in the name of The Colonial and Continental Church Society (a subsidiary charity).

16 Funds held as Custodian Trustee

Funds are held in the CBF Church of England Deposit funds, and COIF Investment funds, in accounts separate from those of the Society's on behalf of three chaplaincies totalling £182,927. The balances at 31st December 2016 are set out below.

	CBF Funds	COIF Funds	Total Funds
	£	£	£
Holy Trinity, Cannes	10,770	-	10,770
St. Luke's, Davos	-	5,555	5,555
St. Michael's, Paris	-	166,602	166,602
	<u>10,770</u>	<u>172,157</u>	<u>182,927</u>

17 Tax Status

The Society is registered with the Charity Commissioners (No 1072584) as a charity and is exempt from taxation on its charitable activities.

18 Legal Status of the Society

The Society is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.00.

19 Related Party Transactions

There were no related party transactions except as disclosed in Note 5.