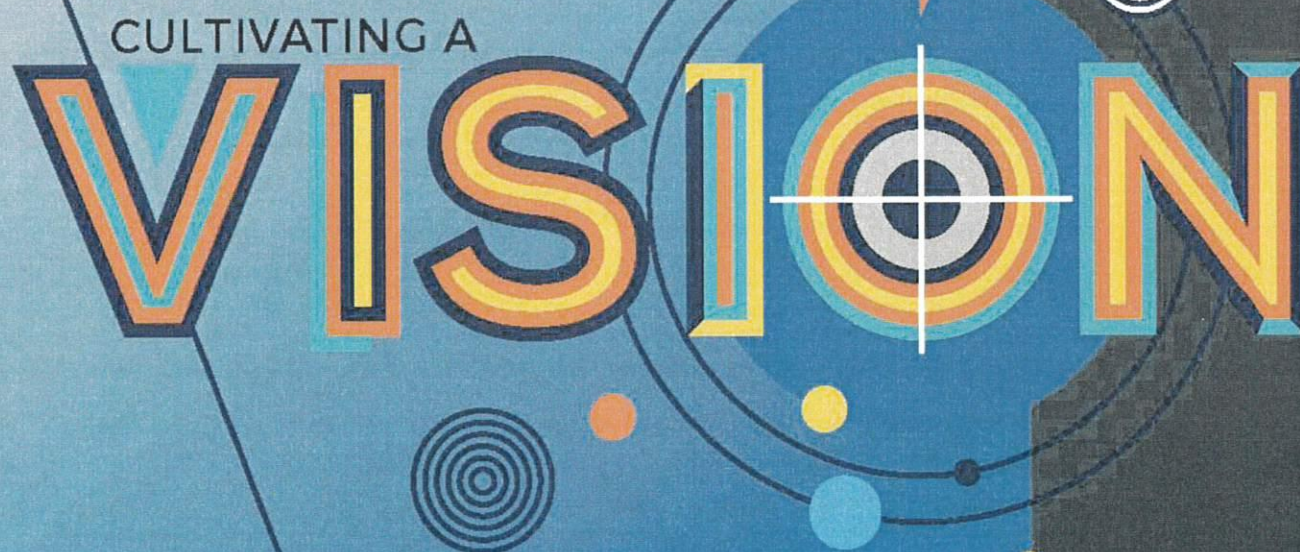


*The days are coming,
declares the Lord, when the
reaper will be sowing
by the ploughman,
planter by the reaper,
and the sower and the planter
will be together.*



Chair's Introduction



Dear Friends

I am delighted to commend our annual report to you. Last year was the first report after I became Chair. It is a joy to reflect and look back on this last year and what has been achieved. Great credit in this must go to Richard and the staff. This is a team we can be justly proud of, hard-working, imaginative and innovative.

We have come to the end of the last five-year strategy and are entering a time of prayer and reflection for the next five years. The last five years have been very fruitful, with a good deal of new work that has led to evangelism and some exciting new projects. Council decided that we needed to spend some of our capital on this, and we feel this is a wise investment for the future. We look forward to these projects becoming self-sustaining over time. Richard Bromley will give some more details in his report.

It is undeniable that all mission agencies, particularly those focussing on evangelism and church planting, are suffering something of an existential crisis. We are quite rightly reminded that mission is about much more than evangelism. However, the chief danger, particularly in the Church of England, is that of a strategy that seeks to transform our communities, and hopes people ask why. There should always be a place for ministries like ours, seeking to proclaim Jesus Christ and plant and sustain churches. St. Francis never said: 'Evangelise at all times and if you must, use words!' I have heard that phrase frequently quoted at me as a means of maintaining the messianic secret!

Please pray for Council as we prayerfully ponder the next five years. There will be opportunities for all ICS members to contribute to this conversation. We need a strategy that keeps mission front and centre but that engages effectively both with the wider world and with a new generation of supporters passionate for the Kingdom of God.

Thank you for all your prayers and support as ever.

Best wishes

The Right Revd Richard Jackson
Chair of Council and Bishop of Lewes

Mission Director's Report



I am delighted to present to you our Annual Report for 2018. In many ways the year has been quite exhausting. It has been my busiest year to date for travel. The ICS team, to whom I am immensely grateful for their energy and commitment, have had a heavy workload with many additional tasks coming their way as you will see later. There has been a marked increase in new work which is hugely exciting as we consider the new opportunities for mission and ministry. At the same time though this creates work to ensure that we do well what we are committed to and on top of this there is the ongoing care and support of our mission partners.

In the midst of all this busyness, there have been some delightful stories. The moment when a chaplain rang me from a country outside Europe to talk about the eleven people who have come to Christ and who had just been baptised, or the moment when a chaplain sits me down and tells me the delightful story of a person who had been trapped indoors, finding their church on-line and ultimately to join a fellowship of care and compassion.

To cut through all the talk of busyness, there is one over-arching sense I have of 2018, that we are engaged in spiritual warfare, that what we do has a dimension that is deeply dependent upon the prayer and intercessions of those people who stand with us. More this year than any other, have I felt the need to draw round me those people who pray for and care for ICS. In simple ways like inviting prayer groups to ring me as they start their meeting to get up-to-date prayer information, through to trying to be more engaged in the way that we communicate our prayer needs. We are aware that there is a heavenly dimension to what we do and in light of the new work that is being developed we want to be sensitive, even alert, to what is going on around us.

I commend this report to you, may it inspire you with all that is going on, but also move you to pray for the ministries and people that ICS represents.

Yours in Christ

The Revd Richard W Bromley MA
Mission Director

Executive Summary Introduction

ICS delivers its objectives in three distinct ways:

1. Through the **Permanent Chaplaincies**, where our mission partners are engaged in long-term mission and ministry, often through churches planted by ICS or where strong links have been formed more recently.
2. Through **Resort Ministry** (previously known as Seasonal Ministry), a ministry that is a foundational part of what ICS does and continues to be important to us.
3. Through **New Work**, those areas where ICS engages in mission which resonates with our original calling to be a 'Frontier Agency'.

The chaplaincies we serve

We serve our mission partners and the chaplaincies they are part of in six distinctive ways:

1. **By stimulating and supporting a large network of prayer.** A foundational part of what ICS does is driven by prayer and the many people who pray daily for the ministry engaged in the spiritual warfare that was referred to earlier. We believe prayer is foundational and chaplaincies regularly comment on the value of knowing there are people prayerfully interceding for them.
2. **Through the ICS Conference.** Unlike a minister in the UK, our mission partners can go weeks without meeting another clergy person. The ICS Conference provides teaching, encouragement and most of all the opportunity to be with peers. In 2018, Kirstin Taylor, a Youth Worker from Maisons-Laffitte wrote this about the conference: 'The week of the ICS Chaplains and Families' Conference was a time full of opportunities to share, learn, worship God and have fun together. For a group of chaplains from unique international settings, the title of 'The International Minister' was aptly named. Each day delved into different aspects of living cross-culturally, working inter-culturally and thinking internationally.'
The ICS Conference continues to be an important part of what we do and we see that the finance and time invested in this pays dividends in flourishing mission partners.
3. **Through coaching.** The Mission Director continues to coach several chaplains through times of change or challenge. Coaching is a useful tool that allows the mission partner to feel connected and supported through the regular Skype conversations. Our mission partners are gifted and able people, coaching allows them to test ideas and face change knowing that someone is walking alongside them.
4. **Where we are the Patron, we support the ICS chaplaincies with their recruitments.** We are delighted to say that in 2018 we appointed Dale (and Pat) Hanson in St. Mark's, Versailles (*pictured below left*) and Jonathan (and Mary) Clark in St. Michael's, Paris.



Both are highly experienced ministers able to bring their gifts and talents to these wonderful chaplaincies. Where we do not have patronage but have a strong relationship we are often invited to be involved in the recruitment process. This was the case at St. Clement's, Prague, when Nathaniel Nathaniel was appointed, and the Mission Director had the privilege of attending the licencing. In St. Mary's, Rotterdam, Humayun Sunil was appointed to be an Outreach Worker, ICS was involved in the process and we continue to have significant contact. Finally, in Schiphol, where we have committed to support the ministry, the Mission Director was involved

in the recruitment and selection of Mark Hafkenscheid who is now ministering as part of the chaplaincy team.

5. **Resourcing chaplaincies through direct funding.** We have very limited resources and do not see this as a major part of our gift, but on occasions we have made funding available to support the ministry in 2018. Occasionally, a small amount of funds applied in the right place can have a huge impact, this is a principal that was applied in these cases.
6. **Direct support in times of crisis or during moments of celebration.** In 2018, there have been many times when we have travelled to be with a chaplaincy through a difficult situation or a moment of great joy and celebration. For example, at St. Michael's, Paris there have been significant challenges regarding the building and what future developments should take place and in partnership with whom. ICS committed to being at every meeting of the planning team. David White of ICS Council has been exceptionally valuable with the skills he brings to these meetings and his level of commitment has been much appreciated. Support can be a very loose word that is sometimes not very tangible, done well we believe it makes bonds stronger, enables mission partners to be bolder and creates opportunities for new partnerships in mission.

People moving on

2018, saw a significant number of people moving on. It is always sad to see colleagues and friends go but also a delight to see them move into other opportunities to serve and minister.



From **Amsterdam**, James and Anna Hill have now taken up a post in North London.



From **The Hague**, Andrew and Marian Gready are now ministering in Yorkshire.



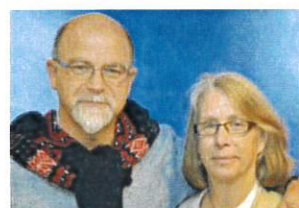
From **St. Michael's Paris**, Alyson Lamb is now serving in a parish just outside Newcastle-upon-Tyne.

From **Grenoble**, Bob and Jane Hurley are now serving in a parish in Cheltenham.



In **Ibiza**, Peter and Sue Pimentel have now retired and are looking to move to the Southampton area.

From **Maadi**, on the outskirts of Cairo, Mike and Janet Dobson have now taken up a role in Pimlico, Central London.



From **Tripoli**, the Revd Rajan Jacob has taken up the role of Archdeacon of the Gambela Region in the Horn of Africa.

Finally, from Port Stanley in the **Falklands**, Nicholas and Aurora Mercer have taken up a role in the north of England.



ICS sees it as its responsibility to not only support the mission partners as they are deployed, but also to help them re-enter British culture if that happens to be the case and to settle into the next stage of their ministry as they move forward. A point in case, an hour was spent with Peter and Sue Pimentel, not only debriefing them on their time in Ibiza, but also seeking to be of support and encouragement as they work out where God is calling them next. It is essential that a responsible mission agency not only sends-out people well, but also re-settles them with care.

Properties

ICS owns several properties, the details of which are available later in this report, these are used by chaplaincies to fulfil their ministry.

In 2018, two have taken a significant amount of time and resource. Firstly, as mentioned above, St. Michael's, Paris has been in discussion with the co-owners of the property about future developments. This happened at the same time as the chaplain, Jonathan Clark was appointed which meant he had a steep learning curve to negotiate. Excellent people from St. Michael's and David White from ICS Council were able to support and develop a consensus on the way forward. Not unusually, such issues raise broader questions about the direction of the church and future developments more widely. This has been a fruitful time with St. Michael's and we are optimistic about the way forward.

The second property is St. Andrew's church in Kyrenia, Northern Cyprus. This was transferred to the Jerusalem and Middle East Trust several years ago but, for various reasons, not least the Turkish invasion of Cyprus, it was not completed. In 2018, we put a lot of effort and resources into compiling all the appropriate documents for authorities to move this process forward so that the Diocese of Cyprus and the Gulf can progress the issues locally. This has been a slower and more complex process than we had anticipated but it looks like we are now at a point where the ownership is clearly out of our hands and we can stand back from this responsibility.



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.'

Resort 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 the 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.

Values

The ICS values are:

- 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.

Volunteers

We continue to be grateful to Sylvia Leyton who continues to process used stamps on behalf of the Society and this generates a steady income towards the ministry. Also, the ICS prayer group leaders who organise and facilitate ICS prayer support.

ICS has had the benefit of the time and energy of volunteers in several ways:

- Resort Chaplains (44): This team of dedicated missionaries serve in summer and winter chaplaincies contributing to the mission of ICS.
- Local Ambassadors (5): Speaking in churches, prayer meetings and at local clergy gatherings, this team of people put a public face on ICS.
- Office Volunteers (2): 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 resort 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 2018.

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 resort mission occurs, through: the provision of resort 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.

Statement of Fundraising Practice

In accordance with the Charities (Protection and Social Investment) Act 2016, the following outlines the fundraising practice of ICS in 2018.

ICS's fundraising is built on values of honesty and transparency. We are extremely grateful to the individuals, trusts, churches and other organisations who have donated funds to ICS. We invite offerings at events and services. We conduct an annual direct mail appeal and invite financial support on our website and in ICS publications.

We recognise that some supporters may be in vulnerable circumstances, and we take care to serve them appropriately. We will never put anyone under pressure to make a gift. Our Privacy Policy is easily accessible on our website and there have been no complaints or criticisms during the year about our fundraising activities. During 2018 we did not employ any professional fundraisers.

New Work

As part of our ongoing commitment of being true to our values of being a pioneer agency, sustaining former new work, embedding recent new work and stimulating future new work are core to us. A few are highlighted, alphabetically by nation, below.

At Holy Trinity, Algiers, we continue to support the work in its transitional phase. There is hope that a property will become available to them soon and that this will generate some income for the ongoing sustainability of the work. Currently, ICS houses the chaplain and provides pastoral support. We will be continuing to support in the recruitment of the next person.



In Belgium, there are three areas where we are invested. In Kortrijk, we support Augustine Nwaekwe (*pictured far left*) as he develops new ministry here and alongside that we have been contributing to the ministry of Dan Eze (*left*), who works within the Ostend chaplaincy. This has added capacity and opportunities for this already growing ministry to continue to expand.



We have increased our support towards the work of the Brussels EU Institutions' worker, Jeremy Heuslein (*pictured*), who is now employed full-time allowing him to focus more intentionally on the ministry within the Institutions and the associated spin-off opportunities that creates.

In France, we invest in three areas of new work. In Lyon, we support the chaplaincy as they work with students. In Poitou-Charentes, we made funding available to be used to invite Michael Harvey ('Unlocking the Growth') to spend time with the chaplaincy developing invitational church models. In Bordeaux, we support the development of the ministry there and we had the pleasure in 2018 of attending the licensing of Charlotte Sullivan (*pictured right*), the Priest-in-Charge. Her mandate is to grow this church and develop opportunities that exist there.



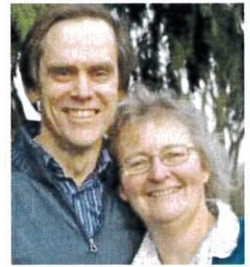
In the Netherlands, we are funding, alongside the Diocese, an Outreach Worker from St. Mary's, Rotterdam. Humayun Sunil is a Deacon in the church who works alongside Jenni Pridmore, the Chaplain, in developing outreach to this large international city.





We were invited to support the work of the chaplain at Amsterdam Schiphol Airport. We were delighted to be involved in the recruitment and selection process to see this unique ministry flourish. Mark Hafkenscheid was appointed and is pioneering in a new and fairly unique context.

In Tunis, we continue to support the work of Peter and Christine Knight. Their role in both running the chaplaincy but also their wider wisdom in various projects has been immensely valuable in establishing new opportunities there.



In Turkey, we are involved in two places. Firstly, Izmir where James Buxton (*pictured left*) has been established for some months. The stability he has brought and the opportunities he has been able to capitalise on have been invaluable for the chaplaincy's witness in the community they find themselves. Secondly, in partnership with the Diocese in Europe and CMS, we support Mohammad Eghtedarian in the role of Chaplain at St. Nicolas, Ankara. A unique chaplaincy, that with Mohammad's background and experience in place,

creates opportunity for a sensitive witness in that context.



Finally, within Resort Ministry we have been delighted to pioneer new work in Corfu. It was felt for some time that there is a real strength in having what used to be called 'Seasonal Ministry' happening in a location where there is an existing chaplain to capitalise on the contacts and be there all-year-round. The pilot year in Corfu was successful and we will repeat the work in 2019. The chaplains that took part gathered with the Seasonal Mission Manager and the Mission Director to debrief. We are confident that we have a programme that will both be better at reaching out and serve the chaplaincy on the island.

Partnerships

One of our values is partnerships. We have significantly strong partnerships with the Diocese in Europe, the Diocese of Egypt and North Africa, with Lambeth Palace in our role alongside the Bishop of Lambeth regarding the Falklands and more widely with Partnership for World Mission, a gathering of all the Anglican mission agencies. We work closely with Church Mission Society and in a number of cases fund work together. We continue to be committed to these partnerships for our mutual benefit and the benefit of the Kingdom of God.

Communications

Jeannette Spaanderman does an excellent job overseeing the ICS Communications. *ICS News*, the Prayer Diary, *ICS News and Prayer Update*, Resort Ministry publicity and communication with churches is of an exceptionally high standard. Alex Grey, our designer, does an amazing job, we rely on her heavily and we are always impressed by her creativity and flexibility. Our printers, Swan Print, have worked with us for many years and very much feel like partners, we appreciate their flexibility. Another side of the Communications is the work that Jeannette does in writing to a number of the evangelical colleges, sending out details of ICS to the ordinands. Our ambition ultimately is that no student leaves one of the Anglican Colleges without having heard of ICS's work as an Anglican Mission Agency.

In 2018, the deputation programme did not go well. We did not have many invitations to speak in churches, though we enjoyed opportunities in Northern Ireland and in the Poppyland Benefice in

Norfolk. We believe it is essential to be able to communicate directly with churches about the vision and stories of ICS and the ministry we are part of.

Website fit for the twenty-first century

A huge amount of energy has been put into the new website during 2018. We spent a long time designing it alongside Raising IT, a company who have partnered with us and brought their creativity, energy and critical insight into what we do. We are delighted with their input and the ongoing relationship we have with them. They made us realise that we used insider language on our website and they have pushed us to think how to be more creative and also to make sure the website is used wisely as a fundraising tool. At a time when we need to continually create more income from millennials and giving via a website is a normal practice, we needed to be functioning well at this level. I am delighted with the new way the website looks and functions and every credit to Maggie, Jeannette and Jim for their input into this.

Governance

ICS Council runs well under the chairmanship of Bishop Richard Jackson and in 2018 we appointed Mrs Ann Tyndall as Vice Chair. Council has robust policies and procedures in place and is performing well. In 2018, Council undertook training in best practice and recruitment. This was provided by 3D Coaching and was well received.

Two new members of Council were added in 2018, the Revd Martin Dale was voted on at the AGM and the Revd Canon Alistair McHaffie became the General Synod Observer. We also said goodbye to four Council members as they completed their recommended three terms. They were the Revd Canon John Philpott, the Revd Laurence Biggs, the Revd Angela Marshall and the Revd Stephen Wookey. John has worked tirelessly for ICS in recruitment and as Locum. Laurence not only supported Resort Ministry and was involved in a number of working groups, he also gave of his time in 2018 in raising funds for the St. Peter's, Zermatt roof. Stephen has been invaluable on the Governance issues. Angela Marshall has been our lead person on Recruitment for many years and we are delighted that she is willing to continue to act in a role as Consultant as we are keen not to lose all her experience and expertise. Our thanks go out to all of them and to Council in general for the hard work and commitment that they put into the governance of ICS.



One major policy issue during 2018 was the work to become compliant with GDPR. We now have robust policies which are public and clear. We also have practices within the office to ensure we are compliant with current legislation. An ongoing piece of work is being done to make sure that all historic filing is being brought into line.

Fundraising

General fundraising, to enable us to run ICS, continues to be a challenge. We fundraise in five key areas:

1. Through our **annual appeal** which this year raised £16,423. We also run an appeal in the spring, historically for North Africa, to maintain our ability to respond and support this important area.
2. Through **deputations**. As mentioned previously, this has decreased and needs to be addressed in 2019. We are aware that Northern Ireland churches are exceptionally generous to ICS and we need to keep our profile high there. John Dinnen has been a tireless representative for ICS there and his energy has been much appreciated. The Local Ambassador Scheme where we invite people connected to ICS to act as an Ambassador, is how we hope to increase our capacity in deputations.
3. **Encouraging general donations and standing orders** is the backbone of ICS's fundraising and we are becoming more and more aware of the importance of this type of giving. In 2018, the Treasurer identified this as a strategic priority to be developed.

4. **ICS website**, and as mentioned-above, the new site is specifically designed to be a fundraising tool. We hope not only to generate support through traditional means through the website, but also that it will allow people to do sponsored events or other activities on behalf of ICS. It will also facilitate our chaplaincies raising funds for ministry that is connected to us.
5. **Raising the funds to replace the roof on St. Peter's, Zermatt.** £110,191 was raised and we are delighted with the generosity of individuals and various organisations. We are very grateful to the Loterie Romande for its generous support contribution of CHF40,000 towards this work and also to Einwohnergemeinde Zermatt for its contribution of CHF10,000 and to Die Kultur- und Sozialstiftung der Burgergemeinde Zermatt for its gift of CHF5,000. This was a major project and we praise God for his faithfulness and for the many people who work so hard for us, not least Council Members Laurence Biggs and John Carter. John acted as project manager and was our main link with the scaffolders, builders and other contractors. His energy and commitment have been a huge asset to ICS during this time.

Staff and Volunteers

It is unhelpful to single out an individual, but it is important to say that the staff team has worked exceptionally hard in 2018 with a significantly increased workload due to GDPR, policy changes and the pressures of the work involved with the new website. Alongside the staff we benefitted from the volunteer support of Sylvia Leyton, who is the co-ordinator of the used stamps that are donated to us and which has led to £684 being raised towards the ministry of ICS. To Brian Hutton who has served with great energy and diligence in the office, cataloguing photographs and video material and to John Dadd (*pictured right*) who has worked through our historic property files, digitising the material in preparation for a review of the historic filing. We are immensely grateful to all of them for their commitment.



Future plans

ICS Council is currently developing the new strategy. A few things that can be outlined are listed below:

1. We will develop the **Mission Partner Care Programme** we have in place. Adrienne Ester-Strengtholt, an expert in this area, is in conversation with us about this. While often things tick along well, there are moments of crisis or emergency. We were contacted recently by one of our chaplains to tell us he had just been tear-gassed.
2. We will focus on **consolidating the new work** that we have established. There has been a large amount of energy put into setting up new work and it is important to make sure this is bedded in well and that support structures are in place.
3. We have employed a **Property Records Clerk**, Jacqueline Cottier, to go through all our historic files and order them such that they are fit for purpose, GDPR-compliant and easy to navigate.
4. We will significantly increase our **social media impact**. To this end we have employed Jemima Busby to be our Social Media Co-ordinator.
5. As a Council we will **develop a new and appropriate strategy** that takes us into the next five years.



Jemima Busby and Jacqueline Cottier

And finally

It is with sadness that we mark the passing of some of our supporters, including the Revd Professor Roy Farrar, Miss Mary Sims and Mrs Enid Underwood, all of whom have served ICS in a variety of ways and will be missed. May they rest in peace and rise in glory.

Resort Mission (previously known as Seasonal Mission)

Jim Perryman, Seasonal Mission Manager, reports:

2018 – a year of investment into the future

Last year's report ended with us at the T-junction. The time of pruning is over and the time of preparing for new growth upon us. That has certainly been true as the pioneering work in Corfu began, as a new opportunity opened up in Swiss ministry, and action was taken to show commitment to the future of our work. The year wasn't that dramatic in itself but saw Resort Mission turn the corner onto an exciting path which we trust God will guide us along over the coming years.

Corfu

Eight weeks, from mid-July to mid-September saw four experienced, but very different, chaplains travel to Corfu for consecutive fortnights of pioneer mission in partnership with the Holy Trinity Corfu chaplaincy, led by Jules Wilson. Great links were made with the folk in Corfu and with contacts in the resort of Gouvia, where the chaplains were based. Especially, the relationship with the Greek Evangelical Church was very special, with our chaplains joining groups of ex-pats at social times in the church centre, and even being invited to preach at the Sunday Service. Contacts made by the chaplains helped to forge links between them and the main chaplaincy which, in the case of residents, we hope will be fruitful for the future. The chaplains worked at different points of the week in Gouvia and at the large marina, south on the island at Messonghi, also travelled to the north-east to explore the area around Kassiopi, and along the north coast to around Acharavi and Sidari. A good review meeting with the team has led us to make some adjustments to the plans for 2019 which we hope will be even more exciting than 2018.



Herrick and Judy Daniel in Corfu

Mürren

An unexpected opportunity came to expand the work of the Wengen chaplaincy by reaching across the valley to the resort of Mürren, a place with a strong British heritage as the birthplace of downhill skiing in the early twentieth century. In the summer, it is reinventing itself with more adventurous activities, notably base-jumping. The prospect of work there had been on my mind and took shape at the Chaplain's Preparation Day before the summer season thanks to the chaplains.

Martin and Maddie Dale, with their strong Swiss connections, did the groundwork of contacting the Swiss Reformed Church authorities and gained the agreement that we could use their church—which used to be the English Church—for weekly midweek gatherings. They then began the work during their chaplaincy in June, and subsequent chaplains through the season used their various skills for reaching out to passers-by during the day and gathered small numbers for worship at the end of the afternoon each Wednesday. During this time, we discovered more about the history of the English Church there which led to contacts with other interested parties, the Bern chaplaincy, in the UK, then together with the Archdeacon of Switzerland we eventually were able to commit to continue our work through the winter, though moving to a Friday for practical reasons.



We had learnt that the one residual act of English worship, which had continued following USPG pulling out in the 1980s and selling the church to the Swiss Reformed Authorities, was a Carol Service on Christmas Day afternoon. There had also been a Midnight Communion on Christmas Eve but this had ceased with the death of the regular priest who had led this, coming over from the Oxford area. It looked as though the best we could offer would be services on the Saturday before Christmas until, suddenly, there was the opportunity to send someone to work alongside the Wengen Chaplain for the Christmas week—staying with the Oak Hall group in Lauterbrunnen—and taking both Midnight Communion and the Carol Service at the established times. These were a great success and much appreciated. So much of the ‘co-incidental’ nature of the way plans took shape leads us to a clear sense of God’s hand on this work and so, even though there has been little obvious fruit so far, we look with eagerness to discover how God will lead us through 2019 to develop this work in an area which, despite our long history in Switzerland, is new to ICS.

Zermatt

The main work in Zermatt in 2018 was more practical than missional, the roof replacement, a statement of our intent to invest in the mission for years to come, has had consequences which will be of great benefit to the mission. The near miraculous way and speed in which funds were donated to enable the roof replacement to go ahead without impacting on other work was a real sign of God’s blessing on our endeavours. The positive message that was received from the local community was evident in my conversations when I visited in early December. More locally-based English-speakers have been in contact with chaplains and there seems to be an even greater degree of cooperation with both the local authorities and the tourist office. That said, the winter and summer seasons continued to be times of blessing as our chaplains took opportunities to discuss matters of faith with those they met, and, despite the scaffolding and ongoing work, there was no significant disruption caused to the worship, the social activities, a wedding and the Music Festival concert at St. Peter’s.

Other work

Our work continued in Wengen through the winter and summer seasons as successfully as ever, and also during the summer seasons in Interlaken/Grindelwald and in Cavallino.

Looking forward

- 2019 is the 175th anniversary of the start of Resort Mission, which began in the summer of 1844 in Interlaken. We plan to celebrate this special anniversary in some way during the summer season there, but details are not yet in place.
- This winter saw the installation of an upgraded touch-screen information and evangelism system at St. Peter’s and St. Bernard’s churches with iPads installed linked to the new ICS website but also offering restricted access to other local information and information about the churches and Gospel outreach in German and French, together with Italian information in Zermatt.
- This summer should see the development of the Corfu work with a greater sense of structure and focus following the lessons learnt in 2018. Chaplains will focus on the Gouvia bay area with weekly trips to Kassiope and fortnightly trips to Messonghi. The partnership with Holy Trinity will continue to be the foundation of this work as we look to draw more ex-pats to find a spiritual home there while also reaching out to tourists in the more traditional Resort Mission manner.
- The work in Murren will continue through both seasons and on to Christmas and it is hoped that we may be able to establish to cover the Christmas Day events there, if this can be done in a financially prudent manner.
- In Zermatt, we hope to find ways to reach out to the growing mountain bike community during the summer. This is an area of tourism that the Zermatt authorities are investing heavily in and it is a great opportunity for us to be involved in new work in one of our most established centres. September sees the big festival when the final event of the Enduro World Series for downhill

mountain biking will take place in Zermatt, and their festival is built around this. As a large proportion of the leading bikers in this series are from English-speaking nations, we have great hopes for Gospel opportunities among those who gather for the festival. We will also start to plan for the June 2020 celebrations which will mark the 150th anniversary of the opening of St. Peter's Church.

So, a corner turned and, we hope, the right direction selected. We look forward to the Spirit leading us into the future, entrusting our plans to him and with a greater sense of anticipation and expectation that our chaplains will have exciting news to report.

Thanks

As always, the biggest thank you goes to the team of forty-four chaplains and their families and team members who give so much to partner us in this short-term mission work. Also, to the team at the Diocese in Europe who offer so much help and support in the administration of 'Permissions to Officiate' and safeguarding matters to ensure that we operate in a responsible manner in these vital areas.

Financial Review

Overview of financial plan and strategy in 2018

As the Society had strong reserves and a desire to grow its outreach, Council agreed on an ambitious financial plan for 2018. This included a budget of £43,000 for new mission work which was unfunded and would be underwritten from our free reserves. Additionally, a contract for the repair of the Zermatt church roof was agreed at a cost of around £125,000. These were big decisions taken in faith that the investment of our resources in these projects were God given opportunities and would result in enhancing the Society's aims and work. As so often happens when steps are taken in faith, the path is made smoother, and this proved to be so for our finances last year.

The whole cost of the Zermatt roof repairs was raised through donations without us having to draw on our reserves. We are very grateful to the Loterie Romande for its generous support contribution of CHF40,000 towards this work and also to Einwohnergemeinde Zermatt for its contribution of CHF10,000 and to Die Kultur-und Sozialstiftung der Burgergemeinde Zermatt for its gift of CHF5,000.

Higher than forecast legacy income meant that more of our new work could be covered from current year funds. Altogether a result for the year that was beyond our expectations and for which we are thankful and encouraged.

Income

2018 was another satisfactory year for the Society in terms of income. General unrestricted income at £371,600 was £17,670 higher than the previous year. This was despite a fall in subscriptions and donations of £35,687 counteracted by an increase in legacy income of £64,750. Our unrestricted donation and legacy income totalled £289,765 for the year compared to £271,407 in 2017.

Donations received for specific chaplaincies and projects came to £257,051, significantly below the 2017 figure of £360,328. £202,000 of this difference was in respect of funding the renovation St. Peter's, Château-d'Oex in 2017 offset by donations of £110,000 in 2018 towards the Zermatt roof repairs. Dividends and interest received on the investment portfolio amounted to £62,077, slightly up on the previous year.

Total income came to £630,353 against £715,790 in the previous year.

Expenditure

The charitable activities are shown in two sections: **New Mission Work** and **Ongoing Mission Work**.

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

We have continued to record the management and staff time spent on different mission projects and have used this analysis to apportion staff and administrative costs between the various projects.

Expenditure on New Mission Work is detailed in Note 3 of the financial statements and totalled £121,438 compared to £54,872 in 2017. Allocated staff and administration costs of £50,751 were included under New Mission Work (2017: £38,879).

Expenditure for Ongoing Mission Work at £546,529 was slightly lower than in the previous year, this is accounted for by the payments made for the Zermatt church roof in 2018 against the payments to St. Peter's, Château-d'Oex in 2017.

The costs of fundraising are required to be shown as a separate line in the accounts. Investment management costs of £10,842 are included in the 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 17% of total staff and administration expense (2017 - 22%). Total cost for the year was £71,442 against £84,326 in 2017.

Overall overhead expenses for staff and administration came to £314,771, slightly higher than the figure for 2017 but below budget for the year.

Total expenditure amounted to £739,409, marginally higher than in 2017.

Net losses on investments

Net losses on the investment portfolio amounted to £98,625, made up of £16,451 realised losses and £82,174 unrealised losses, compared to net gains the previous year amounting to £96,250. The accounting rules compel the Society to show this as expenditure in the accounts although it is mainly an unrealised loss, being the difference in valuation of the portfolio from one year-end to the next.

This was not an unexpected performance as we had seen spectacular growth in the value of our portfolio over the previous three years. Of the total loss, £18,903 was attributable to the endowment funds.

Financial result for the year

There were five significant factors in the year which contributed to the financial result. These were the above budget receipt of donation and legacy income, the investment in new mission work, the expense of repairing the Zermatt church roof, the net loss on the investment portfolio and the good management of administrative costs. The outcome for the year was a deficit of £207,501 against a surplus in 2017 of £108,186.

Total funds carried forward at the end of the year totalled £2,774,583 against £2,982,084 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 fell as anticipated following the downward movement in world markets. However, the fall in value suffered of less than 4% reflects well on the skill of our investment managers. Subsequently, markets have risen slightly highlighting the volatile nature of the world markets. The value of investments at the end of the year was £2.28 million against £2.37 million at the end of 2017.

Current Assets

The Society has short-term deposits with Ruffer and CCLA Investment Management Ltd totalling £208,354. This is lower than the previous year as some cash funds in hand were withdrawn for the Zermatt church roof and for cash flow purposes. Council believes that the Society has sufficient working capital for the next year.

Reserves

Council has continued with its policy of setting aside designated reserves for specific new mission projects, investment opportunities and operational prudence. Note 12 of the financial statements details the movement on these reserve accounts for the year. Council reviewed the Society's reserve policy during the year.

In 2017 Council created a new investment diminution reserve of £200,000 to protect free reserves against any significant fall in the value of the portfolio. As a consequence of the drop in value of our investments during the year, £79,722 of that reserve has been used to cover the accounting loss.

The general fund-free reserves are held to ensure that the Society can sustain the cost of maintaining operations for a reasonable period of time. While expenditure is relatively evenly spread over the calendar year, the same cannot be said for donation income and receipt of legacies is by its nature unpredictable. In the event of income not reaching predicted levels, there is a need to demonstrate that the Society is able to meet the cost of maintaining essential operations either until predicted income is received or, when necessary, a reduction is made in expenditure. Council felt it prudent to set a target level of general fund free reserves at between 18 and 24 months' unrestricted normal outgoing charitable expenditure.

Total Designated Reserves at year-end stood at £1.05 million (2017: £1.15 million). General Fund Free Reserves amounted to £934,937 (2017: £993,395) while Restricted Funds held for Chaplaincy Work totalled £160,936 (2017: £194,927) and Endowment Funds £626,441 (2017: £645,344).

The General Fund Free Reserve at year-end was the equivalent of 28 months' unrestricted normal outgoing charitable expenditure (2017: 30 months)

2019 Financial plan and prospects

Council agreed to continue with an ambitious financial plan for 2019. This includes a budget of £67,000 for new mission work, £18,000 for governance in regularising our property portfolio and £12,000 investment in social media and communications. These investments will be funded from our reserves. We do not expect to have surplus of income over staff and administration costs in 2019. Running costs for 2019 are budgeted at £417,000, an increase of £21,000 over 2018. Regular

income is essential to keep the Society alive. Although we have a strong supporter base, it is ageing. The average age of friends is over 75 and increasing each year! Our budget for 2019 anticipates a fall in donation income.

There are exciting opportunities for new mission work and Council is ready and prepared to invest the Society's reserves in sound new projects aimed in bringing the Good News to new people in new ways and 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;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the financial statements on 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 20 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 two chaplaincies totalling £185,903.

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 20. 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 20 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 invites observers to its meetings, including one from the General Synod of the Church of England; we are delighted that this place has recently been filled by the Revd Canon Alistair McHaffie as the previous observer, the Very Revd Stephen Hance had become the Dean of Derby Cathedral. He joined the Council as an elected member.

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 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 we identified six items which stood out as high risks.

1. The sudden departure of the Mission Director.
2. The risks to the Society if we fail to renew our supporter base.
3. A significant reduction in the investment portfolio.
4. A general shortfall in income.
5. The risk of a safeguarding incident. Whilst we are diligent and follow robust procedures, we highlight this risk to maintain vigilance in light of the impact on young people and vulnerable adults' lives.
6. 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 Archbishop of York The Archbishop of Armagh	The Bishop of London
President	Vacant	
Council Members	The Revd L J Biggs <i>(Resigned 18 September 2018)</i> Mr J Carter The Revd M N Dale <i>(Appointed 18 September 2018)</i> The Very Revd Dr S J Hance The Rt Revd R C Jackson (Chair) The Revd A Marshall (Vice-Chair) <i>(Resigned 18 September 2018)</i> The Revd F O Olokose <i>(Co-opted 14 March 2019)</i> The Revd Canon J D Philpott <i>(Resigned 18 September 2018)</i>	The Revd M B Sanders The Rt Revd H W Scriven Mrs E D Skudder Mrs S V Thomas Mrs A C Tyndall <i>(Appointed Vice-Chair 18 September 2018)</i> Mr C S Weller Mr D M White The Revd Canon Dr G I Wilton The Revd S M Wookey <i>(Resigned 18 September 2018)</i> The Very Revd T Wright Vacancies (3)
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 Senator House 85 Queen Victoria Street LONDON EC4V 4ET	Ruffer LLP 80 Victoria Street LONDON SW1E 5JL

For and on behalf of the Council

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



The Rt Revd Richard C Jackson
Chairman of ICS Council
13 June 2019

Independent auditor's report to the members of Intercontinental Church Society

Opinion

We have audited the financial statements of Intercontinental Church Society for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the Trustees report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees responsibilities statement, the Trustees (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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 and regulations made under that Act. 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.

Miriam Hickson FCA (Senior Statutory Auditor)

for and on behalf of Jacob Cavenagh & Skeet

Statutory Auditor

Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW



Dated: 17/06/2019

Statement of Financial Activities
(including income and expenditure account)
for the year ended 31st December 2018

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £	Total Funds 2017 £
Income from:						
Donations and legacies	2 (a)	289,765	257,051	-	546,816	631,735
Investment income	2 (b)	62,077	1,702	-	63,779	61,690
Charitable activities	2 (c)	15,294	-	-	15,294	13,166
Other trading activities	2 (d)	3,741	-	-	3,741	2,730
Other income	2 (e)	723	-	-	723	6,469
Total		371,600	258,753	-	630,353	715,790
Expenditure on:						
Charitable activities						
New Mission work	3 (a)	80,153	41,285	-	121,438	54,872
Ongoing Mission work	3 (b)	259,557	286,972	-	546,529	564,656
Raising funds	3 (c)	62,959	8,483	-	71,442	84,326
Total		402,669	336,740	-	739,409	703,854
Net gains/(losses) on investments	2 (f)	(79,722)	-	(18,903)	(98,625)	96,250
Net income/(expenditure)	4	(110,791)	(77,987)	(18,903)	(207,681)	108,186
Transfers between funds	13	(43,996)	43,996	-	-	-
Net gains on disposal of Fixed Assets		180	-	-	180	-
Net movement in funds		(154,607)	(33,991)	(18,903)	(207,501)	108,186
Balances brought forward 1st January 2018		2,141,813	194,927	645,344	2,982,084	2,873,898
Balances carried forward 31st December 2018		1,987,206	160,936	626,441	2,774,583	2,982,084
Analysis of net assets by fund						
Fixed assets		1,818,288	-	625,661	2,443,949	2,536,907
Current assets		238,461	160,936	780	400,177	474,932
Liabilities		(69,543)	-	-	(69,543)	(29,755)
		1,987,206	160,936	626,441	2,774,583	2,982,084

Analysis of net assets by fund 2017

Fixed assets	1,892,343	-	644,564	2,536,907
Current assets	279,225	194,927	780	474,932
Current liabilities	(29,755)	-	-	(29,755)
	2,141,813	194,927	645,344	2,982,084

Balance Sheet
as at 31 December 2018

		2018		2017	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	6	165,572		167,408	
Investments	7	<u>2,278,377</u>		<u>2,369,499</u>	
			2,443,949		2,536,907
Current assets					
Loans	8	590		-	
Debtors	9	119,050		58,838	
Cash held with Investment Managers	7	208,354		336,762	
Cash at bank and in hand		<u>72,183</u>		<u>79,332</u>	
		400,177		474,932	
Creditors: falling due within one year	10	<u>69,543</u>		<u>28,297</u>	
Net current assets			330,634		446,635
Total assets less current liabilities			2,774,583		2,983,542
Creditors: falling due after more than one year	10		-		1,458
Net assets	11		<u>2,774,583</u>		<u>2,982,084</u>
Income funds					
Unrestricted funds					
General free reserves		934,937		993,395	
Designated	12	<u>1,052,269</u>		<u>1,148,418</u>	
			1,987,206		2,141,813
Restricted funds	13		160,936		194,927
Capital funds					
Endowments	14		<u>626,441</u>		<u>645,344</u>
Total Charity funds			<u>2,774,583</u>		<u>2,982,084</u>

The accounts were approved by the Council on 13 June 2019



The Rt Revd R C Jackson
Chair



Mr C S Weller
Honorary Treasurer

**Statement of Cash Flows
for the year ended 31 December 2018**

	2018		2017	
	£	£	£	£
Cash flows from operating activities:				
Net cash provided by (used in) operating activities Note (a)		(176,269)		(33,917)
Returns on investments and servicing of finance				
Investment Income	63,779		61,690	
Investment Manager costs	<u>(10,842)</u>		<u>(11,228)</u>	
		52,937		50,462
Capital expenditure and income				
Payments to acquire tangible fixed assets	(4,902)		(896)	
Receipts from sale of fixed assets	180		-	
Payments to acquire investments	<u>(1,334,773)</u>		<u>(1,440,991)</u>	
Receipts from sale of investments	<u>1,327,270</u>		<u>1,457,089</u>	
		(12,225)		15,202
Increase/(Decrease) in cash Note (b)		(135,557)		31,747

(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)	(207,681)	108,186
Adjustments for:		
Depreciation charges	6,738	6,929
Investment income	(63,779)	(61,690)
Gains/(losses) on Investments	98,625	(96,250)
Investment Manager costs	10,842	11,228
(Increase)/Decrease in debtors	(60,802)	13,739
Increase/(Decrease) in creditors	<u>39,788</u>	<u>(16,059)</u>
Net cash provided by (used in) operating activities	(176,269)	(33,917)

(b) Analysis of changes in net debt

	At 31st December 2017	Cash flows	At 31st December 2018
	£	£	£
Cash at bank and in hand	79,332	(7,149)	72,183
Cash held with Investment Managers	<u>336,762</u>	<u>(128,408)</u>	<u>208,354</u>
Total	<u>416,094</u>	<u>(135,557)</u>	<u>280,537</u>

Notes to the Accounts for the year ended 31 December 2018

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) 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

(c) 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.

Notes to the Accounts for the year ended 31 December 2018 (continued)

1 Accounting Policies (continued)

(d) 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.

(e) 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 resort 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.

(f) 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

Costs have been apportioned in relation to time spent on matters relating to both Unrestricted and Restricted funds. Staff and support costs apportioned to Restricted funds are met by a transfer from Unrestricted funds. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

(g) Debtors

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

Notes to the Accounts for the year ended 31 December 2018 (continued)

1 Accounting Policies (continued)

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) Operating leases

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

(n) Going concern

The 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 2018 (continued)

2 Income

Income	2018			Total £	2017			Total £
	Unrestricted £	Restricted £	Endowment £		Unrestricted £	Restricted £	Endowment £	
(a) Donations and legacies								
Subscriptions and donations	107,660	217,921	-	325,581	143,347	314,749	-	458,096
Income Tax recoverable on Gift Aid	21,592	23,343	-	44,935	25,937	21,557	-	47,494
Donations from churches	9,923	15,787	-	25,710	15,263	9,022	-	24,285
Donations from chaplaincies	25,628	-	-	25,628	26,227	-	-	26,227
Resort mission collections	20,701	-	-	20,701	19,842	-	-	19,842
Legacies receivable	103,577	-	-	103,577	38,827	15,000	-	53,827
Receipts from donations of stamp collections	684	-	-	684	1,964	-	-	1,964
	289,765	257,051	-	546,816	271,407	360,328	-	631,735
(b) Investment income								
UK sourced	56,851	1,702	-	58,553	54,927	1,532	-	56,459
Overseas sourced	5,226	-	-	5,226	5,231	-	-	5,231
	62,077	1,702	-	63,779	60,158	1,532	-	61,690
(c) Charitable activities								
Chaplains' conference	15,294	-	-	15,294	13,166	-	-	13,166
(d) Other trading activities								
Greeting card sales	3,741	-	-	3,741	2,730	-	-	2,730
(e) Other income								
Sundry income	723	-	-	723	6,469	-	-	6,469
TOTAL INCOME	371,600	258,753	-	630,353	353,930	361,860	-	715,790
(f) Net gains on investments	(79,722)	-	(18,903)	(98,625)	48,457	-	47,793	96,250

Notes to the Accounts for the year ended 31 December 2018 (continued)

3 Expenditure

	2018			2017		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Charitable activities						
(a) New Mission work						
Brussels Outreach Worker	-	145	145	-	-	-
Algiers	-	8,137	8,137	-	8,711	8,711
Cairo	-	4,681	4,681	-	2,800	2,800
North Africa	-	80	80	-	125	125
Tunis	-	2,920	2,920	-	-	-
Izmir	-	10,000	10,000	-	4,357	4,357
Ankara	10,000	-	10,000	-	-	-
Bordeaux	11,096	-	11,096	-	-	-
Lyon	2,679	-	2,679	-	-	-
Ostend / Kortrijk	3,000	-	3,000	-	-	-
Rotterdam	8,889	-	8,889	-	-	-
Schiphol Airport	2,700	-	2,700	-	-	-
Resort - Corfu	6,360	-	6,360	-	-	-
Staff and support costs (see below)	35,429	15,322	50,751	19,371	19,508	38,879
	80,153	41,285	121,438	19,371	35,501	54,872
Charitable activities						
(b) Ongoing Mission work						
Permanent chaplaincies	39,592	121,936	161,528	30,999	316,680	347,679
Resort missions	30,017	144,390	174,407	28,818	1,614	30,432
Staff and support costs (see below)	189,948	20,646	210,594	165,359	21,186	186,545
	259,557	286,972	546,529	225,176	339,480	564,656
(c) Raising funds						
Fundraising costs	2,767	912	3,679	3,907	1,291	5,198
Fundraising trading costs	3,495	-	3,495	2,049	-	2,049
Investment management costs	10,842	-	10,842	11,228	-	11,228
Staff and support costs (see below)	45,855	7,571	53,426	55,258	10,593	65,851
	62,959	8,483	71,442	72,442	11,884	84,326
TOTAL EXPENDITURE	402,669	336,740	739,409	316,989	386,865	703,854
Staff and support costs						
Salaries	130,844	22,014	152,858	117,947	26,271	144,218
National insurance	9,502	1,672	11,174	8,454	2,003	10,457
Pension contributions	14,301	2,558	16,859	12,813	2,864	15,677
Other staff costs	5,460	926	6,386	4,840	1,127	5,967
Total staff costs	160,107	27,170	187,277	144,054	32,265	176,319
Premises	18,969	3,219	22,188	17,365	3,889	21,254
Travel	22,227	2,834	25,061	16,609	3,578	20,187
Communications	24,385	2,559	26,944	18,851	1,346	20,197
Governance - Audit Costs	5,984	1,016	7,000	4,494	1,006	5,500
Other support costs	39,560	6,741	46,301	38,615	9,203	47,818
	271,232	43,539	314,771	239,988	51,287	291,275
Apportioned to activities as follows:						
New Mission work	35,429	15,322	50,751	19,371	19,508	38,879
Ongoing Mission work	189,948	20,646	210,594	165,359	21,186	186,545
Raising funds	45,855	7,571	53,426	55,258	10,593	65,851
	271,232	43,539	314,771	239,988	51,287	291,275

Notes to the Accounts for the year ended 31 December 2018 (continued)

4 Net Income/(Expenditure)

	2018	2017
	£	£
This is stated after charging:		
Auditors' remuneration for audit services	6,480	5,500
Auditors' remuneration for other services	2,124	2,082
Depreciation	6,738	6,929
Operating lease rentals - land and buildings	9,930	8,979
Operating lease rentals - other equipment	<u>4,377</u>	<u>4,578</u>

5 Staff Costs and Council Members' Expenses

	2018	2017
	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 2018 (2017: none). The total employee benefits of the key management personnel of the charity as listed on page 20 were £52,918 (2017: £51,952). No honorarium were paid to any Council Members (none in 2017). Travel expenses of £5,576 (2017: £3,943) were reimbursed to 13 (2017: 11) Council Members in the year.

6 Fixed Assets

	Heritage assets £	Leasehold Property £	Freehold Property £	Equipment £	Total £
Cost					
At 01 January 2018	-	192,475	85,084	60,201	337,760
Additions	-	-	-	4,902	4,902
Disposals	-	-	-	(4,976)	(4,976)
At 31 December 2018	<u>-</u>	<u>192,475</u>	<u>85,084</u>	<u>60,127</u>	<u>337,686</u>
Depreciation					
At 01 January 2018	-	89,562	25,016	55,774	170,352
Charge for the year	-	3,850	851	2,037	6,738
On disposals	-	-	-	(4,976)	(4,976)
At 31 December 2018	<u>-</u>	<u>93,412</u>	<u>25,867</u>	<u>52,835</u>	<u>172,114</u>
Net book value					
At 31 December 2018	<u>-</u>	<u>99,063</u>	<u>59,217</u>	<u>7,292</u>	<u>165,572</u>
At 31 December 2017	<u>-</u>	<u>102,913</u>	<u>60,068</u>	<u>4,427</u>	<u>167,408</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 2018 Chf16,074/£12,859 (31st December 2017 Chf22,862/£17,320) 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	Spain: St. George's, Barcelona
Holy Trinity, Maisons-Laffitte	Switzerland: 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 2018 (continued)

7 Investments

	2018	2017
	£	£
Quoted investments		
Brought forward	2,369,499	2,289,347
Additions	1,334,773	1,440,991
Disposals	(1,327,270)	(1,457,089)
Net realised gains/(losses)	(16,451)	11,337
	<u>2,360,551</u>	<u>2,284,586</u>
Net unrealised gains/(losses)	(82,174)	84,913
Quoted investments at fair value carried forward	2,278,377	2,369,499
Cash held by Investment Manager	31,515	54,587
Cash held at CCLA	176,839	282,175
	<u>2,486,731</u>	<u>2,706,261</u>

8 Loans

	2018	2017
	£	£
Staff 'Cycle to work' scheme Loan	590	-

9 Debtors

	2018	2017
	£	£
Income tax recoverable	17,575	16,897
Other debtors	763	635
Prepayments and accrued income	100,712	41,306
	<u>119,050</u>	<u>58,838</u>

10 Creditors

	2018	2017
	£	£
Provisions for trade creditors	69,543	21,755
Accruals for expenditure payable falling due within one year	-	6,542
Accruals for expenditure payable falling due after one year	-	1,458
	<u>69,543</u>	<u>29,755</u>

11 Net Assets

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

2018	Tangible fixed assets	Investments	Current assets less liabilities	2018 Total
	£	£	£	£
Unrestricted General free reserve funds	-	766,019	168,918	934,937
Designated funds	165,572	886,697	-	1,052,269
Restricted funds	-	-	160,936	160,936
Endowments	-	625,661	780	626,441
	<u>165,572</u>	<u>2,278,377</u>	<u>330,634</u>	<u>2,774,583</u>

2017	Tangible fixed assets	Investments	Current assets less liabilities	2017 Total
	£	£	£	£
Unrestricted General free reserve funds	-	743,925	249,470	993,395
Designated funds	167,408	981,010	-	1,148,418
Restricted funds	-	-	194,927	194,927
Endowments	-	644,564	780	645,344
	<u>167,408</u>	<u>2,369,499</u>	<u>445,177</u>	<u>2,982,084</u>

Notes to the Accounts for the year ended 31 December 2018 (continued)

12 Designated Funds

2018	Income	Expenditure	Net Income/ (Expenditure)	Transfers	Balance brought forward	Balance carried forward
	£	£	£	£	£	£
Fixed asset reserve	-	-	-	(1,836)	167,408	165,572
Operational reserve	-	-	-	(17,687)	35,336	17,649
Chaplaincies reserve	-	-	-	-	150,000	150,000
Mission Partnerships reserve	-	-	-	3,096	95,674	98,770
Loans reserve	-	-	-	-	200,000	200,000
Investment diminution reserve	-	-	-	(79,722)	200,000	120,278
Property reserve	-	-	-	-	300,000	300,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96,149)</u>	<u>1,148,418</u>	<u>1,052,269</u>

2017	Income	Expenditure	Net Income/ (Expenditure)	Transfers	Balance brought forward	Balance carried forward
	£	£	£	£	£	£
Fixed asset reserve	-	-	-	(6,033)	173,441	167,408
Operational reserve	-	-	-	(448,810)	484,146	35,336
Chaplaincies reserve	-	-	-	-	150,000	150,000
Mission Partnerships reserve	-	-	-	71,516	24,158	95,674
Loans reserve	-	-	-	-	200,000	200,000
Investment diminution reserve	-	-	-	200,000	-	200,000
Property reserve	-	-	-	-	300,000	300,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(183,327)</u>	<u>1,331,745</u>	<u>1,148,418</u>

The General fund includes a revaluation reserve of £356,967 (2017: £422,168) 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 provide for expected commitments and planned events over the ensuing years where specific funding is expected but not guaranteed.

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.

Investment diminution reserve: to set aside funds to prevent free reserves being severely diminished by any slump in the market value of the investment portfolio.

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.

Notes to the Accounts for the year ended 31 December 2018 (continued)

13 Restricted Funds

2018	Mission Partnerships Europe	Mission Partnerships N. Africa	St Bernard's Wengen	St Peter's Zermatt	Chaplaincy Work	Total Funds 2018
	£	£	£	£	£	£
Total Income	14,462	18,034	2,188	110,191	113,878	258,753
Total Expenditure	13,734	28,368	3,103	152,503	139,032	336,740
Net Income/(expenditure)	728	(10,334)	(915)	(42,312)	(25,154)	(77,987)
Transfers from General Fund	3,133	12,550	3,103	8,113	17,097	43,996
Net movement in funds	3,861	2,216	2,188	(34,199)	(8,057)	(33,991)
Balances brought forward 1st January 2018	19,291	12,865	7,525	41,037	114,209	194,927
Balances carried forward 31st December 2018	23,152	15,081	9,713	6,838	106,152	160,936

2017	Mission Partnerships Europe	Mission Partnerships N. Africa	St Bernard's Wengen	St Peter's Zermatt	Chaplaincy Work	Total Funds 2017
	£	£	£	£	£	£
Total Income	14,806	15,120	7,525	35,083	289,326	361,860
Total Expenditure	9,951	25,550	5,829	11,545	333,990	386,865
Net income/(expenditure)	4,855	(10,430)	1,696	23,538	(44,664)	(25,005)
Transfers from General Fund	5,594	13,914	5,829	9,931	17,310	52,578
Net movement in funds	10,449	3,484	7,525	33,469	(27,354)	27,573
Balances brought forward 1st January 2017	8,842	9,381	-	7,568	141,563	167,354
Balances carried forward 31st December 2017	19,291	12,865	7,525	41,037	114,209	194,927

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. Bernard's, Wengen: this fund is for the maintenance of the church building in Wengen.

St. Peter's, Zermatt: this fund is for the maintenance of the church building and the ministry in Zermatt. Funds were expended during 2018 to cover the cost of the church roof repair. Income of £110,191 includes CHF40,000 from Loterie Romande, CHF10,000 from Einwohnergemeinde Zermatt and CHF5,000 from Die Kultur- und Sozialstiftung der Burgergemeinde Zermatt, as well as many other generous gifts from Trusts and Individuals.

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.

Fundraising and Staff and support costs apportioned to Restricted funds totalling £43,996 (2017: £52,578) are met by a transfer from Unrestricted funds, as all income received is allocated to the specific mission work.

Notes to the Accounts for the year ended 31 December 2018 (continued)

14 Endowments

	2018 £	2017 £
Income	-	-
Total Income	-	-
Expenditure	-	-
Total Expenditure	-	-
Net gains/(losses) on investments	(18,903)	47,793
Net income/(expenditure)	(18,903)	47,793
Net movement in funds	(18,903)	47,793
Balances brought forward 1st January 2018	645,344	597,551
Balances carried forward 31st December 2018	<u>626,441</u>	<u>645,344</u>

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

15 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:

	2018 £	2017 £
Within one year	12,397	13,198
Between 1 and 5 years	46,583	24,547
After more than 5 years	1,667	-
	<u>60,647</u>	<u>37,745</u>

The operating lease charges for the year were:

	2018 £	2017 £
Hire of Equipment	4,578	4,578
Rental	9,930	8,979
	<u>14,508</u>	<u>13,557</u>

16 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).

Notes to the Accounts for the year ended 31 December 2018 (continued)

17 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 two chaplaincies totalling £185,903 (2017: £191,192). The balances at 31st December are set out below.

	2018 CBF Funds £	2018 COIF Funds £	2018 Total Funds £	2017 CBF Funds £	2017 COIF Funds £	2017 Total Funds £
Holy Trinity, Cannes	10,854	-	10,854	10,800	-	10,800
St. Michael's, Paris	-	175,049	175,049	-	180,392	180,392
	<u>10,854</u>	<u>175,049</u>	<u>185,903</u>	<u>10,800</u>	<u>180,392</u>	<u>191,192</u>

18 Tax Status

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

19 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.

20 Related Party Transactions

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