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TRUSTEES' REPORT  
AND  
ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2010

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Charity Registration Number: 231144

36 Causton Street, London SW1P 4ST

# The Society for Promoting Christian Knowledge Trustees' Report and Accounts for the year ended 30 April 2010

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## CHAIRMAN'S OVERVIEW

The Society has continued to fulfil its mission to promote Christian knowledge, embracing new ways of communicating the faith and doing so effectively, despite challenging economic circumstances. Our overall performance was once again first-class in terms of quality of output. Despite the difficult trading environment, we finished the year in strong form, achieving the sort of levels we had hoped for earlier on. We have held our course well.

It is worth highlighting here some of the notable events of the year (which you will also find in the body of the Report).

- We have embarked on a fundraising programme to help build funds to develop SPCK Worldwide's exciting ISG programme and to bring new Diffusion projects to fruition.
- The journal *Theology* has been very well received since its relaunch, and continues to grow in appeal to a wide audience, and especially to more readers on training courses.
- *Justification* by Tom Wright was shortlisted for the *Christianity* magazine Book-of-the-Year Award.
- On the pastoral side, we were delighted to have two Sheldon books commended in the prestigious Open Book Awards awarded by the Medical Journalists' Association (MJA): *Hysterectomy* and *The User's Guide to the Male Body*.
- In addition, with David Delvin's book *Backache*, we won the Tony Thistlethwaite Award, the overall prize for the best consumer health book by an MJA author, given for excellence in communicating medical and health information.
- SPCK's website has been refreshed and renewed with a thorough makeover. First the main site and then Publishing gained fresh new looks, with greatly enhanced operational features, and the purchase of SPCK books from the website is more efficient, and better signalled, than ever before.
- SPCK's General Secretary, Simon Kingston, was a judge for the 2010 Sandford St Martin Religious Broadcasting Awards. Programmes shortlisted for this national prize for the best in broadcasting came from the BBC (national and local television and radio) as well as from Premier Radio and other local and independent production companies and broadcasting stations.

I would like to thank the staff for their hard work in making this a positive year for the Society.

**The Rt Revd Michael Perham**  
Chairman of the Governing Body

## TRUSTEES' REPORT

### AIMS

SPCK's mission statement is:

**To promote Christian knowledge by:**

- communicating the Christian faith in its rich diversity;
- helping people to understand it and to develop their personal faith; and
- equipping Christians for mission and ministry.

We promote the Christian faith and support the work of the Church through the production and distribution of Christian literature and other information and resources.

SPCK maintains contact with related organisations overseas. The SPCK mission statement has been adopted by SPCK's sister organisations in India, the United States, Australia and Ireland. While sharing the same mission statement and working in co-operation, these charities are independent and autonomous bodies.

The Society endeavours to be a good employer and to follow best practice in employment matters.

More information about the activities of SPCK can be found on our principal website:

[www.spck.org.uk](http://www.spck.org.uk)

SPCK is a forward-looking organisation, yet is proud of its three-hundred-year history. We create information-based resources of all kinds, of which books form the principal part. We provide students in ordination training in the Global South with perhaps the only books they possess.

We are an Anglican organisation but ecumenical in our ethos, staffing and outreach. We are indebted to staff, members and supporters who make our work possible through their effort, money, prayers and support. In the current climate of increasing secularisation, our mission is needed more than ever, and requires our renewed effort and commitment.

### ACTIVITIES AND ACHIEVEMENTS

This has been a year of changing relationships and rebuilding. We ended our Memorandum of Understanding with Feed the Minds, and began a short period of transition into the full recall of SPCK Worldwide's administration, so that in the coming year the whole of SPCK Worldwide and its programme will sit once more within SPCK. We wish Feed the Minds well, as they start their new life in new premises in Vauxhall. We welcome David Craig, formerly of USPG and the BBC World Service, joining us as Manager of SPCK Worldwide at the very start of our financial year 2010-11. Development of the Diffusion area had to await fundraised income, but at the end of the year we have started to see money coming through, and look forward excitedly to growth ahead.

In the Publishing area, we have had to chart a course through some choppy waters this year. However, we managed to navigate sufficiently well to avoid serious damage. The Christian book trade was affected enormously by the collapse of Wesley Owen/STL, which had only recently announced its fuller integration with the International Bible Society under the joint name of Biblica. The Wesley Owen chain comprised 40 shops, and STL had been significantly the largest Christian wholesaler. SPCK was able to manage its way to avoiding the bad debts that have hit so many other Christian suppliers. We faced the spring, despite the somewhat depleted marketplace, with a belief in our ability to achieve improved sales that was happily borne out by events, and can look ahead to the coming year with some confidence.

## SPCK Worldwide

The main activity of SPCK's Worldwide arm is our International Study Guides (ISG) programme which provides – free of charge to the end-users – sets of books for students training for ordination in the developing world. The series comprises Bible commentaries and pastoral-themed and theological educational books, written for those who may not have English as a first language, and increasingly includes the work of indigenous theologians in contextual theology. The programme is delivered through reputable indigenous colleges, to help ensure that the books are needed and the recipients genuine. From a large selection of titles, students are able to choose those they feel will be of most use to them, and the appropriate sets are dispatched to the colleges for distribution. All the costs are borne by SPCK.

Detailed monitoring and reporting from the colleges ensures that we are satisfying identified needs, and that the process is legitimate and valuable. Feedback tells us that for some students, these may be the only books they ever possess. As they return to their villages to work as pastors, the ISGs they bring may in effect provide a village with the only library it possesses.

Despite the difficult economic environment and the consequent fall in donated income, we managed to continue the programme at the levels achieved last year. Our Publishing team created four new titles and one new edition for the ISG series, improving the coverage of the series and responding to user feedback.

During the year SPCK Worldwide also made grants to ISPCK for the translation of Christian materials into local Indian languages. SPCK also provided copyright licences and significant sponsorship for local production of the ISG series in India and its distribution to colleges in the Indian sub-continent.

Voluntary income from old and new SPCK supporters and members fell slightly to £92,778 (2009: £94,027). Despite this, SPCK paid an amount of £196,810 to Feed the Minds for SPCK Worldwide programmes and administration for 2009-10, the last year in which the programmes will be administered by Feed the Minds. SPCK would like to thank Feed the Minds for their administration of the programme during the last few years. SPCK is most grateful to its loyal donors and supporters for their help during this difficult time of change and recession. This support has never been more important.

## SPCK Diffusion

SPCK's new arm, SPCK Diffusion, seeks to provide useful knowledge – and on occasion to try to dispel some prejudicial assumptions – in order to help people to recognise and better understand their own spiritual roots and needs.

Many people have no overt interest in religion, spirituality or anything beyond the material. Yet we all seem to need something to touch us in other ways: music, art, sport, for example. SPCK Diffusion aims to find ways of reaching people as they engage in such areas of personal interest, providing information to show elements that link faith and spiritual experience, and suggesting ways in which this knowledge could be developed and expanded.

Over two-thirds of British people, according to a recent survey, describe themselves as 'spiritual', and yet most have no contact with a church, and many go no further in developing their spirituality than the use of essential oils and ambient music. We hope to offer them a route to a richer and more complex spirituality that could bring greater fulfilment to their lives.

It is to address the needs of people on the margins and also people in difficult circumstances, such as those in prison, that we have founded SPCK Diffusion. Our aim is to produce, free of charge to the end-user, informative material that will attract such an audience by providing resources within their own areas of interest, enabling people to develop their awareness and spirituality at their own pace. We hope thereby to bring them spiritual richness and greater personal fulfilment.

## SPCK Publishing

The Society has been involved in publishing since its foundation in 1698, which makes us the country's third oldest publisher (after the university presses of Oxford and Cambridge). We publish under three different imprints.

SPCK Publishing provides Christian books, websites and electronic products across a broad spectrum, from the Catholic to the Evangelical and from the conservative to the liberal. The range includes liturgy, theology, science and religion, biblical studies, spirituality, and academic and student texts, as well as stationery and books for a popular market, with resources for clergy, parishes and study groups. There are two further subsidiary imprints:

**Azure** seeks to provide books designed to appeal to a broad readership, and particularly to offer a spiritual element to those who may not wish to engage with the Church as an institution. The publications appearing in this imprint are only occasional. They aim to work in innovative and lively ways that will help the books reach places that overtly Christian publications do not reach.

**Sheldon Press** is particularly known for the *Overcoming Common Problems* series, which tackle emotional and medical issues for a popular market, and also produces books for counselling professionals. While not explicitly Christian, the books are consistent with Christian teaching and seek to address subjects that assist in the pastoral ministry of the Church.

Websites for SPCK and Sheldon lists ([www.spckpublishing.co.uk](http://www.spckpublishing.co.uk) and [www.sheldonpress.co.uk](http://www.sheldonpress.co.uk)) provide information about the titles we publish and useful search facilities to make it easy to find a book. As part of our new strategic focus we have relaunched the SPCK Publishing website with new features to build community, connect with social networking media and increase the visibility of our books. The website also provides help for those interested in setting up book groups.

We also publish the journal *Theology*, with six issues per year. It is aimed at clergy, students and others with an interest in theology and religion, and includes articles on issues of current interest in those areas and reviews of the latest books.

Publishing has responded energetically to a year of challenges. Our biggest customer went into administration at the end of 2009, having floundered for much of the summer. We did not lose directly by the collapse, and we have spent the year working to replace this business. Our endeavours seem to be proving productive.

This year's highlights include Keith Ward's *The Word of God*, the revised edition of Harry Ogden's *Some Daily Prayers for Church of England People*, Alister McGrath's authoritative *Heresy*, John Pritchard's *Going to Church* and Tom Wright's *Virtue Reborn*. We also had big hits for Lent and Easter with Tom Wright's *Lent for Everyone: Luke* and Stephen Cottrell's *The Things He Said*.

Currently SPCK publishes around 100 new books each year, and has a backlist of about 500 items. These are available to the widest possible market through both general and specialist retail outlets (such as Waterstones, St Andrew's Bookshops and Amazon), as well as being available for purchase from the Society's own internet site. The range of the publications is very broad; some help to strengthen the readers' understanding of God, or their relationship with God; some help to establish a moral and ethical framework for various situations. Others may seek to provide a sense of purpose or offer information, help and solace to those suffering from illness or bereavement. Yet others provide resources for churches and other bodies to improve and enrich the rites and services they offer.

SPCK believes in breadth, and publishes authors of different denominations and traditions, including supporters on both sides of some current religious debates. Included in the output of SPCK Publishing is the ISG series referred to in the *Worldwide* section, books which are also made available to the general public within the UK. Other books offer an enrichment of the process of prayer and worship, or a more academic approach for those in further education or seeking a deeper educational understanding of theological, pastoral or biblical matters. SPCK is ecumenical in its outlook, and this is reflected in its publishing. In our publications there is both informational and educational value, and also – implicitly or explicitly, depending on the book in question – the promotion of a way of life based on love towards one's fellow-beings, charity, forgiveness, peace and reconciliation.

## Assemblies website

The Assemblies website ([www.assemblies.org.uk](http://www.assemblies.org.uk)) provides school teachers with material for collective worship. It continues to thrive, and we receive many emails of thanks for the service it provides. The site is available to all who have access to the web, and users may download material free of charge. The site's rapid-response section reacts with relevant material to particular news events such as the disaster in Haiti and the interesting moral question of MPs' expenses and (more recently) the shootings in Cumbria. Usage of the site continues to grow.

## Other information

SPCK continues to have a number of significant legal issues with Saint Stephen the Great Charitable Trust in regard to matters connected with the former SPCK Bookshops. The Charity Commission has appointed an Interim Manager for the Trust, and progress is being made.

At 30 April 2010 the Society employed 29 staff (2009: 27). The new staff comprised a fundraiser and an additional member of the Publishing team.

## NOTABLE EVENTS OF 2009-10

### Awards

*Justification* by Tom Wright was shortlisted for the *Christianity* magazine Book-of-the-Year Award.

On the pastoral side, we were delighted to have no fewer than three Sheldon books commended in the prestigious Open Book Awards awarded by the Medical Journalists' Association (MJA): Janet Wright's *Hysterectomy*; Jim Pollard's *The User's Guide to the Male Body*; and David Delvin's *Backache*. The latter won two awards: the general readership section for self-help books, and the Tony Thistlethwaite Award, an overall prize for the best consumer health book by an MJA author, given for excellence in communicating medical and health information.

### SPCK and the Lord Mayor's Show

SPCK featured once again in the Lord Mayor's Show, as we continued our tradition of giving a specially inscribed Bible or Prayer Book to the incoming Lord Mayor of the City of London. This year the request was for a King James Bible, which remains the favourite choice, although we have been asked for modern language editions and even – on occasion – for something else entirely, such as a Hebrew Old Testament for a Jewish Lord Mayor.

### Website makeover

SPCK's website has been refreshed and renewed with a thorough makeover. First the main site and then Publishing gained fresh new looks, with greatly enhanced operational features, and the purchase of SPCK books from the website is more efficient, and better signalled, than ever before.

### National Broadcasting Awards

SPCK's General Secretary, Simon Kingston, was a judge for the 2010 Sandford St Martin Religious Broadcasting Awards. The awards were presented in May, and winners included historian Diarmaid MacCulloch, for the first programme from his brilliantly-structured series, *A History of Christianity*.

### Bray Day at Westminster Abbey

On 15 February, SPCK and USPG: Anglicans in World Mission came together at Westminster Abbey to commemorate their common founder, the Revd Dr Thomas Bray, on the 280th anniversary of his death. The Rt Revd John Pritchard, Bishop of Oxford, celebrated the Eucharist in St Margaret's Church, with a congregation of staff and trustees from both societies. The Revd Canon Dr Nicholas Sagovsky preached. After the service a lunch reception was held in the Jerusalem Chamber.

## Election help

To help people use their votes in the most responsible way, SPCK published *Votewise Now!*, edited by Rose Lynas with a foreword by Joel Edwards. Ten concise chapters investigate 'the most important issues facing Britain today'. After outlining the key debates within each issue, *Votewise Now!* turns to biblical teaching for a Christian perspective, and then offers a series of principles against which readers may evaluate party promises and so vote wisely.

*'I cannot recommend this book's 116 pages highly enough . . . Get voting with greater confidence.'*  
Robert Willoughby in the influential *Christian Bookshops Blog*, April 2010

## Long service

In October 2009, the Annual General Meeting paid tribute to Sharon Swain, who was retiring after eighteen years' service on the Governing Body, including six years as Vice-Chair. Such a remarkable record of service is now unlikely ever to be repeated. The Society is enormously grateful to Sharon for her generosity and commitment.

During the year, we also saw the retirements of two staff members, Howard Corn in June 2009 and Jeremy Bakewell in September 2009, after 21 years and 33 years respectively. We are most grateful to them for their contribution to our life and work.

We record with sadness the death of our oldest pensioner, Ted Youell, in April 2010 in his 100th year. His widow Dorothy, herself approaching her 85th birthday, also worked for SPCK and between them they gave over 70 years' service to the Society. Many of our retired staff have similar records of long and devoted service, and it is noticeable that SPCK pensioners seem to enjoy long lives, an unacknowledged benefit of working for the Society!

## LEGAL AND ADMINISTRATIVE INFORMATION

The Society for Promoting Christian Knowledge (otherwise known as SPCK) is a registered charity, no. 231144, incorporated under Royal Charter in 1969 with its principal office at 36 Causton Street, London SW1P 4ST. In January 2005, the Privy Council approved amendments to the Royal Charter Bye-laws to reflect the structural and operating changes which had taken place within the Society during the previous 35 years.

SPCK is a membership organisation, founded on 8 March 1698, originally to promote Christian knowledge through publishing, lending libraries and schools, and to provide literature and libraries in the American colonies. The Society has been a publisher and distributor of Christian literature from its inception, and provides resources for students training for ministry in many parts of the Global South. The number of members at 30 April 2010 was 268 (2009: 283).

## OBJECTS

SPCK's objects are to promote Christian knowledge in any part of the world by such means, including the furtherance of education at all levels, as the Society may from time to time think fit, in accordance with the principles of the Church of England in promoting the learning, ministry, fellowship, witness and worship of that Church, or any Church or other Christian body with which the Churches of the Anglican Communion seek or may seek to co-operate.

## **PUBLIC BENEFIT**

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the guidance issued by the Charity Commission on public benefit. The charitable purpose for the charity within the meaning of the Act is enshrined within its objects. The Society's activities relate directly to our charitable aims. These are:

To promote Christian knowledge in any part of the world by such means, including the furtherance of education at all levels, as the Society may from time to time think fit, in accordance with the principles of the Church of England.

We therefore hope to bring benefit to all parts of the world, and do not seek to limit our activities to a narrow focus. We operate in three main ways, operating under the names SPCK Worldwide, SPCK Diffusion and SPCK Publishing (all detailed above). The information we produce is aimed at a very wide spectrum of readers, recipients and consumers, including people who are only potentially interested in Christianity as well as those on its fringes, in addition to those who are actively involved in church life. Our offerings include material for children as well as for adults.

## **TRUSTS MANAGED BY THE SOCIETY**

### **Restricted**

The Society manages a few small restricted Trusts, as listed beneath, with funds segregated in the accounts. It holds a separate portfolio of investments representing the endowed value of the funds and cash balances of unexpended income. The purposes of the Trusts include Christian education and support for ordination training, the supply of books, and support for Bible translation. All these fall directly within SPCK's purposes and normal range of activities.

Becker Trust	Newcastle Bible House Trust
H M Bliss Trust Fund	Palmer Trust
Clericus Trust	The Revd W B Piercy Trust
Crawford's Arabic Trust	The H C Richards Fund
Bishop John Charles Jones Memorial Fund	St Augustines College Trust

### **Unrestricted**

The Society also manages a number of very small unrestricted Trusts, many of which are now inactive and none of which has an annual income of as much as £1,000.

## GOVERNANCE

SPCK is administered by a Governing Body of unpaid members, acting as trustees, who serve alongside our paid executives on management committees which oversee the activities of the charity under delegated authority. The General Secretary is the chief executive officer responsible to the Governing Body for the overall administration of the Society and for ensuring that Governing Body policy is carried out.

### Committees

The main SPCK committees are:

- **Standing Committee**
- **Governing Body Membership Committee**
- **Audit Committee**

The responsibilities of each committee and oversight of the executive functions are defined in Standing Orders (revised in October 2007). Each committee reports to the Governing Body, which approves major decisions and has overall responsibility for all SPCK's activities.

### Trustee selection, appointment and competence

The Governing Body of trustees is elected at the Annual General Meeting by members of the Society from among their number, following submission of nominations not later than 21 days in advance of the meeting. Members are elected for three-year terms of office, which are renewable up to a maximum period of service of nine years. In addition to a maximum of 24 elected members, the Governing Body may co-opt up to six of the Society's Vice-Presidents to serve on the Governing Body, for three-year terms renewable up to a maximum of nine years' service.

The Governing Body monitors its membership to ensure an adequate level of skills and expertise relating to the different areas of the Society's activities, as well as to maintain a balance between lay and ordained members, male and female trustees, and representatives of different traditions within the Anglican and other churches. The Governing Body Membership Committee assists in identifying potential new members with appropriate backgrounds and skills to replace retiring members and fill other vacancies.

New trustees receive a comprehensive induction pack to acquaint them with SPCK's aims and activities, policies and practices, management and governance. Regular updates to this information pack are given to all trustees. All trustees are also informed of their responsibilities under charity law, with particular reference to Charity Commission guidance publications. The Governing Body maintains the personal competence of its members through regular updates on governance legislation and other relevant issues relating to charity and employment law. Training opportunities are also provided, usually linked with regular reviews of strategy and objectives.

### Risk management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to manage those risks. The trustees have formalised their risk assessment and management process to include a review of the risk register compiled and updated by executive staff in consultation with the management team. We keep under active review the adequacy of the systems which are in place in the light of changing circumstances. As a result of the significant size of the charity, the trustees delegate responsibility for day-to-day management to staff, using committees, planning and budgeting procedures, hierarchical authorisation, and delegation with segregation of duties.

## TRUSTEES

The members of the Governing Body of SPCK who serve as trustees (including past members who served during the year), and the committees on which the current members serve, are:

**The Rt Revd Michael Perham** (Chairman): Standing Committee, Governing Body Membership, Audit Committee

**The Revd Haley Dossor** (Vice-Chairman): Standing Committee, Governing Body Membership, Audit Committee

**The Revd Dr Joseph Cassidy** (elected October 2009): Worldwide oversight

**Dr David Goodbourn**: Feed the Minds Executive (retired October 2009)

**Dr Paula Gooder**: Diffusion oversight

**The Revd Jonathan Kerry**: Standing Committee, Audit Committee, Feed the Minds Executive

**The Revd Rosemary Lain-Priestley**: Diffusion oversight

**Paul Langridge**: Standing Committee, Publishing oversight, Feed the Minds Executive

**Theresa Moses**: Audit Committee, Richards Trust

**The Rt Revd John Pritchard** (elected October 2009)

**The Revd Canon Dr Nicholas Sagovsky**: Richards Trust

**The Revd Jacqueline Searle** (elected October 2009): Diffusion oversight

**The Revd Keith Stephenson** (elected October 2009): Audit Committee

**The Revd Simon Stokes** (elected October 2009)

**The Revd Sharon Swain** (Co-opted Vice-President; retired October 2009)

**Robin Thomas**: Standing Committee, Audit Committee

**The Rt Revd Martin Wharton** (retired October 2009)

**The Revd Adrian Wilkinson** (retired October 2009)

**Dr Jane Williams** (elected October 2009): Diffusion oversight

**Clive Wright OBE** (Co-opted Vice-President): William Leech Director

## EXECUTIVE STAFF

General Secretary: **Simon Kingston**, responsible for overall direction and management of the Society's affairs, reporting to the Chairman and the Governing Body. Reporting to him are:

Publishing Director: **Joanna Moriarty**, responsible for the Publishing programme.

Finance Manager: **Michael Brackpool**, responsible for management of the Society's finances.

Executive Administrator: **Pat Phillips**, assists the General Secretary and Chairman and has responsibility for HR matters.

## PATRON

Her Majesty The Queen

## PRESIDENT

The Archbishop of Canterbury, The Most Revd and Rt Hon Dr Rowan Williams PC FBA

## VICE-PATRONS

The Primate of All Ireland; the Primate of Australia; the Presiding Bishop of the United States of America; the Moderator of the Church of North India; the Bishop of London

## ELECTED VICE-PRESIDENTS

General Sir Hugh Beach GBE, KCB, MC; the Rt Revd John Bickersteth KCVO; Bernard Brook-Partridge; Paul Chandler; the Revd Canon Thomas Christie; Keith Hughesdon; the Ven. Dr William Jacob; Paddy Linaker; the Revd Canon Mgr Conrad Meyer; the Revd Canon Michael Moore LVO; the Revd Dr John Polkinghorne KBE, FRS; Barry Smallman CMG, CVO; Lionel Scott; the Revd Sharon Swain; Clive Wright OBE

## EX-OFFICIO VICE-PRESIDENTS

Archbishops and Bishops of the Anglican Communion who are members of the Society

## HONORARY LIFE MEMBERS

The Revd Fred Bedbrook; the Revd Albert Braithwaite RN; the Revd Canon M H Drewett; Jack Dribbell; Ian Ferguson; the Revd Canon Alan Wilkinson

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as each of the trustees is aware at the time the report is approved:

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

The Society's accounts for the year ended 30 April 2010 have been prepared in accordance with The Charities (Accounts and Reports) Regulations 2005, the current Statement of Recommended Practice: *Accounting and Reporting by Charities* (Charities SORP 2005) and applicable accounting standards.

## FINANCIAL REVIEW AND RESULTS

The Society has come through a year of severe economic recession and political uncertainty in good health. Despite the difficult trading environment, we finished the year in strong form, achieving the sort of levels we had hoped for earlier on. We have embarked on a fundraising process, working with a specialist consultant. Despite a continuing drop in donated income and a volatile equity market, we have controlled our expenditure and held our course well overall.

The results from SPCK's activities are set out on pages 14 to 26. The Society recorded a net surplus, before exceptional items and gains and losses, of £129,000 (2009: surplus of £294,000). There were no Exceptional Items during the year (2009: £3,832,000, being provision for additional funding of the Defined Benefits Pension Scheme – see Note 6). Improvement in the investment markets from the previous year-end resulted in a net gain on the revaluation of investment assets of £1,607,000 (2009: net loss of £3,111,000). The net movement in funds for the year was a surplus of £1,736,000 (2009: deficit of £6,649,000).

This year, the Society received £738,000 (2009: £851,000) from William Leech (Investments) Limited and the William Leech Trusts. SPCK is greatly appreciative of the Leech funds and of those who so effectively manage them; without them the Society would have been severely restricted in its work, especially in this difficult financial climate.

### Investment policy and performance

The value of the Society's investments at 30 April 2010 was £11,031,000 (2009: 9,196,000). Of this amount, £7,746,000 (2009: £6,613,000) represented the value of shares and cash awaiting investment in William Leech (Investments) Limited and £3,285,000 (2009: £2,583,000) the market value of other listed investments. Overall, the SPCK portfolio produced a net gain of £1,607,000 (2009: loss of £3,111,000) over the year.

The Society's £11 million investment portfolio is managed by the trustees, with delegated authority to the Standing Committee if urgent decisions are needed between the scheduled trustees' meetings. The trustees review the portfolio regularly, seeking a balance between capital growth and income, and setting benchmarks as considered appropriate.

Over the past year, the total returns, including income, from Listed investments were 33.81% compared with a return of 29.83% on a composite rate made up of 80% the FTSE All Share Index and 20% UK Government Securities. The returns on capital from Listed investments were 28.74% compared with a return of 25.06% on the composite rate. The income yield for the year from listed investments was 5.07%, being above the target set in August 2006 of between 3% and 3.5%.

The Society owns 20% of the issued share capital of William Leech (Investments) Limited, an investment company which was established for the benefit of five Christian charities. The directors of this company have invested their funds in a mixture of commercial property and marketable securities. The trustees of SPCK periodically review the return on assets of the company and associated trusts, and consider that the investment is in accordance with its investment strategy and that the diversity of its investment is sufficient in the context of its risk assessment. In practice SPCK is not able to influence the investment policy of William Leech (Investments) Limited.

### Reserves

Details of the Society's reserves are set out in notes 13-15. These include free reserves amounting to £2,789,000 (2009: £1,897,000), which is in excess of the policy of 36 months' basic budgeted running costs at the current level of activities. SPCK uses these funds to finance the operating costs of its grant-making programme and for funding operating losses. The Society assesses the level of its free reserves, taking account of the forecast results over a three-year period and the cashflow impact of planned capital expenditure, and considers the current level of reserves to be adequate for its purposes. The Society's reserves are supported by the unrestricted William Leech investments.

## Pension Fund

The continuing annual contributions of £284,000 payable into the Church Workers' Pension Fund are the result of a revaluation of the fund as at 31 December 2007. As security for these extended payments, SPCK gave the Church of England Pensions Board a charge on the shares it held in William Leech (Investments) Limited at 30 April 2009, these to be retained until the shortfall has been fully paid. The next valuation will be as at 31 December 2010, though the effect of this upon the Society's contributions will not be known until after the next financial year-end.

## PERFORMANCE COMPARED TO LAST YEAR'S PLANS

### Development plans for 2009-10 and their outcomes were:

1. *To develop our own new fundraising strategy, and handle our own donor management.*

A fundraising strategy was developed with our external consultants, Midas Charity Appeals. We have appointed a new staff member as Fundraising and Information Assistant. We also took on our own donor management. SPCK Worldwide continued to outsource the ISG programme administration to Feed the Minds, but during the year agreed a process of separation so that in the coming year SPCK will take over responsibility for the administration and delivery of the SPCK Worldwide programme in its entirety.

2. *To develop projects on prison literacy and a national exhibition relating to the church origins of major football clubs.*

SPCK Diffusion has been hit by the reduced income from both donations and investments. It has thus only been able to move on a little. We have, however, started work on a prison literacy project, and have worked with the National Museum of Football to set in train work on an exhibition on the church origins of football clubs. This will be among the first exhibitions in the museum's new premises, and both parties hope it will then travel around the county.

3. *To complete the process of updating, refreshing and reorganising the Society's website, and increasing its technical capabilities to allow for a variety of downloading possibilities.*

The website has been completely redesigned and updated, and much new functionality has been added, together with a donor area and other fundraising components. Audio downloading is now part of the site. The refreshed and improved site now offers much more to the visitor.

4. *SPCK Publishing to maintain its production partnership with Inter-Varsity Press (IVP), by which our Production Director oversees a joint sourcing programme.*

Our partnership with IVP has been successfully maintained, and we have now also formed a partnership with Lightning Source in the USA.

5. *To ensure that we thrive in the difficult trading conditions we face, and to achieve our retail sales budget of £1.78m.*

The year saw the collapse of the largest Christian retail chain and the connected Christian wholesale business. This, together with the closure of a number of smaller independents, made it impossible to achieve the sales target. However, we were able to manage the situation well enough to avoid being hit by the consequent bad debts currently facing a number of other Christian publishers.

6. *To have a new marketing strategy in place by October 2009, to include details of specific campaigns and their related revenue targets.*

We have thoroughly restructured our sales and marketing, improving our range of selling areas, and putting in place a programme of re-purposing of existing content. Our new structure is far better able to deal with the changing environment, and includes detailed plans going forward.

## PERFORMANCE COMPARED TO LAST YEAR'S PLANS (continued)

7. *To build a more effective web presence in the Publishing area; and to have the new Publishing site live by the end of 2009.*

The Publishing site has been thoroughly overhauled, with a greatly improved appearance, and vastly upgraded operation, which make it a far more useful and interesting tool. It interacts well with the new main site.

## DEVELOPMENT PLANS FOR 2010-11

### Development plans for 2010-11 include:

1. To organise and successfully deliver a full programme of International Study Guides to developing-world colleges on at least as large a scale as when the process was outsourced to Feed the Minds.
2. To create and launch a multi-media Prayer Resource section for the website.
3. To enhance the effectiveness of our Publishing mission and in doing so achieve a total of £1.75m from sales income in Publishing.
4. To keep an international perspective, and thereby achieve the budgeted levels for Rights and other income in Publishing.
5. To monitor the Publishing website effectiveness, and increase usage by 30%.
6. To increase significantly the usage of the Assemblies website, by at least 5%.
7. To increase funding from outside sources for the Society's projects.

On behalf of the Trustees

15 July 2010

**The Rt Revd Michael Perham**  
**Chairman of the Governing Body**

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SPCK

We have audited the financial statements of SPCK for the year ended 30 April 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes set out on pages 14 to 26. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the trustees, as a body, in accordance with Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

### Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 9.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations required for our audit.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of Opinion

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

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

### Unqualified Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 30 April 2010 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

**HORWATH CLARK WHITEHILL LLP**  
Statutory Auditor  
Aquis House, 49-51 Blagrove Street, Reading RG1 1PL

15 July 2010

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Totals 2010 £'000	Totals 2009 £'000
<b><u>Incoming resources</u></b>						
<b>Generated funds</b>						
<b>Voluntary income</b>						
Donations		76	17	-	93	94
Legacies		90	-	-	90	47
<b>Activities to generate funds</b>						
Grants receivable	3	155	22	204	381	370
Investment income	4	519	-	-	519	680
<b>Charitable activities' gross income</b>						
Publishing turnover	2	1,457	-	-	1,457	1,733
Other operating income	2	290	-	-	290	354
<b>Total incoming resources</b>		<u>2,587</u>	<u>39</u>	<u>204</u>	<u>2,830</u>	<u>3,278</u>
<b><u>Resources expended</u></b>						
<b>Costs of generating funds</b>						
Promotional costs		81	-	-	81	38
<b>Costs of generating funds</b>	5	<u>81</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>38</u>
<b>Net incoming resources available for charitable application</b>		<u>2,506</u>	<u>39</u>	<u>204</u>	<u>2,749</u>	<u>3,240</u>
<b>Charitable activities</b>						
SPCK Publishing	2, 5	2,168	-	-	2,168	2,352
SPCK Worldwide	5	240	7	-	247	337
SPCK Diffusion	5	23	3	-	26	50
Assemblies website	5	13	22	-	35	30
<b>Total charitable expenditure</b>		<u>2,444</u>	<u>32</u>	<u>-</u>	<u>2,476</u>	<u>2,769</u>
<b>Governance costs</b>	5	144	-	-	144	177
<b>Total expenditure (incl. promotional costs)</b>	5	<u>2,669</u>	<u>32</u>	<u>-</u>	<u>2,701</u>	<u>2,984</u>
<b>Net (outgoing)/incoming resources before exceptional items and gains/(losses)</b>		<u>(82)</u>	<u>7</u>	<u>204</u>	<u>129</u>	<u>294</u>
<b>Exceptional items</b>						
DBS deficit funding	6	-	-	-	-	(3,832)
<b>Net (outgoing)/incoming resources before gains/(losses)</b>		<u>(82)</u>	<u>7</u>	<u>204</u>	<u>129</u>	<u>(3,538)</u>
<b>(Losses)/gains on investment assets</b>	9	948	-	659	1,607	(3,111)
<b>Net movement in funds for the year</b>		<u>866</u>	<u>7</u>	<u>863</u>	<u>1,736</u>	<u>(6,649)</u>
<b>Funds brought forward at 1 May 2009</b>		<u>1,923</u>	<u>297</u>	<u>3,709</u>	<u>5,929</u>	<u>12,578</u>
<b>Funds carried forward at 30 April 2010</b>	13-15	<u>2,789</u>	<u>304</u>	<u>4,572</u>	<u>7,665</u>	<u>5,929</u>

The notes on pages 17 to 26 form part of these accounts. All operations are continuing.

## BALANCE SHEET

	Notes	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible assets	8	-	26
Investments	9	11,031	9,196
		<u>11,031</u>	<u>9,222</u>
<b>Current assets</b>			
Stocks		408	398
Debtors	10	736	735
Cash at bank and in hand		563	815
		<u>1,707</u>	<u>1,948</u>
<b>Current liabilities</b>			
Amounts falling due within one year	11	(1,392)	(1,300)
		<u>315</u>	<u>648</u>
<b>Net current assets</b>			
		<u>11,346</u>	<u>9,870</u>
<b>Creditors</b>			
Amounts falling due after more than one year	11	(3,681)	(3,941)
		<u>7,665</u>	<u>5,929</u>
<b>Net assets</b>	16		
<b>The funding of the charity</b>			
Endowment funds	13	4,572	3,709
<b>Income funds</b>			
<b>Restricted funds</b>	14	304	297
<b>Unrestricted funds</b>			
Leech fund	15	3,966	3,521
General fund – Reserves	15	(1,177)	(1,598)
Total Unrestricted funds		<u>2,789</u>	<u>1,923</u>
<b>Total charity funds</b>		<u>7,665</u>	<u>5,929</u>

Approved by the Governing Body and authorised for issue on 15 July 2010  
and signed on its behalf by

**The Rt Revd Michael Perham**  
Chairman of the Governing Body

The notes on pages 17 to 26 form part of these accounts.

## CASHFLOW STATEMENT

	2010	2009
	£'000	£'000
<b>Net cash outflow from operating activities</b>	<b>(620)</b>	<b>(481)</b>
<b>Investment income</b>	<b>519</b>	<b>680</b>
<b>Non-operational cashflows</b>		
Capital expenditure and financial investment		
Payments for investments	(393)	(565)
Proceeds from sales of investments	242	362
	<hr/>	<hr/>
Movement in bank balances and cash for the year	<b>(252)</b>	<b>(4)</b>
	<hr/>	<hr/>

### Notes to the Cashflow Statement

#### A. Reconciliation of net movement in funds to net cash inflow from operating activities

Statement of Financial Activities: Net movement in funds	1,736	(6,649)
Investment income	(519)	(680)
Depreciation	26	53
Realised (gains)/losses on sales of investments	(77)	21
Unrealised (gains)/losses on investments	(1,607)	3,090
(Increase) in stocks	(10)	(21)
(Increase) in debtors	(1)	(42)
Increase in creditors: current liabilities	92	15
Increase in amounts falling due after more than one year	(260)	3,732
	<hr/>	<hr/>
<b>Net cash outflow/(inflow) from operating activities</b>	<b>(620)</b>	<b>(481)</b>
	<hr/>	<hr/>

#### B. Analysis of changes in cash and short-term deposits during the year

	2010	2009	
	£'000	£'000	Change in year £'000
Cash at bank and in hand	563	815	(252)
	<hr/>	<hr/>	<hr/>

#### C. Cashflow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice, this restriction has not had any effect on cashflows for the year.

The notes on pages 17 to 26 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

These accounts are prepared in accordance with The Charities (Accounts and Reports) Regulations 2005, the current Statement of Recommended Practice: *Accounting and Reporting by Charities* (the Charities SORP 2005) and applicable accounting standards. They are drawn up on the historical cost accounting basis except that investments are carried at market value.

#### Incoming resources

##### a) Turnover

Trading Turnover represents the value of sales made during the year excluding VAT and amounts due to Joint Publishers.

##### b) Donations, legacies and grants receivable

These are accounted for as soon as their amount and receipt are reasonably certain. For unsolicited donations, this is when received.

Grants received from the William Leech Trusts are credited for the period in which they arise. Income from William Leech (Investments) Limited, together with recoverable income tax relating thereto, is credited to the Statement of Financial Activities in the period in which the income is received.

##### c) Other income

Other income comprises Publishing income from co-editions, royalty advances, rights, permissions and sales commission and is accounted for on the accruals basis.

#### Resources expended

All expenses are accounted for on an accruals basis. Charitable expenditure includes all operating costs relating to SPCK's Publishing and Worldwide activities.

##### a) Promotional costs

Promotional costs comprise direct fundraising costs and the costs associated with the Society's website.

##### b) Grants payable and project funding

Grants payable are taken to the Statement of Financial Activities in the year they are approved and any grants not paid within two years are cancelled unless a continuing need is identified.

##### c) Governance costs

Governance costs are those associated with charity governance requirements and which relate to the general running of the Society.

##### d) Support costs

Support costs include the central head office functions of general management, information technology, human resources, office management, accommodation and finance. Costs are allocated to activities on a basis consistent with the use of the resources.

##### e) Operating leases

Rental charges under operating leases are charged on a straight-line basis over the life of the lease.

##### f) Staff pensions

The Society participates in two pension arrangements which are part of the Church Workers' Pension Fund. Qualifying members of staff who joined the Society on or before 30 April 2001 were able to join the Church of England Defined Benefits Scheme (DBS). With effect from 1 May 2001 the Society closed membership of the DBS to all new employees. Qualifying members of staff who joined the Society on or after 1 May 2001 were able to join the Church of England Defined Contributions Scheme (DCS), which operates on a money-purchase basis.

## ACCOUNTING POLICIES (continued)

With effect from 1 May 2006, the DBS was closed to all employees, with deferred entitlement preserved for its existing members. From that date, all SPCK members of the Church Workers Pension Fund have been benefiting from contributions and any accruals as part of the DCS.

At 30 April 2010, the Society had no (2009: Nil) active members and 218 (2009: 229) deferred pensioner members in the DBS, and 22 (2009: 25) active members and 73 (2009: 77) deferred pensioner members in the DCS. At 30 April 2010 the Society had 161 pensioners (2009: 157).

The funded pension scheme makes provision for pensions for full-time staff and, as from 1 May 1998, part-time staff with salaries at or above the Lower Earnings Limit for National Insurance purposes, and the Society pays all contributions. SPCK is not contracted out of the State Second Pension (S2P) – formerly the State Earnings Related Pension Scheme (SERPS).

The Society is unable to identify its share of the underlying assets and liabilities of the DBS because each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the Fund. A valuation of the Fund was carried out as at 31 December 2007 and the Church of England Pensions Board has agreed to the Society making additional contributions of £4,247,550 over a period of fifteen years commencing 1 April 2009. This year's contribution of £283,170 was paid during the year. No provision was made in the year as the amount had been provided in full in the year to 30 April 2009. The future funding of the DBS will be reviewed in the light of its valuation as at 31 December 2010.

Contributions to the DCS have remained unchanged at 12%.

The costs of both the DBS and DCS are charged directly to the Statement of Financial Activities.

### g) Tangible fixed assets

Tangible fixed assets costing more than £5,000 are stated in the balance sheet at cost less depreciation. These items are depreciated on a straight-line basis so as to write off their cost over their estimated useful lives. These rates are currently as follows:

Fixtures and fittings	5 years
Computer systems	3 years

In view of the administrative costs involved, the effect of inflation on costs and the underlying nature of our charitable purpose, the trustees have adopted a policy that only substantial assets which have a long-term ongoing value should be capitalised.

### h) Investment assets

Quoted investments are stated at mid-market value at the balance sheet date. Purchases and sales include transaction fees charged by the investment managers. Other investment securities are valued by reference to underlying assets.

### i) Stocks

Stocks are valued at the lower of cost and net realisable value.

### j) Restricted funds

Restricted funds are accounted for in accordance with the particular terms of trust arising from the express or implied wishes of donors in so far as these are intended to be binding on the trustees.

### k) Endowment funds

Endowment funds are those where the capital is maintained and used to generate income. Income is utilised for the purpose for which the fund was originally created.

### l) Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in incoming resources or resources expended. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

## 2. ANALYSIS OF TRADING INCOME

The unconsolidated figures for the Publishing division are as follows:

	2010	2009
	£'000	£'000
<b>Incoming resources</b>		
Sales income	1,457	1,733
Other operating income	290	354
<b>Total incoming resources</b>	<u>1,747</u>	<u>2,087</u>
<b>Resources expended</b>		
Cost of sales	(423)	(446)
Operating expenses	(1,435)	(1,564)
<b>Total expenditure</b>	<u>(1,858)</u>	<u>(2,010)</u>
<b>Net incoming/(outgoing) resources before exceptional items</b>	<u>(111)</u>	77
Exceptional items (see note 6):		
Restructuring/redundancy costs	-	(4)
<b>Net incoming/(outgoing) resources</b>	<u>(111)</u>	<u>73</u>
 <b>Other operating income arose as follows:</b>		
	2010	2009
	£'000	£'000
Publishing rights and permissions	185	129
Advances received	39	150
Income from co-editions	12	10
Sales commission and other income	54	65
<b>Total operating income</b>	<u>290</u>	<u>354</u>

## 3. GRANTS RECEIVABLE

Grants are received from the two charitable trusts administered by the William Leech Foundation Limited. SPCK holds one of the five shares in the William Leech Foundation Limited, which was established to support charitable institutions or trusts in the United Kingdom. William Leech Foundation Limited also acts as a trustee to the two charitable trusts known as the Foundation Trust and the Charity Trust. No capital may be distributed from either trust.

The income of the Foundation Trust is distributed in equal proportions to SPCK and four other charities. The income of the Charity Trust is distributed for charitable purposes at the discretion of the Trustee, which has, since 1973, adopted the policy of giving most of the income to the same five charities. This policy is reviewed by the Board of the company each year.

Following a resolution of the Board of Directors of the William Leech Foundation Limited on 15 October 1996, 57% of the grants paid out to the five charities are made on condition that they are invested in shares in William Leech (Investments) Limited at par, and treated as an addition to the recipient charity's capital funds. The effects of this condition have been reflected in these accounts by showing the grants re-invested in the Leech Fund (see notes 9, 13 and 15). This company invests its assets mainly in property and listed securities.

#### 4. INVESTMENT INCOME

	2010 £'000	2009 £'000
Income from Leech investments	380	502
Income from charity investments	133	167
Other investment income	6	11
	<u>519</u>	<u>680</u>

The Trustees recognise the need for support for the mission of promoting Christian knowledge through the publication and sale of Christian books and resources. Consequently, investment income has been allocated to support the Society's Publishing mission in accordance with the anticipated cost of those activities.

#### 5. ANALYSIS OF TOTAL EXPENDITURE

	Direct Costs £'000	Staff Costs £'000	Depreciation Charges £'000	Other Overhead £'000	Support Costs £'000	2010 Total Costs £'000	2009 Total Costs £'000
Cost of generating funds	34	12	-	-	35	81	38
<b>Charitable expenditure</b>							
Publishing	762	708	-	388	310	2,168	2,352
Worldwide	224	-	-	-	23	247	337
Diffusion	10	-	-	-	16	26	50
Assemblies	33	-	-	-	2	35	30
	<u>1,029</u>	<u>708</u>	<u>-</u>	<u>388</u>	<u>351</u>	<u>2,476</u>	<u>2,769</u>
Governance costs	58	-	-	-	86	144	177
Support costs	-	253	26	193	(472)	-	-
<b>Total expenditure 2010</b>	<u>1,121</u>	<u>973</u>	<u>26</u>	<u>581</u>	<u>-</u>	<u>2,701</u>	<u>2,984</u>
<i>Total expenditure 2009</i>	<u>1,132</u>	<u>981</u>	<u>53</u>	<u>818</u>	<u>-</u>	<u>2,984</u>	

Costs incurred in producing the Assemblies website have previously been included as part of Publishing. These are now shown separately in these accounts together with the corresponding comparative which has previously been included in Publishing costs.

	2010 £'000	2009 £'000
<b>Worldwide: Grants payable and project funding</b>		
Grant to Feed the Minds: Cash grant	197	236
Other cash grants		
ISPCK	20	25
The Diocese of Peru	3	-
Other payments	-	1
<b>Total grants</b>	<u>220</u>	<u>262</u>

**ANALYSIS OF TOTAL EXPENDITURE (continued)**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Governance costs</b>		
Auditors' fees	11	9
Legal and professional fees	42	76
Costs of AGM and trustee travel	3	4
Other support costs	4	13
Staff and support costs	84	75
	<u>144</u>	<u>177</u>
	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Exceptional items</b>		
Pension: DBS deficit funding	-	3,832
	<u>-</u>	<u>3,832</u>
<b>Total exceptional items</b>		
	<u>-</u>	<u>3,832</u>
	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Support costs</b>		
Corporate & Legal	12	42
Information Technology	66	74
Human Resources	253	179
Accommodation	140	152
Finance	1	12
	<u>472</u>	<u>459</u>

**6. EXCEPTIONAL ITEMS**

**Defined Benefit Pension Scheme deficit funding**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Provision brought forward 1 May 2009	4,248	416
Amount provided in year	-	3,832
Amount paid in year	(284)	-
	<u>3,964</u>	<u>4,248</u>
Amount due within one year	283	307
Amount due after more than one year	3,681	3,941
	<u>3,964</u>	<u>4,248</u>
<b>Total provision carried forward 30 April 2010</b>		
	<u>3,964</u>	<u>4,248</u>

An additional provision was made in the year to 30 April 2009 to provide for contributions totalling £4,247,550 that are to be made to the Church of England Defined Benefits Scheme (DBS) which is part of the Church Workers Pension Fund (See note 11). This amount is payable in equal monthly instalments of £23,598 over 15 years and commenced on 1 April 2009. No additional amount has been charged to the Statement of Financial Activity in the year. This liability has been secured over the Society's holding in William Leech (Investments) Limited.

## 7. TRUSTEES AND EMPLOYEES

Except as stated below, the trustees and persons connected with them have not received or obtained any remuneration or other financial benefits for the year directly or indirectly from the charity's funds:

	2010			2009		
	Advances	Royalties	Diffusion Fees	Advances	Royalties	Diffusion Fees
	£	£	£	£	£	£
Dr Paula Gooder	560	345	-	720	-	-
The Revd Jonathan Kerry	-	-	-	-	-	2,000
The Revd Rosemary Lain-Priestley	400	-	-	800	-	-
The Rt Revd Michael Perham	1,000	241	-	-	236	-
The Rt Revd John Pritchard	1,200	4,489	-	-	-	-
The Revd Sharon Swain	-	-	-	-	129	-
The Rt Revd Martin Wharton	-	28	-	-	32	-
Dr Jane Williams	-	440	-	-	-	-

The royalties shown were paid during the year. The terms and conditions of these contracts fall within the parameters of SPCK's standard author contracts. The fees earned in relation to Diffusion were for the administration and co-ordination of work developing prison literacy materials. SPCK has agreed with the Charity Commission the basis for making payments to trustees. Amounts are only shown for years when those concerned were acting as trustees.

The aggregate amount of expenses reimbursed to 9 (2009: 10) trustees to cover travel and subsistence expenditure in attending meetings during the year was £2,061 (2009: £2,825). There were no other transactions with any related party.

Staff costs	2010	2009
	£'000	£'000
Wages and salaries	798	795
Social security costs	87	86
Pension scheme contributions	88	85
Termination costs – other	-	15
	<u>973</u>	<u>981</u>

The average number of employees, by operating division was:	Number	Number
Publishing	26	25
Management and administration	2	2
Fundraising	1	-
	<u>29</u>	<u>27</u>

The number of employees whose emoluments exceeded £60,000 fell within the following ranges:

	2010	2009
£60,001 - £70,000	2	2

During the year, no contributions were paid into the Defined Benefits Pension Scheme (DBS) for higher-paid employees (2009: None). Contributions were paid into the Defined Contributions Pension Scheme (DCS) for two higher-paid employees (2009: 2).

## 8. TANGIBLE FIXED ASSETS

	Fixtures Fittings and Computers £'000
<b>Cost or valuation</b>	
Balance at 1 May 2009	264
Disposals and transfers	-
Balance at 30 April 2010	<u>264</u>
<b>Accumulated depreciation</b>	
Balance at 1 May 2009	238
Charge for year	26
Disposals and transfers	-
Balance at 30 April 2010	<u>264</u>
<b>Net book value at 30 April 2010</b>	<u>-</u>
Net book value at 30 April 2009	<u>26</u>

## 9. INVESTMENTS

	Unrestricted Funds £'000	Endowment Funds £'000	2010 Total £'000	2009 Total £'000
Market value 1 May 2009	5,487	3,709	9,196	12,104
Additions at cost	127	266	393	565
Disposals at market value	(103)	(62)	(165)	(362)
Net (losses)/gains	948	659	1,607	(3,111)
<b>Market value 30 April 2010</b>	<u>6,459</u>	<u>4,572</u>	<u>11,031</u>	<u>9,196</u>
Historical cost 30 April 2010	<u>5,103</u>	<u>3,231</u>	<u>8,334</u>	<u>8,183</u>

All investments, excluding those held in William Leech (Investments) Limited, were held on behalf of the Society by its investment managers, Rathbones. These investments consisted mainly of shares quoted on the London Stock Exchange and separate portfolios were maintained for the unrestricted funds, as a group, and for each of the endowment funds. No individual investment holding exceeded 5% of the value of its portfolio at the year-end. The investment in William Leech (Investments) Limited has been used as security to guarantee the Society's liability for additional pension contributions to the Church of England Defined Benefits Scheme (DBS). This guarantee is restricted to those shares held in William Leech (Investments) Limited at 30 April 2009.

	2010 Total £'000	2009 Total £'000
<b>a) Unrestricted Funds</b>		
<b>William Leech (Investments) Limited</b>		
Ordinary shares at market value	3,966	3,521
Listed investments at market value	2,493	1,966
	<u>6,459</u>	<u>5,487</u>

**INVESTMENTS (continued)**

	2010	2009
	Total	Total
	£'000	£'000
<b>b) Endowment Funds</b>		
<b>William Leech (Investments) Limited:</b>		
Ordinary shares at market value	3,719	3,055
Cash awaiting re-investment	61	37
	<u>3,780</u>	<u>3,092</u>
Trust Funds of the Society consisted of the following investments:		
<b>Van Vryhouver Bequest:</b>		
Listed Investments at market value	265	207
<b>Other trust funds:</b>		
Listed Investments at market value	527	410
	<u>4,572</u>	<u>3,709</u>

**c) William Leech (Investments) Limited**

The investments in the Leech Fund and the Leech Capital Fund are represented by shares held in William Leech (Investments) Limited. The Society holds 20% of the company's ordinary share capital. The Society has no influence over the management of William Leech (Investments) Limited. As there is no market in these shares, the deemed market value of this investment is assessed as 20% of the net assets based on the company's management accounts as at 31 March 2010 as follows:

	2010	2009
	£'000	£'000
Aggregate capital and reserves	38,424	32,878
Turnover (property and investment income)	1,644	1,824
Net profit/(loss) for the year	2,918	(4,557)

**10. DEBTORS**

	2010	2009
	£'000	£'000
Trade debtors	430	504
Other debtors: due in less than one year	184	177
Prepayments	122	54
	<u>736</u>	<u>735</u>

**11. CREDITORS**

	2010	2009
	£'000	£'000
<b>Amounts falling due within one year</b>		
Trade creditors	113	168
Unexpended trust income	231	206
Taxation and social security	25	23
Other creditors	454	355
Accruals	286	241
Pension: DBS deficit funding (see note 6)	283	307
	<u>1,392</u>	<u>1,300</u>
<b>Amounts falling due after more than one year</b>		
Pension: DBS deficit funding (see note 6)	3,681	3,941

## 12. OTHER FINANCIAL COMMITMENTS AND GUARANTEES

As at 30 April 2010, annual commitments under non-cancellable operating leases for motor vehicles and copiers existed as set out below:

	2010	2009
	£'000	£'000
<b>Operating leases due</b>		
Within one year	1	5
2-5 years	10	19
Over 5 years	-	-
	<u>11</u>	<u>24</u>

## 13. ENDOWMENT FUNDS

	Balance at 1 May 2009	Incoming Resources	Gains/(Losses)	Balance at 30 April 2010
	£'000	£'000	£'000	£'000
Leech Capital Fund	3,092	204	484	3,780
Van Vryhouvern Bequest	207	-	58	265
Other Trust Funds	411	-	116	527
<b>Total</b>	<u>3,710</u>	<u>204</u>	<u>658</u>	<u>4,572</u>

The major balances on the other Endowment Trust Funds at 30 April 2010 are as follows:

	£'000
Palmer Trust	275
Richards Trust	130
Other Trust Funds	122
<b>Total</b>	<u>527</u>

Income from the Leech Capital Fund is expendable for the Society's general purposes at the discretion of the Trustees. Income from the other Endowment Trust Funds is restricted in accordance with the terms of the relevant trusts. Further details on the Endowment Trust Funds are available from SPCK's head office.

## 14. RESTRICTED FUNDS

	Balance at 1 May 2009	Incoming Resources	Outgoing Resources	Balance at 30 April 2010
	£'000	£'000	£'000	£'000
SPCK Newcastle Bible House *	297	-	-	297
Other Restricted Funds	-	39	(32)	7
	<u>297</u>	<u>39</u>	<u>(32)</u>	<u>304</u>

\* The purpose of this fund is to provide for the sale of Bibles and religious literature in Newcastle-upon-Tyne.

15. UNRESTRICTED FUNDS

	Balance at 1 May 2009 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains and (Losses) £'000	Balance at 30 April 2010 £'000
Leech Fund	3,521	-	-	445	3,966
Other Charitable Funds	(1,598)	2,587	(2,669)	503	(1,177)
<b>Total</b>	<b>1,923</b>	<b>2,587</b>	<b>(2,669)</b>	<b>948</b>	<b>2,789</b>

The Unrestricted Funds are comprised as follows:

	2010 £'000	2009 £'000
Free Reserves	2,789	1,897
Tangible Fixed Assets in use	-	26
<b>Total</b>	<b>2,789</b>	<b>1,923</b>

16. ANALYSIS OF THE SOCIETY'S NET ASSETS BY FUND

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Fund balances at 30 April 2010 are represented by</b>				
Tangible fixed assets	-	-	-	-
Investments	6,459	-	4,572	11,031
Current assets	1,403	304	-	1,707
Current liabilities	(1,392)	-	-	(1,392)
Creditors: amounts falling due after 1 year	(3,681)	-	-	(3,681)
<b>Total net assets</b>	<b>2,789</b>	<b>304</b>	<b>4,572</b>	<b>7,665</b>
<b>Unrealised gains included above</b>				
On investment assets	1,356	-	1,341	2,697

17. TAXATION STATUS AND GIFT AID

SPCK is a registered charity and no taxation is payable on its income arising in the United Kingdom.

Donated income includes £7,364 (2009: £6,411) income tax recovered in respect of covenanted subscriptions and Gift Aid.

## PRINCIPAL PROFESSIONAL ADVISERS

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*Pension Administrators*

**The Church of England Pensions Board**  
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*Solicitors*

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London W1J 5LS

**Wedlake Bell**  
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London WC1R 4LR



## The SPCK Prayer

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Almighty God,  
who through the prophets of old  
promised that light  
should shine out of darkness,  
  
shine in our hearts and so  
use our endeavours in this Society  
that many may be given the light  
of the knowledge of your glory,  
  
which shines in the face of your Son  
Jesus Christ our Lord.

Amen.

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