

**WORLD COMMUNION OF REFORMED  
CHURCHES**

**GENEVA, SWITZERLAND**

**AUDITED ACCOUNTS**

**FOR THE YEAR ENDING DECEMBER 31, 2010**

## **AUDITOR'S REPORT**

To the Executive Committee of the

### **WORLD COMMUNION OF REFORMED CHURCHES**

Geneva, Switzerland

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of the World Alliance of Reformed Churches for the year ended 31 December 2010.

The financial statements are the responsibility of the governing board. Our responsibility is to perform a limited statutory examination of the financial statements. We confirm that we meet the licensing and independence requirements stipulated by Swiss law.

Our audit was conducted in accordance with the Swiss Standard of limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of organisation personnel and analytical procedures, as well as detailed examination of organisation documents considered necessary in the circumstances. It should be noted that the examination of operational procedures and internal control systems, as well as inquiries and in-depth examination to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

As a result of our examination, we recommend that the accounts for the year ended December 31, 2010, presenting a loss of CHF 226'716.-, be approved.

Geneva, 20 April 2011 / 10 - 2

**Cf compagnie fiduciaire de révision sa**

Patrick MONNEY  
Chartered accountant

Jean-Paul DORTHE  
Chartered accountant  
Auditor in charge

#### Enclosures:

- Financial statements (balance sheet, income statement and notes)

## BALANCE SHEET

	Dec. 31, 2009 CHF	Dec. 31, 2010 CHF
<b>ASSETS</b>		
IN-HOUSE CASH	28'378	8'958
LA POSTE-FINANCE CHF (C/C)	144'397	237'940
BNP PARIBAS EURO (C/C)	99'329	19'040
BNP PARIBAS CHF (C/C)	633'449	118'577
BNP PARIBAS USD (C/C)	1'797'570	1'324'007
BNP PARIBAS GBP (C/C)	40'377	6'070
LODH USD (C/C)	4'721	4'261
RBS WORLDPAY CHF (On-Line Acc.)	778	1'070
WCRC EUROPE	2'545	0
	2'751'544	1'719'922
<b>INVESTMENT PORTFOLIO</b>	430'053	430'509
<b>ACCRUED ASSETS</b>	158'366	212'485
UGC-2010-EXPENDITURES	138'361	
LOAN	6'168	6'168
WCRC-IN-FORMATION	5'168	0
WITHHOLDING TAX	1'059	0
REC-EXPENDITURES	6'117	0
	315'239	218'654
<b>TOTAL</b>	<b>3'496'836</b>	<b>2'369'085</b>
<b>LIABILITIES</b>		
WCC	0	13'044
UGC-2010-INCOME	337'755	1'368'050
UGC-2010-EXPENDITURES *		-1'307'790
ACCRUED LIABILITIES	169'251	48'626
INVESTMENT PORTFOLIO FLUCTUATION	285'872	205'999
	792'878	327'930
<b>CUSTODIAN FUNDS</b>		
MADIP	42'239	41'900
KCTE-KOREAN CHURCHES TOGETHER IN EUROPE	28'678	18'678
UCC DEATH PENALTY CONSULTATION	6'331	6'331
MISSION PROJECT	31'110	14'310
GLOBAL INSTITUTE OF THEOLOGY (GIT)	90'536	91'962
LA PENSEE ECONOMIQUE	20'622	20'622
YOUTH SECRETARY	858	910
COVENANTING FOR JUSTICE	103'832	106'110
GEORGES LOMBARD PRIZE	23'549	20'682
EQUATORIAL GUINEA	5'160	5'160
THEOLOGICAL DIALOGUES	41'646	9'156
GENDER JUSTICE	201'475	179'760
EUROPEAN AREA FUND	304'749	258'885
PARTNERSHIP FUND	692'551	644'322
FUND DIVERS COOP & WITNESS	22'038	22'038
THEOLOGICAL EDUCATION FUND FOR WOMEN	213'282	209'993
CALVIN PUBLICATIONS FUND	32'286	32'585
PUBLICATIONS FUND	7'589	7'589
REC-INCOME	311	0
	1'868'841	1'690'995
<b>OWN FUNDS</b>		
ALLIANCE FOR LIFE FUND	3'637	3'637
THE 21ST CENTURY REFORMATION FUND	4'849	4'849
ENDOWMENT	30'025	0
IT	12'757	14'757
GENERAL SECRETARY PROGRAM	24'062	22'679
RESERVE FUND *	107'782	73'240
GENERAL COUNCIL FUND	652'004	230'998
	835'117	350'160
<b>TOTAL</b>	<b>3'496'836</b>	<b>2'369'085</b>

## INCOME STATEMENT

	2009	2010
	CHF	CHF
<b>CORE EXPENSE</b>		
SALARY	973'538	987'121
SOCIAL CHARGES	300'338	282'429
RENT	88'648	88'295
IT	52'812	29'442
OFFICE EXPENSE	24'087	15'700
COMMUNIQUEE	59'968	34'744
REFORMED WORLD	31'086	42'146
ENI	30'512	30'236
WCRC IN - FORMATION		30'136
GENERAL SECRETARY CONSULTATION	24'210	24'130
OFFICERS MEETING	1'113	14'703
EXECUTIVE COMMITTEE MEETING	63'630	6'827
SEARCH & SETTLEMENT	24'110	6'191
MISCELLANEOUS	8'475	2'353
FINANCIAL	15'500	20'275
<b>TOTAL</b>	<b>1'698'027</b>	<b>1'614'726</b>
<b>CORE REVENUE</b>		
MEMBERSHIP FEES	1'052'640	1'012'890
- TRANSFER TO WCRC EUROPE	-28'426	-25'602
DONATIONS	213'075	177'769
OTHER REVENUE *	363'813	222'953
<b>TOTAL</b>	<b>1'601'103</b>	<b>1'388'010</b>
	<b>-96'924</b>	<b>-226'716</b>

## MOVEMENTS OF CUSTODIAN FUNDS

	Dec. 31, 2009	Debit	Credit	Dec. 31, 2010
	CHF	CHF	CHF	CHF
MADIP	42'239	14'555	14'217	41'900
KCTE-KOREAN CHURCHES TOGETHER IN EUROPE	28'678	10'000	0	18'678
UCC DEATH PENALTY CONSULTATION	6'331	0	0	6'331
MISSION PROJECT	31'110	173'716	156'916	14'310
GLOBAL INSTITUTE OF THEOLOGY (GIT)	90'536	179'740	181'167	91'962
LA PENSEE ECONOMIQUE	20'622	0	0	20'622
YOUTH SECRETARY	858	0	52	910
COVENANTING FOR JUSTICE	103'832	42'913	45'191	106'110
GEORGES LOMBARD PRIZE	23'549	2'866	0	20'682
EQUATORIAL GUINEA	5'160	0	0	5'160
THEOLOGICAL DIALOGUES	41'646	44'049	11'559	9'156
GENDER JUSTICE	201'475	87'482	65'767	179'760
EUROPEAN AREA FUND	304'749	71'467	25'602	258'885
PARTNERSHIP FUND	692'551	216'146	167'918	644'322
FUND DIVERS COOP & WITNESS	22'038	0	0	22'038
CALVIN PUBLICATIONS FUND	32'286	139	438	32'585
PUBLICATIONS FUND	7'589			7'589
THEOLOGICAL EDUCATION FUND FOR WOMEN	213'282	35'488	32'199	209'993

## DONATIONS

	2009	2010
	CHF	CHF
<b>SWITZERLAND</b>		
SEK - FEPS		54'000
Ev-Ref Kirche Zürich	60'000	34'000
Ev-Ref Kirche Aarau	48'016	46'535
Ev-Ref Kirche Bern-Jura-Solothurn	33'215	3'000
Ev-Ref Kirche St Gallen	3'000	3'000
Ev-Ref Kirche Basel	2'000	
Congregation – Bremgarten / Mutschellen	7'750	5'685
Congregation – Flawil	1'000	1'184
Congregation – Holderbank-Moeriken-Wildegg	505	
Congregation – Baden	500	500
Congregation – Erlinsbach	500	500
Congregation – Ins	500	2'090
Congregation – Münchenbuchsee / Moosseedorf	500	
Congregation – Opfikon / Glattbrugg	500	
Congregation – Herisau	330	
Congregation – Neuhausen am Rheinfall	325	520
Congregation – Sta Maria-Müstair	200	200
Congregation – Winterthur	100	
Congregation – Brunnen	93	
Congregation – Matthäus	91	
Spitalpfarramt Aarau	75	
Congregation – Baden Kappelerhof	43	
Congregation – Merishausen	25	
Congregation – Wuennew-Flamatt-Ueberstorf		134
PFARRAMT - Thunstetten		120
Congregation – Andreas Gemeinde		122
Congregation – - Guemligen		500
General Donation / Zurich		250
General Donation / Bern		26
<b>Korea</b>		
Presbyterian Church in the Republic of Korea		5'780
<b>USA</b>		
Individual donors	6'518	5'153
First Church		554
<b>UNITED KINGDOM</b>		
The Hope Trust		
Presbyterian Church of Wales	5'276	4'721
First Prebyterian Church	1'998	
Church of Scotland		3'398
<b>GERMANY</b>		
Lippische Landeskirche	5'621	4'999
Hansisches Druck & Verlagshaus	307	
Ev Kirchgemeinde Eibefeld	100	
<b>NETHERLANDS</b>		
VEG Netherlands		800
<b>AUSTRALIA</b>		
Uniting Church Adult Fellowship	737	
<b>KOREA</b>		
Myung Sung Presbyterian Church, Korea	32'391	
<b>SINGAPORE</b>		
Presbyterian Church of Singapore	839	
Individuals - various / unknown	20	
<b>TOTAL</b>	<b>213'075</b>	<b>177'769</b>

## INVESTMENT PORTFOLIO

	Accounting Value	Market value	Provisions
	(Purchase price) CHF	31.12.10 CHF	CHF
Oikocredit Ecumenical Development	1'295	1'865	570
Rentenanstalt Swiss Life Holding	475	1'622	1'147
Prudential Plc (7600) + 78 shares rec'd in place of DIV	82'427	74'849	-7'578
Lloyds TSB Group plc	80'029	7'862	-72'167
ING Group NV	125'723	31'861	-93'862
Royal Dutch Shell (conversion Shell Trans shares)	81'930	77'780	-4'150
LODH Obliflex USD Short Term Bond Fund RA	18'889	13'037	-5'852
Deutsche Post	29'956	12'228	-17'728
United Utilities	9'784	3'404	-6'380
<b>TOTAL PORTFOLIO VALUE</b>	<b>430'509</b>	<b>224'510</b>	<b>-205'999</b>

## FOOTNOTE & DISCLOSURE

World Alliance of Reformed Churches (WARC) merged with Reformed Ecumenical Council (REC) in June 2010 to form the new World Communion of Reformed Churches (WCRC).

The current financial statement contains data of WARC up to June 30, 2010 and of WCRC between July 1, 2010 and Dec. 31, 2010 for those transactions that were handled through the former WARC bank accounts.

The official ledger currency is CHF and the adopted book-keeping method is cash-based accounting.

Donations in kind (i.e., WCRC guest voluntarily waiving entitlement for expense reimbursement) are not recorded on the present statement.

The incurred expense and realized revenue for Uniting General Council (UGC) are maintained on the balance sheet with a modest surplus balance which will be booked into 2011 ledger definitely, upon the decision of the Executive Committee meeting in May 2011. As the UGC event was mostly completed, the "UGC-2010-EXPENDITURES" is placed under liabilities on the balance sheet, in order to preserve the appropriate size of the balance sheet at Dec. 31, 2010.

As of Dec. 31, 2010, there were no pending legal cases intended against WCRC.

As of Dec. 31, 2010, no financial guarantee or any other type of off balance sheet financial obligations towards third parties was undertaken by WCRC.

WCRC is the designated beneficiary of US-based endowment fund, the Barnabas Foundation. All endowment funds held by WCRC were transferred to Barnabas in 2010.

As of Dec. 31, 2010, WCRC has bank accounts at BNP Paribas (Suisse) SA, La Poste Finance and Lombard Odier Darier Hentsch (LODH).

As of Dec. 31, 2010, the legal compliance of social insurances as well as pension fund for Swiss-based WCRC staff members was assured by World Council of Churches (WCC) to whom WCRC outsources its payroll function.

The historical value of Rentenanstalt Swiss Life Holding share was reajusted as the result of 2009 audit.

The "OTHER REVENUE" item on 2010 Income Statement is made up by

CHF 107'953	Salary support & Misc.
CHF 60'000	Service charge from UGC
CHF 25'000	Service charge from PS Fund
CHF 10'000	Service charge from GIT
CHF 20'000	Service charge from Justice & Partnership programs
CHF 222'953	

The combined reserves at Dec. 31, 2009 stood at CHF 107'782 and was made up by

CHF 252'520	Provisions for contingencies
CHF 215'072	Provisions for future expense
(CHF 262'886)	Pre-2009 losses
(CHF 96'924)	2009 loss
CHF 107'782	