

COMPANY REGISTRATION NUMBER: 4419680
CHARITY REGISTRATION NUMBER: 1094952

The Proclamation Trust
Company Limited by Guarantee
Financial statements
30 June 2023

The Proclamation Trust
Company Limited by Guarantee
Financial statements
Year ended 30 June 2023

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The Proclamation Trust

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Year ended 30 June 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 June 2023.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Reference and administrative details

Registered charity name	The Proclamation Trust
Charity registration number	1094952
Company registration number	4419680
Principal office and registered office	The Proclamation Trust 116-118 Walworth Road London SE17 1JL

The trustees

The trustees who served during the year and at the date of approval were as follows:

Mr N J Buttery
Mrs E K Cox
Mr M J Fuller (appointed 12/6/23)
Mr S J Medcroft
Mr S D Pillar
Mrs K D Soole
Mr B Stone
Mr H J Warde
Rev J L Samuel (resigned 30/11/2022)

Company secretary	Mr M J Clarkson (resigned 6/12/2023) Mrs K Peters (appointed 6/12/2023)
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Auditor	Lovewell Blake LLP Chartered accountants & statutory auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
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Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
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The Proclamation Trust

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2023

Objectives and activities

The charitable company's objects are the advancement of the Christian Gospel and in particular to preach and teach the Gospel of Jesus Christ as set forth in Scripture.

These objects have been undertaken primarily in two areas being conferences and the Cornhill Training course.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake. The charitable company is a public benefit entity.

The trust offers a small number of grants to overseas students to attend the Cornhill Training Course. These grants are offered at the discretion of Cornhill Training and the trustees. During the reporting period, the charity covered £30,165 (2022: £24,735) of student fees.

Achievements and performance

Cornhill Training Course

The Cornhill Training Course has continued to rebuild after the effects of moving all our training online due to COVID, and the delays of moving into our new building. The new building has proved to be an excellently designed home; flexible and comfortable.

One of our cohorts tracking through the system (currently in F2) is small, but overall the number of students slightly exceeded projections (represented by a 9% increase in projected income):

Student numbers:

F1: 88

F2: 40

Core: 30

Plus: 27

Cornhill Plus (now in its third year) continues to grow larger, and the termly residentials were particularly appreciated. 38 international students are studying on F1i/F2i online from their home country. To meet the objectives agreed in our ten-year strategic plan, we increased the number of Tutors with three new part-time appointments. We have also added a termly 'Teacher Training' session for all teaching staff. Trustees have been exploring various efficiencies to lessen Cornhill's overheads.

Conferences

The trust held its first full year of in-person conferences since pre-Covid. These included Men in Ministry, Women in Ministry and a Ministry Wives conference. These were all well received and numbers were encouraging given the previous hiatus.

The EMA was the largest since pre-COVID with an increase in delegates of 23% from the previous year.

In-house conferences also had a successful year, with those such as "Book in a Day", a day conference provided on the premises unpacking a book of the bible, proving very popular.

The Proclamation Trust

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2023

Financial review

The total income derived from gifts under gift aid, including income tax refunds and general donations amounted to £150,361, (2022: £430,467). Income from deposits and bank interest totalled £16,926 (2022: £2,810). Conference fees at £91,091 (2022: £80,717) reflected the level of activity during the period. The total income from the Cornhill Training Course was £527,656 (2022: £774,338). Total income from all sources amounted to £897,884 (2022: £1,353,034) and total expenditure was £1,533,126 (2022: credit of £3,046,412 including profit on the sale of Wilcox House of £4,688,007, Excluding this credit, expenditure totalled £1,641,595).

Currently the whole of 116-118 Walworth Road is held as a fixed asset. Preparations are under way to let some of the building.

The trustees of the company acknowledge with gratitude the employees and those providing funds to the trust, without whose support the present strength of the company would not have been achieved. The trustees believe that the charitable company is successfully achieving its objectives and future plans involve building on the success of the past.

Reserves policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised.

A significant proportion of the unrestricted fund reserves represents the gift of the freehold property and unrealised gains on investments. The charity retains the balance of reserves to fund future bursaries to Cornhill students and to meet the company's running costs, in total covering the period of six months expenditure, approximately £550,000. The free reserves at 30 June 2023 were £511,023 (2022: £1,045,547). As described in note 1 to these financial statements, the trustees are currently working on ways to rebuild reserves to the required level. Restricted funds are retained according to the instructions of the donors of the funds. Total funds held were £10,583,794 (2022: £11,219,036), including a restricted funds balance of £Nil (2022: £511).

Investment powers

The trustees have the power to invest funds as set out in the Trustees Investment Act 1961, as modified by the Trustees Act 2001. The investment manager is Mr A C Green, a trustee. The decision was taken in 2016 to dispose of the entire holding of quoted investments to provide income and some capital growth. The trustees consider the return of both income and value to be satisfactory. Investment property, when let, is at current commercial rent.

Plans for future periods

A draft 10 year development plan has been drawn up. Trustees have held several away days both during and after the reporting period to shape this plan which at the time of writing is still under review.

The Proclamation Trust

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2023

Structure, governance and management

Governing document

The charitable company is a company limited by guarantee, incorporated on 8 April 2002 and registered by the Charity Commission on 6 December 2002. It commenced to operate on 1 January 2003. The previous trust was an unincorporated charity, registered number 293976, which transferred all its assets and liabilities to the company on 1 January 2003 at their balance sheet value. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Following legal advice, the original Articles of Association were replaced with new Articles of Association in May 2021.

Recruitment and appointment of trustees

Under the Articles of the charitable company, the trustees are elected at the Annual General Meeting to serve a maximum period of ten years, subject to ratification at each AGM. The trustees meet on a regular basis and appoint new trustees following consultation amongst themselves. The Articles of Association state that there must not be more than ten trustees.

Trustee induction and training

New trustees receive internal training as to their responsibilities.

Organisation structure

The trustees have authorised five senior executives, none of whom are trustees, to supervise the day to day running of the charitable company. They report to the trustees at their meetings. Decisions are made by the trustees at regular meetings by a simple majority. The key management personnel comprise the Director of Cornhill Training, the Director of Conferences and Resources, (formerly the Director of Ministry), the Director of Women's Ministry, the International Director and the Company Secretary whose employee benefits totalled £176,939 (2022: £265,220).

The trustees, who are also the directors for the purpose of company law, and who served during the year are shown on page 1. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £G1 in the event of a winding up. The company's current policy concerning the payment of liabilities is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the charitable company's contractual and other legal obligations.

Arrangements for setting pay and remuneration of key management personnel

Pay for key management personnel, as for other staff, rose in line with the annual increases implemented by the Diocese of London of the Church of England.

Risk management

The trustees have assessed the major risks to which the trust is exposed and are satisfied that systems are in place to mitigate exposure to these risks.

Fundraising standards

The charity carries out limited fundraising activities in connection with its activities. No professional fundraisers or third-party commercial participators are used. There have been no complaints about the charity's fundraising this year. Fundraising is monitored by way of the charity recording all donations and events where income is received. No direct contact is made with the public regarding fundraising activities.

The Proclamation Trust

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2023

Trustees' responsibilities statement

The trustees (who are also directors of The Proclamation Trust for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company 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 charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

The trustees' annual report was approved on 19 March 2023 and signed on behalf of the board of trustees by:

Mr H Warde
Trustee

The Proclamation Trust

Company Limited by Guarantee

Independent auditor's report to the members of The Proclamation Trust

Year ended 30 June 2023

Opinion

We have audited the financial statements of The Proclamation Trust (the 'charity') for the year ended 30 June 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and 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 FRS 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 30 June 2023 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 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.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that, due to the continuing excesses of expenditure over income, there is an elevated risk that the charity's cash reserves will be extinguished in the foreseeable future (being 12 months from the date of approving these financial statements). As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The Proclamation Trust

Company Limited by Guarantee

Independent auditor's report to the members of The Proclamation Trust

(continued)

Year ended 30 June 2023

Other information

The other information comprises the information included in the trustees' 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the 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 within 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 directors' report and from the requirement to prepare a strategic report.

The Proclamation Trust

Company Limited by Guarantee

Independent auditor's report to the members of The Proclamation Trust

(continued)

Year ended 30 June 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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 charitable company'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 charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The Proclamation Trust

Company Limited by Guarantee

Independent auditor's report to the members of The Proclamation Trust

(continued)

Year ended 30 June 2023

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of

Lovewell Blake LLP

Chartered accountants & statutory auditor

Bankside 300

Peachman Way

Broadland Business Park

Norwich

NR7 0LB

20 March 2024

The Proclamation Trust

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 30 June 2023

	Note	Year to 30 Jun 23			Period from 1 Jan 21 to 30 Jun 22
		Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	150,361	–	150,361	430,467
Charitable activities	6	618,747	–	618,747	855,105
Other trading activities	7	111,850	–	111,850	57,702
Investment income	8	16,926	–	16,926	2,810
Other income	9	–	–	–	6,950
Total income		<u>897,884</u>	<u>–</u>	<u>897,884</u>	<u>1,353,034</u>
Expenditure					
Raising funds					
Costs of raising donations and legacies	10	2,500	–	2,500	–
Charitable activities	11	1,528,802	1,824	1,530,626	(3,046,412)
Total expenditure		<u>1,531,302</u>	<u>1,824</u>	<u>1,533,126</u>	<u>(3,046,412)</u>
Net (expenditure)/income before transfer of funds		(633,418)	(1,824)	(635,242)	4,399,446
Transfers between funds		(1,313)	1,313	–	–
Net movement in funds		<u>(634,731)</u>	<u>(511)</u>	<u>(635,242)</u>	<u>4,399,446</u>
Reconciliation of funds					
Total funds brought forward		11,218,525	511	11,219,036	6,819,590
Total funds carried forward		<u>10,583,794</u>	<u>–</u>	<u>10,583,794</u>	<u>11,219,036</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 28 form part of these financial statements.

The Proclamation Trust
Company Limited by Guarantee
Statement of financial position
30 June 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	17		10,072,771		10,172,978
Current assets					
Debtors	19	60,322		93,129	
Cash at bank and in hand		610,934		1,117,289	
		<u>671,256</u>		<u>1,210,418</u>	
Creditors: Amounts falling due within one year	20	<u>(160,233)</u>		<u>(164,360)</u>	
Net current assets			511,023		1,046,058
Total assets less current liabilities			<u>10,583,794</u>		<u>11,219,036</u>
Net assets			<u>10,583,794</u>		<u>11,219,036</u>
Funds of the charity					
Restricted funds			—		511
Unrestricted funds			10,583,794		11,218,525
Total charity funds	23		<u>10,583,794</u>		<u>11,219,036</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 19 March 2023 and are signed on behalf of the board by:

Mr H Warde
Trustee

Company registration number: 4419680

The notes on pages 13 to 28 form part of these financial statements.

The Proclamation Trust

Company Limited by Guarantee

Statement of cash flows

Year ended 30 June 2023

	2023 £	2022 £
Cash flows from operating activities		
Net (expenditure)/income	(635,242)	4,399,446
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	198,723	13,807
Dividends, interest and rents from investments	(16,926)	(2,810)
Gains on disposal of tangible fixed assets	–	(4,688,007)
<i>Changes in:</i>		
Trade and other debtors	32,807	282,340
Trade and other creditors	(4,127)	105,391
Cash generated from operations	(424,765)	110,167
Net cash (used in)/from operating activities	(424,765)	110,167
Cash flows from investing activities		
Dividends, interest and rents from investments	16,926	2,810
Purchase of tangible assets	(98,516)	(8,882,330)
Proceeds from sale of tangible assets	–	5,474,000
Proceeds from sale of other investments	–	3,926,000
Net cash (used in)/from investing activities	(81,590)	520,480
Net (decrease)/increase in cash and cash equivalents	(506,355)	630,647
Cash and cash equivalents at beginning of year	1,117,289	486,642
Cash and cash equivalents at end of year	610,934	1,117,289

The notes on pages 13 to 28 form part of these financial statements.

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Proclamation Trust, 116-118 Walworth Road, London, SE17 1JL.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Period of account

These accounts cover a 12 month accounting period and the prior period accounts cover an 18 month accounting period. The reasoning behind the extended accounting period was to bring the account period more in line with the period of operations of the charity being from 1 September to 31 August.

The comparative amounts presented in the accounts, including the related notes, are therefore not entirely comparable.

The charity was authorised to change its accounting period under the terms of its governing document.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Due to the continuing excesses of expenditure over income, it is expected that cash reserves will run out in the next twelve months. The trustees are prepared to underwrite this funding gap over the next three years by way of making donations to the charity, and have a restructuring plan in place to ensure that the charity is sustainable after this time, which includes:

1. Cost reduction through trimming of teaching staff and use of lower cost visiting lecturers
2. Increase in student numbers by:
 - a) Restructuring of the Cornhill curriculum to create flexibility for a wider range of students to attend
 - b) Proactively marketing Cornhill training to a wider constituency than has been the case historically
 - c) Possible introduction of on-line Cornhill for students outside the London catchment

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

3. Accounting policies *(continued)*

Going concern *(continued)*

3. Fee increases within the constraints of competitive offerings
4. Renting out excess space in the Walworth Road building
5. Separating out Cornhill Plus with underwritten restricted funding for three years
6. Initiation of a structured donor engagement plan

On the basis of the above and other remedial actions that could be taken, together with the intent of trustees to provide support as required, it is considered appropriate to prepare these financial statements on the going concern basis. Notwithstanding this fact the trustees accept that there is a material uncertainty attaching to this judgement linked to factors such as the effectiveness of remedial actions and the material impact of any delay in receiving funds from trustees due to presently unforeseen circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

3. Accounting policies *(continued)*

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line

Depreciation has not been provided on freehold and leasehold land and building as the residual value is higher than the carrying value.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

3. Accounting policies *(continued)*

Pensions

Defined Contribution Plan

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

The Church of England Funded Pension Scheme

Proclamation Trust participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

Each participating employer in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific employers, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The charity is a company limited by guarantee and does not have a share capital. The members have guaranteed that in the event of the charity being wound up during their membership or one year thereafter, each would contribute to the assets of the charity a sum not exceeding £1.

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations and gifts	150,361	–	150,361

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations and gifts	430,067	400	430,467

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Conferences and Training	91,091	91,091	80,717	80,717
Cornhill Training Course	527,656	527,656	774,388	774,388
	<u>618,747</u>	<u>618,747</u>	<u>855,105</u>	<u>855,105</u>

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
PT Media sales and other income	20,341	20,341	57,702	57,702
Sponsorships	91,509	91,509	—	—
	<u>111,850</u>	<u>111,850</u>	<u>57,702</u>	<u>57,702</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Income from cash investments	<u>16,926</u>	<u>16,926</u>	<u>2,810</u>	<u>2,810</u>

9. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Coronavirus job retention scheme	<u>—</u>	<u>—</u>	<u>6,950</u>	<u>6,950</u>

In 2022 £6,950 relates to government grant income.

10. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies	<u>2,500</u>	<u>2,500</u>	<u>—</u>	<u>—</u>

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Wages and salaries	527,944	—	527,944
International director	30,000	—	30,000
Secondment staff	67,992	—	67,992
Freelance Assistance	—	—	—
Conference expenses	103,753	—	103,753
CTC expenses	91,607	—	91,607
PT media	176	—	176
Grants and bursaries awarded to individuals	33,336	—	33,336
Advertising and PR	24,046	—	24,046
Rent	112,303	—	112,303
Water rates and council tax	47,303	—	47,303
Office costs	16,127	—	16,127
Utilities	105,220	—	105,220
Cleaning and refuse	36,054	—	36,054
Repairs and maintenance	42,871	—	42,871
Walworth Road development costs	4,621	—	4,621
Insurance	22,420	—	22,420
IT and other computer expenses	15,550	—	15,550
Printing, post and stationery	14,382	—	14,382
Telephone	750	—	750
Travel and subsistence	7,674	—	7,674
Bank and credit card charges	3,560	—	3,560
Bad debts	—	—	—
Depreciation	198,723	—	198,723
Other expenses	1,490	1,824	3,314
Governance costs	20,900	—	20,900
	<u>1,528,802</u>	<u>1,824</u>	<u>1,530,626</u>

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

11. Expenditure on charitable activities by fund type *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Wages and salaries	709,638	—	709,638
International director	45,000	—	45,000
Secondment staff	47,162	—	47,162
Freelance Assistance	13,815	—	13,815
Conference expenses	102,946	—	102,946
CTC expenses	83,195	—	83,195
PT media	4,122	—	4,122
Grants and bursaries awarded to individuals	5,025	24,735	29,760
Rent	141,893	—	141,893
Water rates and council tax	63,368	—	63,368
Office costs	16,470	—	16,470
Utilities	56,175	—	56,175
Cleaning and refuse	15,699	—	15,699
Repairs and maintenance	20,413	—	20,413
Walworth Road development costs	132,647	—	132,647
Insurance	63,719	—	63,719
IT and other computer expenses	27,022	—	27,022
Printing, post and stationery	3,364	—	3,364
Telephone	3,489	—	3,489
Travel and subsistence	13,301	—	13,301
Bank and credit card charges	4,611	—	4,611
Bad debts	2,248	—	2,248
Depreciation	13,807	—	13,807
Other expenses	12,419	429	12,848
Legal and professional fees	1,362	—	1,362
Profit on Sale of Fixed Assets	(4,688,007)	—	(4,688,007)
Governance costs	13,521	—	13,521
	<u>(3,071,576)</u>	<u>25,164</u>	<u>(3,046,412)</u>

Analysis of governance costs:

	Unrestricted Funds £	Restricted funds £	Total Funds 2023 £	Total Funds 2022 £
Trustees' expenses	1,066	—	1,066	623
Legal and professional fees	5,092	—	5,092	1,264
Audit fees	12,832	—	12,832	9,840
Accountancy and taxation fees	1,910	—	1,910	1,794
	<u>20,900</u>	<u>—</u>	<u>20,900</u>	<u>13,521</u>

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

12. Analysis of grants

	Unrestricted Funds	Restricted funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Grants to individuals	<u>33,336</u>	<u>—</u>	<u>33,336</u>	<u>29,760</u>

13. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	<u>198,723</u>	<u>13,807</u>

14. Auditors remuneration

	Year to 30 Jun 23	Period from 1 Jan 21 to 30 Jun 22
	£	£
Fees payable for the audit of the financial statements	<u>12,832</u>	<u>9,840</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>1,910</u>	<u>1,800</u>

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Year to 30 Jun 23 £	Period from 1 Jan 21 to 30 Jun 22 £
Wages and salaries	447,859	573,091
Social security costs	39,028	57,679
Employer contributions to pension plans	41,056	78,867
	<u>527,944</u>	<u>709,637</u>

The average head count of employees during the year was 15 (2022: 13).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity during the period was £176,939 (2022: £265,220).

16. Trustee remuneration and expenses

None of the trustees received any remuneration or benefits from the charitable company during the period (2022: £Nil).

During the period three trustees (2022: five) were reimbursed £1,066 (2022: £623) for travelling expenses incurred in connection with the operations of the charity.

17. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 July 2022	10,131,557	55,228	10,186,785
Additions	76,741	21,775	98,516
At 30 June 2023	<u>10,208,298</u>	<u>77,003</u>	<u>10,285,301</u>
Depreciation			
At 1 July 2022	–	13,807	13,807
Charge for the year	179,471	19,252	198,723
At 30 June 2023	<u>179,471</u>	<u>33,059</u>	<u>212,530</u>
Carrying amount			
At 30 June 2023	<u>10,028,827</u>	<u>43,944</u>	<u>10,072,771</u>
At 30 June 2022	<u>10,131,557</u>	<u>41,421</u>	<u>10,172,978</u>

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

18. Investments

	Total £
Carrying amount At 30 June 2023	—
At 30 June 2022	—

All investments shown above are held at valuation.

19. Debtors

	2023 £	2022 £
Prepayments and accrued income	41,913	68,143
Other debtors	18,409	24,986
	<u>60,322</u>	<u>93,129</u>

20. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	138,561	128,856
Other creditors	21,672	35,504
	<u>160,233</u>	<u>164,360</u>

21. Deferred income

	2023 £	2022 £
At 1 Jul 22	5,545	6,753
Amount released to income	(5,545)	(6,753)
Amount deferred in year	8,980	5,545
At 30 Jun 23	<u>8,980</u>	<u>5,545</u>

Deferred income in both 2023 and 2022 related to conference fee income received in advance.

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £30,693 (2022: £78,867).

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

23. Analysis of charitable funds

Unrestricted funds

2023

	At 1 July 2022 £	Income £	Expenditure £	Transfers £	At 30 June 2023 £
General	<u>11,218,525</u>	<u>867,719</u>	<u>(1,501,137)</u>	<u>(1,313)</u>	<u>10,583,794</u>

2022

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 30 June 2022 £
General	<u>6,799,949</u>	<u>1,327,899</u>	<u>3,071,576</u>	<u>19,101</u>	<u>11,218,525</u>

Restricted funds

2023

	At 1 July 2022 £	Income £	Expenditure £	Transfers £	At 30 June 2023 £
Pray, Prepare, Preach Donations	<u>511</u>	<u>—</u>	<u>(1,824)</u>	<u>1,313</u>	<u>—</u>

2022

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 30 June 2022 £
Cornhill Training Course - Bursary	19,663	—	—	(19,663)	—
Equipped to Preach	(562)	—	—	562	—
Pray, Prepare, Preach Donations	<u>540</u>	<u>400</u>	<u>(429)</u>	<u>—</u>	<u>511</u>
	<u>19,641</u>	<u>400</u>	<u>(429)</u>	<u>(19,101)</u>	<u>511</u>

Cornhill Training Course - Bursary

The Cornhill Training Bursary fund is to grant bursaries to students from home and overseas.

Equipped to Preach

The Equipped to Preach fund is to fund the cost of production of the videos, "Equipped to Preach".

Pray, Prepare, Preach

The aim of the "Pray, Prepare Preach" fund is to publish books in simple English for use overseas where English is not the first language of the speaker.

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	10,072,771	–	10,072,771
Current assets	511,023	–	511,023
Net assets	<u>10,583,794</u>	<u>–</u>	<u>10,583,794</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	10,172,978	–	10,172,978
Investments	–	–	–
Current assets	1,045,547	511	1,046,058
Net assets	<u>11,218,525</u>	<u>511</u>	<u>11,219,036</u>

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

25. Pension fund

Proclamation Trust participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year were £16,053 in 2023 (2022: £29,424), plus the figures in relation to the Scheme's deficit highlighted in the table below. The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the results being agreed, the deficit contributions paid were £Nil (2022: £Nil)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

Note that these figures are not available as at 30 June 2023 and so have been presented as at 31 December 2021, 31 December 2022 and 31 December 2023.

	% of pensionable funds
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

25. Pension fund *(continued)*

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023	2022
Balance sheet liability at 1 January	-	4,000
Deficit contribution paid	-	(2,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(2,000)
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan, and change in discount rate and inflation assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for June 2023 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0% pa
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5% pa

The legal structure of the scheme is such that if another Responsible Body fails, Proclamation Trust could become responsible for paying a share of that failed Responsible Body's pension liabilities.

The Proclamation Trust

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2023

26. Analysis of changes in net debt

	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash at bank and in hand	<u>1,117,289</u>	<u>(506,355)</u>	<u>610,934</u>

27. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2023	2022
	£	£
Tangible fixed assets	<u>37,745</u>	<u>11,700</u>

28. Related parties

The trustees volunteer their time to assist at conferences and as a consequence pay no conference fees. During the year £1,060 (2022: £Nil) was received from 4 trustees for conferences and £320 (2022: £Nil) from a trustee's daughter and son in law.

During the period £18,294 (2022: £10,000) was donated from Pillar Investments without conditions, for which S Pillar (trustee) is Chair of trustees. The charity also received £20,000 (2022: £Nil) from Ben Stone (trustee).

Mr S J Medcroft (trustee) is also a trustee of Danbury Mission Church. During the previous period £254 was paid to Danbury Mission Church for payment for travel expenses for lectures and an honorarium for teaching practise, £Nil was outstanding at the period end. No payments were made in the year ended 30 June 2023.