

REGISTERED COMPANY NUMBER: 04943183 (England and Wales)
REGISTERED CHARITY NUMBER: 1101444

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
SOCIETY OF THE SACRED MISSION
(A COMPANY LIMITED BY GUARANTEE)**

SOCIETY OF THE SACRED MISSION

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2022 to 31 December 2022. The annual report serves the purpose of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The charity's objectives are set out in the memorandum of association. The Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The Charity exists for the purposes set out in its Articles revised in 2020:

'The objects of the Charity, for the benefit of the public, the advancement of the Christian religion by the following means:

- a. The conduct of a recognised religious community of the Church of England known as the Society of the Sacred Mission;
- b. The pursuit of any purpose, charitable according to the law of England and Wales which is calculated to express the Gospel in practical form.'

The aims of the Society are to support and encourage those who wish to prepare and train for Christian ministry in all its forms and by so doing assist and pastor those wishing to affirm and come to a life enhancing knowledge of the Christian faith.

The Society undertakes charitable activities within the fields of Christian ministry, spirituality and education. This has been the Society's policy since its inception. The principal areas in which the Society is currently involved are supporting theological education and training, in addition to providing grant funding in support of projects consistent with its aims and objectives. Specific activities include the operation of St Antony's Priory as a Christian spirituality centre that provides spiritual direction and the training and ongoing support of spiritual directors, together with retreat accommodation and quiet days for individuals and groups. There is a regular timetable of worship in the Chapel, and the library is available for theological study. New work includes a project to develop an Institute for Anglican Religious Life.

The Charity also administers restricted funds for the benefit of the independent SSM province of Southern Africa and the Kelham Theological College Fund for grants in support of training for ministry.

The trustees confirm that in developing and undertaking activities by the Society, they are mindful of their obligations to ensure that they are furthering the charity's purposes for the public benefit and have had due regard to the guidance published by the Charity Commission in this respect.

Grant-making policies

The responsibility for making decisions on grant making rests with the Trustees. Grants are considered by the trustees twice per year, and they may also be considered by correspondence. An annual budget for grants is agreed by the trustees. Grants are provided through the Kelham Theological College Fund established for the specific purpose of supporting ministry training and theological education. The Society also supports wider Christian related activities and projects through discretionary grants from its General Fund.

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STRATEGIC REPORT

Achievement and performance

Report from the chairman

In 2022 the Trustees initiated a governance review, supported by our solicitors, to include consideration of the charitable objects, corporate strategy, schemes of delegation and staff contracts, amongst other things. This has proved to be a worthwhile exercise and we hope to complete it in 2023.

The Charity's principal activities include the support of the professed members of the Society, the distribution of grants, and the operation of St Antony's Priory as a Christian spirituality centre.

Sadly, Fr Frank died in July, aged 98. The funeral service was held in Willen Parish Church, with Fr Jonathan presiding and Fr Robert preaching. Fr Edmund remains in Westbury Grange care home, Fr Jonathan lives independently in Newport Pagnell, and Fr Robert continues to assist in the parish of St John the Divine, Kennington. Fr Andrew, in Yokohama, keeps in touch via Fr Jonathan.

It has been a good year for St Antony's Priory. Over the summer months, the Cottage guest house underwent extensive refurbishment, reopening in October with very positive feedback from guests. A major part of the work of the Priory involves the provision and training of Spiritual Directors. We administer a network of more than 70 spiritual directors, who between them are accompanying approximately 350 people. In September, a completely revised training course was relaunched, with an intake of 14. It is hoped that a second cohort will be recruited in 2023. With the ending of lockdown restrictions in early 2022, the chapel congregation has grown to become a viable worshipping community. And over the course of 2022 a scoping project to explore the setting up of an Institute for Anglican Religious Life was warmly endorsed by the Trustees. Further development of this work will continue through 2023.

The Society administers the Kelham Theological College Fund (KTC) which exists to fund training for ministry, broadly understood. Twelve grants were awarded in 2022, which supported the Healing of Memories Institute in South Africa, pastoral assistant programmes in London and in Oxford, and support for a number of students and serving clergy to undertake courses of theological study.

We also make grants to SSM Southern Africa, from a restricted fund established to support their work. It has been necessary to develop new administrative protocols and we are confident of a good working relationship between the two organisations going forward.

The Charity retains ownership of properties in Milton Keynes, currently leased to Willen Hospice. Consideration will, in due course, need to be given to the future of these holdings as part of the ongoing strategic review.

I also wish to thank the Director, Staff and Trustees for all their hard work during the past year.

Financial review

Results for the year

Results for the year: Income for the year was £489,887 (2021: £2,223,127). Expenditure for the year was £745,793 (2021: £600,160). Net income/(expenditure) before investment gains was (£255,906) (2021: £1,622,967). Net investment losses for the year were £1,524,109 (2021: gains of £1,108,250) together with net expenditure before investment losses of £255,906, accounting for the overall decrease in funds during the year from £15,828,654 (2021) to £14,048,639.

Principal funding

The principal funding streams are derived from the donations of income from the professed members and investment income from the investment portfolios held.

Material investments policy

The Society operates an actively managed investment portfolio of equities and bonds which has been reviewed during the year to provide a greater emphasis on income generation rather than capital growth. The Society seeks to avoid direct investments in military-related and tobacco-related holdings and concentrate upon ethical securities.

The Society's primary investments were managed by Rathbones during the year with some short-term cash deposits also held.

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STRATEGIC REPORT

Financial review

Reserves policy

The Society's reserve policy focuses on the level of 'free reserves'. Free reserves exclude restricted funds, designated funds and the net book value of the Society's tangible fixed assets and investment property. At the year-end free reserves amounted to £2,656,672 (2021: £3,809,225).

The Society seeks to maintain sufficient free reserves to manage the risks to which the charity is exposed in the course of its business, including, but not limited to, safeguarding against volatile income.

The Charity has designated £2m of its funding for the care of the Professed, all of whom are elderly. It recognizes its need to provide for the ongoing care of these men. The amount is an estimate of costs and remains under review. Our first Charitable Object is the conduct of the religious community, and we believe that this designation is sufficient for the maintenance of the members of the order.

The Charity's reserves are held at their current level to enable the generation of income to match the bulk of its operating costs. It generates some income from operational activities. The Charity is currently reviewing its strategic objectives, which may include new activities that both require capital investment and may generate additional funding streams. The Charity will keep its reserves under review in order to make the best use of its financial assets for the strategic purposes of the Charity.

The remaining balance of unrestricted reserves £7,122,688 has decreased during the year resulting from investment losses. These reserves are considered by the Trustees to be more than adequate to meet future additional designations in addition to providing substantial capital grants in support of projects consistent with the Society's aims and objectives.

Plans for future period

The Charity will continue its core objectives and the ongoing activities outlines above. It will keep its activities under review and will seek to strengthen further its Board. It will maintain and improve its buildings and look for ways to further its objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board has strategic oversight of the Charity and it has been in the past year reviewed its skills and membership needs. It is actively seeking to recruit additional members.

Day to day running of the Charity in its operations at St Antony's and its grant making is delegated to the Director, Fr Nicholas Buxton and his able team of dedicated staff. The Financial Manual gives clarity on Financial processes and delegations.

The Board meets by zoom or in person four to six times a year as needed and conducts urgent business by correspondence. It is aware that it needs new and more members and is actively looking at options for this. The Board discusses and agrees staff pay reviews by comparing with market rates and the circumstances at the time of the annual review.

The Charity has no subsidiaries or trading arm and the only close relationship is with the independent province SSM Southern Africa which the Charity supports through a Restricted Fund, advised by an Advisory Group.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04943183 (England and Wales)

Registered Charity number

1101444

Registered office

St Antony's Priory
74 Claypath
Durham
DH1 1QT

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

Revd Canon S J Bamber
Fr J Ewer
S Hogg Chair of Trustees (resigned 11/5/2022)
Fr R Stretton
M Tomlinson
The Ven R G Cooper
Rev Canon S Jones (appointed 2/2/2023)

Auditors

Haines Watts North East Audit LLP
17 Queens Ln
Newcastle upon Tyne
NE1 1RN

Solicitors

Wrigleys Solicitors LLP
19 Cookbridge Street
Leeds
LS2 3AG

Accountants

Ribchesters Chartered Accountants
Finchale House
Belmont Business Park
Durham
DH1 1TW

TRUSTEES' RESPONSIBILITY STATEMENT

The trustees (who are also the directors of Society of the Sacred Mission for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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.

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

AUDITORS

The auditors, Haines Watts North East Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on^{10/1/2023}..... and signed on the board's behalf by:

Shark Baker
.....
Revd Canon S J Bamber - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOCIETY OF THE SACRED MISSION

Opinion

We have audited the financial statements of Society of the Sacred Mission (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOCIETY OF THE SACRED MISSION

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities SORP (FRS 102) 'Accounting and Reporting by Charities, Companies Act 2006 and UK GAAP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOCIETY OF THE SACRED MISSION**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Easton FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts North East Audit LLP
17 Queens Ln
Newcastle upon Tyne
NE1 1RN

Date: 10/7/2023

SOCIETY OF THE SACRED MISSION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	96,945	-	96,945	1,886,827
Charitable activities	5				
Income from charitable activities		16,421	-	16,421	13,398
Investment income	4	221,844	153,081	374,925	313,725
Other income	6	1,596	-	1,596	9,177
Total		<u>336,806</u>	<u>153,081</u>	<u>489,887</u>	<u>2,223,127</u>
EXPENDITURE ON					
Raising funds	7	28,052	28,434	56,486	41,601
Charitable activities	8				
Grant funding of activities		15,009	195,490	210,499	82,694
Support costs		20,634	720	21,354	20,708
Activities undertaken directly		441,550	384	441,934	443,668
Governance costs		15,520	-	15,520	11,489
Total		<u>520,765</u>	<u>225,028</u>	<u>745,793</u>	<u>600,160</u>
Net gains/(losses) on investments		<u>(745,755)</u>	<u>(778,354)</u>	<u>(1,524,109)</u>	<u>1,108,250</u>
NET INCOME/(EXPENDITURE)		<u>(929,714)</u>	<u>(850,301)</u>	<u>(1,780,015)</u>	<u>2,731,217</u>
Transfers between funds	22	<u>(3,470)</u>	<u>3,470</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(933,184)</u>	<u>(846,831)</u>	<u>(1,780,015)</u>	<u>2,731,217</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		10,052,403	5,776,251	15,828,654	13,097,437
TOTAL FUNDS CARRIED FORWARD		<u><u>9,119,219</u></u>	<u><u>4,929,420</u></u>	<u><u>14,048,639</u></u>	<u><u>15,828,654</u></u>

The notes form part of these financial statements

SOCIETY OF THE SACRED MISSION

**BALANCE SHEET
31 DECEMBER 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	16	1,566,014	1,341,176
Investments			
Investments	17	9,290,952	11,435,996
Investment property	18	2,900,002	2,900,002
		<hr/>	<hr/>
		13,756,968	15,677,174
 CURRENT ASSETS			
Debtors	19	20,915	48,065
Cash at bank and in hand		316,374	156,210
		<hr/>	<hr/>
		337,289	204,275
 CREDITORS			
Amounts falling due within one year	20	(45,618)	(50,795)
		<hr/>	<hr/>
NET CURRENT ASSETS		291,671	153,480
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,048,639	15,830,654
 PENSION LIABILITY	23	-	(2,000)
		<hr/>	<hr/>
NET ASSETS		14,048,639	15,828,654
		<hr/>	<hr/>
FUNDS	22		
Unrestricted funds		9,119,218	10,052,403
Restricted funds		4,929,421	5,776,251
		<hr/>	<hr/>
TOTAL FUNDS		14,048,639	15,828,654
		<hr/>	<hr/>

The financial statements were approved by the Board of Trustees and authorised for issue on 10/7/2023 and were signed on its behalf by:

Shaul Bamber.
Canon S J Bamber - Trustee

The notes form part of these financial statements

SOCIETY OF THE SACRED MISSION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(454,754)	(219,553)
Net cash used in operating activities		<u>(454,754)</u>	<u>(219,553)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(305,608)	(680)
Purchase of fixed asset investments		(1,724,154)	(1,716,321)
Sale of fixed asset investments		2,345,089	1,523,850
Dividend income		298,441	238,623
Interest received		1,150	79
Net cash provided by investing activities		<u>614,918</u>	<u>45,551</u>
Change in cash and cash equivalents in the reporting period		<u>160,164</u>	<u>(174,002)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>156,210</u>	<u>330,212</u>
Cash and cash equivalents at the end of the reporting period		<u><u>316,374</u></u>	<u><u>156,210</u></u>

The notes form part of these financial statements

SOCIETY OF THE SACRED MISSION

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,780,015)	2,731,217
Adjustments for:		
Depreciation charges	80,770	75,812
Losses/(gain) on investments	1,524,109	(1,108,250)
Interest received	(1,150)	(79)
Dividends and rents received	(298,441)	(238,623)
Transfer of SSM (SA) donation	-	(1,653,820)
Decrease/(increase) in debtors	27,150	(25,451)
(Decrease)/increase in creditors	(5,177)	1,641
Difference between pension charge and cash contributions	(2,000)	(2,000)
Net cash used in operations	<u>(454,754)</u>	<u>(219,553)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank and in hand	156,210	160,164	316,374
	<u>156,210</u>	<u>160,164</u>	<u>316,374</u>
Total	<u>156,210</u>	<u>160,164</u>	<u>316,374</u>

The notes form part of these financial statements

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

The Society of the Sacred Mission is a charity registered in England and Wales with the Charity Commission and is a company limited by guarantee.

The Charity's registered office is St Antony's Priory, 74 Claypath, Durham DH1 1QT. Its principal activity is set out in the Trustees' Report and relates to Christian ministry.

The financial statements are presented in the charity's functional currency of sterling and rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Society of the Sacred Mission meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of listed investments where valuations can be subject to variations arising from external factors which can impact on the future actual results.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually.

Critical areas of judgement:

Valuations of investment properties where the trustees have considered the information available to them and made a judgement accordingly.

Going concern

The financial statements have been prepared on a going concern basis. The directors have considered budgets, cash flows and the impact of events. The directors are satisfied that the charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

Income

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

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued

Income

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on receipt.

Investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on raising funds includes those incurred in managing the investments of the company. Support costs are those incurred directly in support of expenditure on the objects of the charity.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Building improvements	- 10% on cost
Equipment & furnishings	- 20% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(losses) on investments' in the Statement of financial activities.

Listed investments are stated at fair value, being market value at the balance sheet date.

Investment properties are measured at their fair value at the balance sheet date based on an assessment by the trustees of the market value with reference to valuations and the current property market.

Programme related loans in the form of investments are stated at cost less any repayments and impairment.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the term of the lease.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Financial instruments

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

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued

Investments

The Company is a member of a defined benefits pension scheme. The scheme is a multi-employer plan where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employees. Therefore, as required by FRS102, the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period. Deficit recovery contributions are accounted for as the plan is agreed and discounted.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	90,441	1,881,827
Legacies	6,504	5,000
	<u>96,945</u>	<u>1,886,827</u>

Donations totalling £1,781,446 were restricted to the Southern Africa fund in 2021.

4. INVESTMENT INCOME

	2022	2021
	£	£
Income from investment properties	75,334	75,023
Dividend income	298,441	238,623
Bank interest	1,150	79
	<u>374,925</u>	<u>313,725</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Income from guests and residents	16,421	13,398
	<u>16,421</u>	<u>13,398</u>

All income in the above years was unrestricted.

6. OTHER INCOME

	2022	2021
	£	£
Royalties	-	99
Sundry Income	726	8,438
Room hire	870	640
	<u>1,596</u>	<u>9,177</u>

All income in the above years was unrestricted

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. RAISING FUNDS

Investment Management Costs are split between the following funds:

	2022 £	2021 £
General fund	28,052	18,382
Kelham College fund	19,404	21,082
Southern Africa fund	9,030	2,137
	<u>56,486</u>	<u>41,601</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Grant funding of activities (see note 10) £	Support costs (see note 11) £	Totals £
Grant funding of activities	-	210,499	-	210,499
Support costs	-	-	21,354	21,354
Activities undertaken directly	441,934	-	-	441,934
Governance costs	-	-	15,520	15,520
	<u>441,934</u>	<u>210,499</u>	<u>36,874</u>	<u>689,307</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	144,509	117,953
Depreciation	80,770	75,812
Community costs	203,170	232,607
Travel and transport	1,191	465
Furniture and equipment	983	9,223
Publicity	105	748
Administration	11,206	6,860
	<u>441,934</u>	<u>443,668</u>

10. GRANTS PAYABLE

	2022 £	2021 £
Grant funding of activities	<u>210,499</u>	<u>82,694</u>

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. SUPPORT COSTS

	2022	2021
	£	£
Trustees' expenses	545	1,309
Bank charges	721	762
Auditor's remuneration	10,500	11,489
Legal and professional	15,430	9,213
Accountancy and payroll	9,678	9,424
	<u>36,874</u>	<u>32,197</u>

12. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Depreciation - owned assets	<u>80,770</u>	<u>75,812</u>

13. TRUSTEES' REMUNERATION AND BENEFITS

Some of the Trustees are professed members of the Society. They donate their earnings to the Society and have their living expenses borne by the Society.

The Trustees received no remuneration or other benefits in connection with their duties as trustees.

Trustees' expenses

During the year expenses of £545 were reimbursed to 3 Trustees in respect of travel and subsistence costs (2021: £1,309 to 4 Trustees).

14. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	128,503	105,801
Social security costs	4,781	2,784
Contributions to defined contribution pension schemes	11,225	9,368
	<u>144,509</u>	<u>117,953</u>

Key management personnel comprise the Trustees of the society, none of whom are remunerated.

The average monthly number of employees during the year was as follows:

	2022	2021
	7	7
Employees	<u>7</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	105,381	1,781,446	1,886,827
Charitable activities			
Income from charitable activities	13,398	-	13,398
Investment income	210,796	102,929	313,725
Other income	9,177	-	9,177
Total	<u>338,752</u>	<u>1,884,375</u>	<u>2,223,127</u>
EXPENDITURE ON			
Raising funds	18,382	23,219	41,601
Charitable activities			
Grant funding of activities	23,404	59,290	82,694
Support costs	20,708	-	20,708
Activities undertaken directly	443,668	-	443,668
Governance costs	11,489	-	11,489
Total	<u>517,651</u>	<u>82,509</u>	<u>600,160</u>
Net gains on investments	<u>564,140</u>	<u>544,110</u>	<u>1,108,250</u>
NET INCOME	385,241	2,345,976	2,731,217
RECONCILIATION OF FUNDS			
Total funds brought forward	9,667,162	3,430,275	13,097,437
TOTAL FUNDS CARRIED FORWARD	<u><u>10,052,403</u></u>	<u><u>5,776,251</u></u>	<u><u>15,828,654</u></u>

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. TANGIBLE FIXED ASSETS

	Freehold property £	Building improvements £	Equipment & furnishings £	Totals £
COST				
At 1 January 2022	1,131,173	511,405	21,903	1,664,481
Additions	-	300,120	5,488	305,608
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	1,131,173	811,525	27,391	1,970,089
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2022	198,347	115,665	9,293	323,305
Charge for year	20,357	55,865	4,548	80,770
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	218,704	171,530	13,841	404,075
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2022	912,469	639,995	13,550	1,566,014
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	932,826	395,740	12,610	1,341,176
	<hr/>	<hr/>	<hr/>	<hr/>

Included in land and buildings is freehold land at a cost of £113,334 (2021: £113,334) which is not depreciated.

17. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	11,435,996
	<hr/>
Additions	1,724,154
Disposals	(2,091,884)
Revaluations	(1,777,314)
	<hr/>
At 31 December 2022	9,290,952
	<hr/>
NET BOOK VALUE	
At 31 December 2022	9,290,952
	<hr/>
At 31 December 2021	11,435,996
	<hr/>

There were no investment assets outside of the UK.

Cost or valuation at 31 December 2022 is represented by:

	Listed investments £
Valuation in 2022	9,290,952
	<hr/>

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2022	
and 31 December 2022	2,900,002
NET BOOK VALUE	
At 31 December 2022	2,900,002
At 31 December 2021	2,900,002

If investment property had not been revalued it would have been included at the following historical cost:

Cost £888,247

Investment property was valued on an open market basis desktop appraisal on 10 January 2023 by RICS Registered Valuers, Gerwyn Bryan Property Solutions.

The trustees consider that this valuation represents market value.

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	13,539	31,500
Prepayments and accrued income	7,376	16,565
	<u>20,915</u>	<u>48,065</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	5,805	2,086
Social security and other taxes	2,396	1,713
Other creditors	153	190
Accruals and deferred income	37,264	46,806
	<u>45,618</u>	<u>50,795</u>

Deferred income totalling £5,175 (2021: £4,746) relates to rental income in relation to the year ended 31 December 2023.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets	1,566,014	-	1,566,014	1,341,176
Investments	7,261,533	4,929,421	12,190,954	14,335,998
Current assets	337,289	-	337,289	204,275
Current liabilities	(45,618)	-	(45,618)	(50,795)
Pension liability	-	-	-	(2,000)
	<u>9,119,218</u>	<u>4,929,421</u>	<u>14,048,639</u>	<u>15,828,654</u>

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	8,052,403	(929,715)	(3,470)	7,119,218
Care of the elderly	2,000,000	-	-	2,000,000
	<u>10,052,403</u>	<u>(929,715)</u>	<u>(3,470)</u>	<u>9,119,218</u>
Restricted funds				
Kelham College fund	3,902,170	(545,251)	3,470	3,360,389
Durham fund	18,606	(1,104)	-	17,502
Southern Africa fund	1,855,475	(303,945)	-	1,551,530
	<u>5,776,251</u>	<u>(850,300)</u>	<u>3,470</u>	<u>4,929,421</u>
TOTAL FUNDS	<u>15,828,654</u>	<u>(1,780,015)</u>	<u>-</u>	<u>14,048,639</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	336,806	(520,766)	(745,755)	(929,715)
Restricted funds				
Kelham College fund	104,650	(118,123)	(531,778)	(545,251)
Durham fund	-	(1,104)	-	(1,104)
Southern Africa fund	48,431	(105,800)	(246,576)	(303,945)
	<u>153,081</u>	<u>(225,027)</u>	<u>(778,354)</u>	<u>(850,300)</u>
TOTAL FUNDS	<u>489,887</u>	<u>(745,793)</u>	<u>(1,524,109)</u>	<u>(1,780,015)</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	7,667,162	385,241	8,052,403
Care of the elderly	2,000,000	-	2,000,000
	<u>9,667,162</u>	<u>385,241</u>	<u>10,052,403</u>
Restricted funds			
Kelham College fund	3,408,196	493,974	3,902,170
Durham fund	22,079	(3,473)	18,606
Southern Africa fund	-	1,855,475	1,855,475
	<u>3,430,275</u>	<u>2,345,976</u>	<u>5,776,251</u>
TOTAL FUNDS	<u>13,097,437</u>	<u>2,731,217</u>	<u>15,828,654</u>

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	338,752	(517,651)	564,140	385,241
Restricted funds				
Kelham College fund	91,753	(63,843)	466,064	493,974
Durham fund	-	(3,473)	-	(3,473)
Southern Africa fund	1,792,622	(15,193)	78,046	1,855,475
	<u>1,884,375</u>	<u>(82,509)</u>	<u>544,110</u>	<u>2,345,976</u>
TOTAL FUNDS	<u>2,223,127</u>	<u>(600,160)</u>	<u>1,108,250</u>	<u>2,731,217</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	7,667,162	(544,474)	(3,470)	7,119,218
Care of the elderly	2,000,000	-	-	2,000,000
	<u>9,667,162</u>	<u>(544,474)</u>	<u>(3,470)</u>	<u>9,119,218</u>
Restricted funds				
Kelham College fund	3,408,196	(51,277)	3,470	3,360,389
Durham fund	22,079	(4,577)	-	17,502
Southern Africa fund	-	1,551,530	-	1,551,530
	<u>3,430,275</u>	<u>1,495,676</u>	<u>3,470</u>	<u>4,929,421</u>
TOTAL FUNDS	<u>13,097,437</u>	<u>951,202</u>	<u>-</u>	<u>14,048,639</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	675,558	(1,038,417)	(181,615)	(544,474)
Restricted funds				
Kelham College fund	196,403	(181,966)	(65,714)	(51,277)
Durham fund	-	(4,577)	-	(4,577)
Southern Africa fund	1,841,053	(120,993)	(168,530)	1,551,530
	<u>2,037,456</u>	<u>(307,536)</u>	<u>(234,244)</u>	<u>1,495,676</u>
TOTAL FUNDS	<u>2,713,014</u>	<u>(1,345,953)</u>	<u>(415,859)</u>	<u>951,202</u>

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

22. MOVEMENT IN FUNDS - continued

General funds

The General Fund exists to provide a base for the generation of investment income to meet the operating costs of the charity. The charity is currently reviewing its strategic plan and will be developing a Reserves approach driven by that strategic plan.

Designated funds

Care of the elderly

The charity has designated a fund for the care of the elderly professed members of the society. They are all aged over 75 and the charity is committed to meeting all living and care costs during their lifetimes. The amount is difficult to quantify, and the amount of this designation is kept under review.

Restricted funds

Kelham College Fund

The Kelham College fund arises from a transfer from the Kelham Theological College Fund on 1 January 2004. The fund is used for the training of persons intending to take Holy Orders in the Church of England or any Church in communion with it, the training for mission of members of the Church of England or any church in communion with it and the training or education of persons working for the extension of Christ's Kingdom in any way connected with the Church of England or any Church in communion with it.

Durham Fund

This represents grant income received to fund recovery days at St Antony's Priory, Durham.

Southern Africa Fund

The Southern Africa restricted fund comprises of funds solely to support the mission of the independent SSM Province of Southern Africa.

23. EMPLOYEE BENEFIT OBLIGATIONS

Society of the Sacred Mission 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 schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the 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. This means 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 (2022: £9,323, 2021: £10,031).

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 assumption

- An average discount rate of 2.7% p.a;
- RPI inflation of 3.6% p.a (and pensions increases consistent with this);
- Increase in pensionable stipends in line with CPIH;

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

23. EMPLOYEE BENEFIT OBLIGATIONS - continued

Mortality in accordance with the 90% of the S3NA VL tables, with allowance for improvements 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 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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 FRS102 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.

	2022	2021
Balance sheet liability at 1 January	2,000	4,000
Deficit contributions paid	(1,000)	(2,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	(1,000)	-
Balance sheet liability at 31 December	-	2,000

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

The liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2022	December 2021	December 2020
Discount rate	N/A	0.0% pa	0.2% pa
Price inflation	N/A	N/A	3.1% pa
Increase to total pensionable payroll	N/A	-1.5% pa	1.6% pa

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

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

25. FINANCIAL INSTRUMENTS

	2022	2021
Financial assets	£	£
Financial assets measured at fair value through income and expenditure	12,190,954	14,335,998
	<u>12,190,954</u>	<u>14,335,998</u>

26. MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.