

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

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023  
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 2023**

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**SOCIETY OF THE SACRED MISSION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

The trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2023 to 31 December 2023. 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 at scheduled board meetings or 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 2023**

**STRATEGIC REPORT**

**Achievement and performance**

**Report from the chairman**

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, Durham, as a Christian spirituality centre. The ongoing process of governance review continued over the course of 2023, with the development and approval of a comprehensive strategic plan, and review of the charitable objects.

Fr Edmund remains in Westbury Grange care home, Fr Jonathan - who celebrated his 60th anniversary of ordination to the priesthood in December - 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 - the first year of uninterrupted operations since 2018. We have enjoyed a very satisfactory level of bookings for retreats in the cottage, spiritual direction sessions, and bookings for a wide range of church groups for quiet days and the like. The chapel congregation continues to flourish, with a number of students also starting to attend, and we regularly have ordinands on placement.

A major part of the work of the Priory involves the training and provision of Spiritual Directors. We administer a network of more than 70 spiritual directors, and in 2024 a new cohort will join the network for the first time since training was interrupted by lockdown in 2020. In September 2023, a second cohort began the two-year course, meaning that we now run two cohorts simultaneously. There is also a comprehensive programme of ongoing formation for existing members of the network. Plans for the future include the development of pastoral supervision for clergy as a natural extension of the work we already do in this area.

2023 also saw the approval, in October, of exciting plans for the establishment of the Institute for Anglican Religious Life, with the redevelopment of our property at 72 Claypath scheduled for 2024. As part of this work, a new series of speaker events was initiated in May 2023, comprising termly research seminars hosted in partnership with the Centre for Anglican Studies at Durham University, as well as other one-off events.

The Society administers the Kelham Theological College Fund (KTC) which exists to fund training for ministry, broadly understood. 16 grants were awarded in 2023, totalling £95K. These included support of the Healing of Memories project in South Africa, the pastoral assistant programme at St John the Divine, Kennington, and grants 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. The new administrative protocols developed at the beginning of 2023 have worked well and there is a good working relationship between the two organisations.

The Charity retains ownership of properties in Milton Keynes, currently leased to Willen Hospice. Due consideration will be given to the future of these holdings during the course of 2024.

It only remains 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 £515,362 (2022: £489,887). Expenditure for the year was £793,560 (2022: £745,793). Net income/(expenditure) before investment gains was (£278,198) (2022: (£255,906)). Net investment gains for the year were £225,674 (2022: losses of £1,524,109) together with net expenditure before investment gains of £278,198, accounting for the overall decrease in funds during the year from £14,048,639 (2022) to £13,996,115.

**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.



**SOCIETY OF THE SACRED MISSION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**STRATEGIC REPORT**

**Financial review**

**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.

**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 £2,671,299 (2022: £2,656,672).

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 £7,025,305 (2022: £7,119,218) has decreased slightly during the year. 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)

**SOCIETY OF THE SACRED MISSION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Registered Charity number**

1101444

**Registered office**

St Antony's Priory  
74 Claypath  
Durham  
DH1 1QT

**Trustees**

Revd Canon S J Bamber  
Fr J Ewer  
Fr R Stretton  
M Tomlinson  
The Ven R G Cooper  
Rev Canon S Jones (appointed 2/2/2023) (resigned 26/10/2023)  
Rev A Arnold (appointed 1/9/2023)  
Rev C P Irvine (appointed 1/9/2023)

**Auditors**

Haines Watts Newcastle Limited  
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.

**SOCIETY OF THE SACRED MISSION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**TRUSTEES' RESPONSIBILITY STATEMENT - continued**

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.

**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 .....18/7/24..... and signed on the board's behalf by:

*Shale Bamber*

.....  
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 2023 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 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 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](http://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 Newcastle Limited  
17 Queens Ln  
Newcastle upon Tyne  
NE1 1RN

Date: 30/7/2024

**SOCIETY OF THE SACRED MISSION**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	88,524	-	88,524	96,945
<b>Charitable activities</b>	5				
Income from charitable activities		32,632	-	32,632	16,421
Investment income	4	228,574	163,229	391,803	374,925
Other income	6	2,403	-	2,403	1,596
<b>Total</b>		<u>352,133</u>	<u>163,229</u>	<u>515,362</u>	<u>489,887</u>
<b>EXPENDITURE ON</b>					
Raising funds	7	26,613	29,303	55,916	56,486
<b>Charitable activities</b>	8				
Grant funding of activities		13,723	208,499	222,222	210,499
Support costs		12,113	-	12,113	21,354
Activities undertaken directly		482,293	-	482,293	441,934
Governance costs		21,016	-	21,016	15,520
<b>Total</b>		<u>555,758</u>	<u>237,802</u>	<u>793,560</u>	<u>745,793</u>
Net gains/(losses) on investments		<u>109,712</u>	<u>115,962</u>	<u>225,674</u>	<u>(1,524,109)</u>
<b>NET INCOME/(EXPENDITURE)</b>		<u>(93,913)</u>	<u>41,389</u>	<u>(52,524)</u>	<u>(1,780,015)</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		9,119,218	4,929,421	14,048,639	15,828,654
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>9,025,305</u></u>	<u><u>4,970,810</u></u>	<u><u>13,996,115</u></u>	<u><u>14,048,639</u></u>

The notes form part of these financial statements

**SOCIETY OF THE SACRED MISSION**

**BALANCE SHEET  
31 DECEMBER 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	16	1,454,004	1,566,014
<b>Investments</b>			
Investments	17	9,469,257	9,290,952
Investment property	18	2,900,002	2,900,002
		<hr/>	<hr/>
		13,823,263	13,756,968
 <b>CURRENT ASSETS</b>			
Debtors	19	77,470	20,915
Cash at bank and in hand		188,636	316,374
		<hr/>	<hr/>
		266,106	337,289
 <b>CREDITORS</b>			
Amounts falling due within one year	20	(93,254)	(45,618)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		172,852	291,671
		<hr/>	<hr/>
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		13,996,115	14,048,639
		<hr/>	<hr/>
<b>NET ASSETS</b>		13,996,115	14,048,639
		<hr/>	<hr/>
<b>FUNDS</b>	22		
Unrestricted funds		9,025,305	9,119,218
Restricted funds		4,970,810	4,929,421
		<hr/>	<hr/>
<b>TOTAL FUNDS</b>		13,996,115	14,048,639
		<hr/>	<hr/>

The financial statements were approved by the Board of Trustees and authorised for issue on 18/7/24 and were signed on its behalf by:

Shah Bamber  
Canon S J Bamber - Trustee



**SOCIETY OF THE SACRED MISSION**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(495,556)	(454,754)
Net cash used in operating activities		<u>(495,556)</u>	<u>(454,754)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		4,634	(305,608)
Purchase of fixed asset investments		(3,115,846)	(1,724,154)
Sale of fixed asset investments		3,163,215	2,345,089
Dividend income		313,325	298,441
Interest received		2,490	1,150
Net cash provided by investing activities		<u>367,818</u>	<u>614,918</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(127,738)</u>	<u>160,164</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>316,374</u>	<u>156,210</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>188,636</u></u>	<u><u>316,374</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 2023**

**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023 £	2022 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(52,524)	(1,780,015)
<b>Adjustments for:</b>		
Depreciation charges	107,376	80,770
(Gain)/losses on investments	(225,674)	1,524,109
Interest received	(2,490)	(1,150)
Dividends received	(313,325)	(298,441)
(Increase)/decrease in debtors	(56,555)	27,150
Increase/(decrease) in creditors	47,636	(5,177)
Difference between pension charge and cash contributions	-	(2,000)
<b>Net cash used in operations</b>	<u>(495,556)</u>	<u>(454,754)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.23 £	Cash flow £	At 31.12.23 £
<b>Net cash</b>			
Cash at bank and in hand	316,374	(127,738)	188,636
	<u>316,374</u>	<u>(127,738)</u>	<u>188,636</u>
<b>Total</b>	<u>316,374</u>	<u>(127,738)</u>	<u>188,636</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 2023**

#### **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 2023**

#### **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 2023**

#### **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 2023

### 2. ACCOUNTING POLICIES - continued

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

	2023	2022
	£	£
Donations	82,524	90,441
Legacies	6,000	6,504
	<u>88,524</u>	<u>96,945</u>

### 4. INVESTMENT INCOME

	2023	2022
	£	£
Income from investment properties	75,988	75,334
Dividend income	313,325	298,441
Bank interest	2,490	1,150
	<u>391,803</u>	<u>374,925</u>

### 5. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Income from guests and residents	32,632	16,421
	<u>32,632</u>	<u>16,421</u>

All income in the above years was unrestricted.

### 6. OTHER INCOME

	2023	2022
	£	£
Royalties	14	-
Sundry Income	1,579	726
Room hire	810	870
	<u>2,403</u>	<u>1,596</u>

**SOCIETY OF THE SACRED MISSION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. RAISING FUNDS**

**Investment Management Costs are split between the following funds:**

	2023	2022
	£	£
General fund	26,613	28,052
Kelham College fund	20,183	19,404
Southern Africa fund	9,120	9,030
	<u>55,916</u>	<u>56,486</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	-	222,222	-	222,222
Support costs	-	-	12,113	12,113
Activities undertaken directly	482,293	-	-	482,293
Governance costs	-	-	21,016	21,016
	<u>482,293</u>	<u>222,222</u>	<u>33,129</u>	<u>737,644</u>

**9. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2023	2022
	£	£
Staff costs	162,650	144,509
Depreciation	107,376	80,770
Community costs	199,374	203,170
Travel and transport	510	1,191
Furniture and equipment	555	983
Publicity	105	105
Administration	11,723	11,206
	<u>482,293</u>	<u>441,931</u>

**10. GRANTS PAYABLE**

	2023	2022
	£	£
Grant funding of activities	<u>222,222</u>	<u>210,499</u>

**SOCIETY OF THE SACRED MISSION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. SUPPORT COSTS**

	2023	2022
	£	£
Trustees' expenses	578	545
Bank charges	650	721
Auditor's remuneration	13,500	10,500
Legal and professional	10,884	15,430
Accountancy and payroll	7,517	9,678
	<u>33,129</u>	<u>36,874</u>

**12. NET INCOME/(EXPENDITURE)**

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

	2023	2022
	£	£
Depreciation - owned assets	<u>107,376</u>	<u>80,770</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 £578 were reimbursed to the Trustees in respect of travel and subsistence costs (2022: £545 to the Trustees).

**14. STAFF COSTS**

	2023	2022
	£	£
Wages and salaries	146,099	128,503
Social security costs	6,375	4,781
Contributions to defined contribution pension schemes	10,176	11,225
	<u>162,650</u>	<u>144,509</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:

	2023	2022
	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 2023**

**15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	96,945	-	96,945
<b>Charitable activities</b>			
Income from charitable activities	16,421	-	16,421
Investment income	221,844	153,081	374,925
Other income	1,596	-	1,596
<b>Total</b>	<b>336,806</b>	<b>153,081</b>	<b>489,887</b>
<b>EXPENDITURE ON</b>			
Raising funds	28,052	28,434	56,486
<b>Charitable activities</b>			
Grant funding of activities	15,009	195,490	210,499
Support costs	20,634	720	21,354
Activities undertaken directly	441,550	384	441,934
Governance costs	15,520	-	15,520
<b>Total</b>	<b>520,765</b>	<b>225,028</b>	<b>745,793</b>
Net gains/(losses) on investments	(745,755)	(778,354)	(1,524,109)
<b>NET INCOME/(EXPENDITURE)</b>	<b>(929,714)</b>	<b>(850,301)</b>	<b>(1,780,015)</b>
Transfers between funds	(3,470)	3,470	-
<b>Net movement in funds</b>	<b>(933,184)</b>	<b>(846,831)</b>	<b>(1,780,015)</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	10,052,403	5,776,251	15,828,654
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>9,119,219</b>	<b>4,929,420</b>	<b>14,048,639</b>

**SOCIETY OF THE SACRED MISSION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**16. TANGIBLE FIXED ASSETS**

	Freehold property £	Building improvements £	Equipment & furnishings £	Totals £
<b>COST</b>				
At 1 January 2023	1,131,173	811,525	27,391	1,970,089
Additions	-	(6,760)	2,126	(4,634)
At 31 December 2023	1,131,173	804,765	29,517	1,965,455
<b>DEPRECIATION</b>				
At 1 January 2023	218,704	171,530	13,841	404,075
Charge for year	20,357	81,344	5,675	107,376
At 31 December 2023	239,061	252,874	19,516	511,451
<b>NET BOOK VALUE</b>				
At 31 December 2023	892,112	551,891	10,001	1,454,004
At 31 December 2022	912,469	639,995	13,550	1,566,014

Included in land and buildings is freehold land at a cost of £113,334 (2022: £113,334) which is not depreciated.

**17. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1 January 2023	9,290,952
Additions	3,115,846
Disposals	(3,151,396)
Revaluations	213,855
At 31 December 2023	9,469,257
<b>NET BOOK VALUE</b>	
At 31 December 2023	9,469,257
At 31 December 2022	9,290,952

There were no investment assets outside of the UK.

Cost or valuation at 31 December 2023 is represented by:

	Listed investments £
Valuation in 2023	9,469,257

**SOCIETY OF THE SACRED MISSION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**18. INVESTMENT PROPERTY**

	£
<b>FAIR VALUE</b>	
At 1 January 2023	
and 31 December 2023	2,900,002
<b>NET BOOK VALUE</b>	
At 31 December 2023	2,900,002
At 31 December 2022	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 9 January 2024 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**

	2023	2022
	£	£
Trade debtors	31,739	13,539
Prepayments and accrued income	45,731	7,376
	<u>77,470</u>	<u>20,915</u>

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade creditors	50,314	5,805
Social security and other taxes	2,780	2,396
Other creditors	644	153
Accruals and deferred income	39,516	37,264
	<u>93,254</u>	<u>45,618</u>

Deferred income totalling £5,627 (2022: £5,175) relates to rental income in relation to the year ended 31 December 2024.

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Fixed assets	1,454,004	-	1,454,004	1,566,014
Investments	7,398,449	4,970,810	12,369,259	12,190,954
Current assets	266,106	-	266,106	337,289
Current liabilities	(93,254)	-	(93,254)	(45,618)
	<u>9,025,305</u>	<u>4,970,810</u>	<u>13,996,115</u>	<u>14,048,639</u>

**SOCIETY OF THE SACRED MISSION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. MOVEMENT IN FUNDS**

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
<b>Unrestricted funds</b>			
General fund	7,119,218	(93,913)	7,025,305
Care of the elderly	2,000,000	-	2,000,000
	<u>9,119,218</u>	<u>(93,913)</u>	<u>9,025,305</u>
<b>Restricted funds</b>			
Kelham College fund	3,360,389	78,363	3,438,752
Durham fund	17,502	-	17,502
Southern Africa fund	1,551,530	(36,974)	1,514,556
	<u>4,929,421</u>	<u>41,389</u>	<u>4,970,810</u>
<b>TOTAL FUNDS</b>	<u><u>14,048,639</u></u>	<u><u>(52,524)</u></u>	<u><u>13,996,115</u></u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	352,133	(555,758)	109,712	(93,913)
<b>Restricted funds</b>				
Kelham College fund	112,739	(115,282)	80,906	78,363
Southern Africa fund	50,490	(122,520)	35,056	(36,974)
	<u>163,229</u>	<u>(237,802)</u>	<u>115,962</u>	<u>41,389</u>
<b>TOTAL FUNDS</b>	<u><u>515,362</u></u>	<u><u>(793,560)</u></u>	<u><u>225,674</u></u>	<u><u>(52,524)</u></u>

**Comparatives for movement in funds**

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
<b>Unrestricted funds</b>				
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>
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<u><u>15,828,654</u></u>	<u><u>(1,780,015)</u></u>	<u><u>-</u></u>	<u><u>14,048,639</u></u>

**SOCIETY OF THE SACRED MISSION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**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 £
<b>Unrestricted funds</b>				
General fund	336,806	(520,766)	(745,755)	(929,715)
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<u>489,887</u>	<u>(745,793)</u>	<u>(1,524,109)</u>	<u>(1,780,015)</u>

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

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
<b>Unrestricted funds</b>				
General fund	8,052,403	(1,023,628)	(3,470)	7,025,305
Care of the elderly	2,000,000	-	-	2,000,000
	<u>10,052,403</u>	<u>(1,023,628)</u>	<u>(3,470)</u>	<u>9,025,305</u>
<b>Restricted funds</b>				
Kelham College fund	3,902,170	(466,888)	3,470	3,438,752
Durham fund	18,606	(1,104)	-	17,502
Southern Africa fund	1,855,475	(340,919)	-	1,514,556
	<u>5,776,251</u>	<u>(808,911)</u>	<u>3,470</u>	<u>4,970,810</u>
<b>TOTAL FUNDS</b>	<u>15,828,654</u>	<u>(1,832,539)</u>	<u>-</u>	<u>13,996,115</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 £
<b>Unrestricted funds</b>				
General fund	688,939	(1,076,524)	(636,043)	(1,023,628)
<b>Restricted funds</b>				
Kelham College fund	217,389	(233,405)	(450,872)	(466,888)
Durham fund	-	(1,104)	-	(1,104)
Southern Africa fund	98,921	(228,320)	(211,520)	(340,919)
	<u>316,310</u>	<u>(462,829)</u>	<u>(662,392)</u>	<u>(808,911)</u>
<b>TOTAL FUNDS</b>	<u>1,005,249</u>	<u>(1,539,353)</u>	<u>(1,298,435)</u>	<u>(1,832,539)</u>

## **SOCIETY OF THE SACRED MISSION**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **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. 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 which were £7,070 in 2023 (2022: £9,323), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0.

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 pensions 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 the 90% of the S3NA VL tables, with allowance for improvements in mortality rates from 2013 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 and an allowance for 2020 data of 0% (i.e w2020 = 0%).

# SOCIETY OF THE SACRED MISSION

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

### 23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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:

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

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 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 2023 and over 2022 is set out in the table below.

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

\* 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. No assumptions are needed for December 2022 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%p.a

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 2023**

**24. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2023.

**25. FINANCIAL INSTRUMENTS**

	2023	2022
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	12,369,259	12,190,954
	<u>12,369,259</u>	<u>12,190,954</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.