



ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 January 2021

CHURCH
MISSION
SOCIETY



The call in action

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Church Mission Society – Group

Registered company limited by guarantee in England and Wales (Company no. 6985330)

Registered charity no. 1131655 (England and Wales)

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CHARLES CLAYTON

Some new words and phrases have dominated our collective vocabularies in 2020: “Zoom”, “lockdown”, “social distancing”, “You’re on mute!”

Yet my favourite phrase remains “thank you” and I want to say this especially to our friends, colleagues, volunteers and supporters who make our mission possible. Their help in the last year has been highly significant, enabling us to stay strong and active despite all the constraints and challenges of the pandemic. Church Mission Society has been blessed and strengthened by all the donations, time and prayers invested in this work.

We have been intentionally agile in order to respond to a huge variety of needs around the world as well as those of people in mission and staff. It was remarkable to watch everyone leap into action: from our ICT team quickly arranging for everyone to work remotely, including making it possible to conduct Pioneer Mission Leadership Training online (and with even more students!), to our international mission team working around the clock to

provide much-needed support for people in mission, to seeing Asia-CMS and CMS-Africa rework their priorities to serve the immediate needs of thousands of people in locally relevant ways.

In the following pages, you’ll read about some of the wonderful, imaginative ways God allowed our mission partners, local partners, pioneers and PMC church participants to be a faithful presence and witness to his love. We referred to these efforts as

**“Church Mission Society
has been blessed and
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prayers invested”**

“Mission Unscripted” – when plans change, when people have to adjust – God is still at work.

One area where we didn’t have to change too much initially was in communications. At the start of 2020 we had already produced a free Lament for Lent devotional resource and it proved particularly prescient, with hundreds of people choosing to use it and share their struggles via our online Lamentspace.

One of the quotes in Lament for Lent came from ++Christophe Munzihirwa (Archbishop of Bukavu, 1994–96): “There are things that can be seen only with eyes that have cried.” There have been many tears shed this year due to COVID-19, the horrific explosion in Lebanon and racial injustice. These cannot help but affect us, our perspectives, our actions.

Yet, on the other side of lament is hope. We gained hope this year from our supporters’ incredible generosity to help us keep going in God’s mission, as the numbers show in this report. In January we said goodbye to our much loved director of international mission, Paul Thaxter, but we are grateful that mission pioneer Andy Roberts will soon step into the role. We also have hope as we begin to implement the plans outlined in the Isaiah Project, our recent in-depth strategic review.

So while this was a year of sudden shifts, changed plans and unexpected challenges, it was also a year in which CMS was able to look at new possibilities, thanks to the steadfast faithfulness of God, our supporters, our staff and our people in mission. On behalf of all at CMS, I am immensely grateful.

THE STRATEGIC REPORT OF THE CMS TRUSTEES

The Trustees of Church Mission Society, who are Directors of the Charity for the purposes of the Companies Act 2006, present their annual report and the audited consolidated financial statements for the year ended 31 January 2021.

OBJECTIVES AND ACTIVITIES



What do we want to see? Our Vision

Our vision is to see all God's people engaged in God's mission, bringing challenge, change, hope and freedom to the world.

As we join in God's mission, through Jesus and in the power of the Spirit we see that:

- The love of Christ renews people and places
- Pioneering leaders forge new paths of transformation
- People on the margins flourish
- The healing of creation begins



Who are we? Our Identity

We are a community of people set free to follow God's call in mission.

As a community it is God's mission that is our passion. Our common commitment is:

- To participate in mission
- To learn from mission
- To pray for mission



What are our values?

We are people who are:

- Pioneering: we try new things, ask questions, cross boundaries
- Evangelistic: we share Jesus in word and action
- Relational: we get alongside people, becoming a genuine part of the communities where we find ourselves
- Faithful: where others have left or given up, we remain committed for the long haul

As a mission community God calls us to be such people. We commit ourselves to live by these values.



What do we do?

Our Call

At Church Mission Society we believe that all God's people are called to join in God's mission, whether that means going overseas or over the road, and we work to set people free to put that call into action.

Put simply, we spend most of our time getting people into mission and mission into people.

Strategically we deliver our purpose in three ways:

- Raising disciples in mission
- Partnering churches in mission
- Maximising our effectiveness in mission

ACHIEVEMENTS AND PERFORMANCE

The following stories illustrate some of the achievements in each of CMS's areas of activity and celebrate both the impact for individual beneficiaries and the wider benefits for society as a whole.

To achieve our mission, we work through the following six mission activities:

- **Mission Partners:** Our mission partners are members of the community who feel called to serve alongside local Christians in other cultures, wherever in the world that may take them.
- **Pioneer Mission Education:** Wherever in the world the mission of Jesus takes place, the church needs pioneer mission leaders to break new ground. This fresh and innovative training programme currently offers certification up to doctoral level and is particularly for those working in pioneering contexts.
- **Mission Transformation:** We believe in every member of the Church being involved in the mission of Jesus. With many of the 2,908 CMS community members living in the UK, we are concerned for mission locally, as well as in the rest of the world.
- **Mission Grants:** Grants provide seed money and ongoing financial support for key projects and ministries.
- **Local Partners:** Local partners are gifted, passionate Christian leaders in Asia, Africa, Latin America, Europe, North Africa and the Middle East. We give vital financial support towards the ministry of these leaders.
- **Enabling Mission Network:** CMS is committed to seeing indigenous CMS missions established globally – enabling local mission leaders to follow God's leading. This network includes CMS-Africa, Asia-CMS, New Zealand CMS, CMS Ireland, CMS Australia and SAMS-USA.

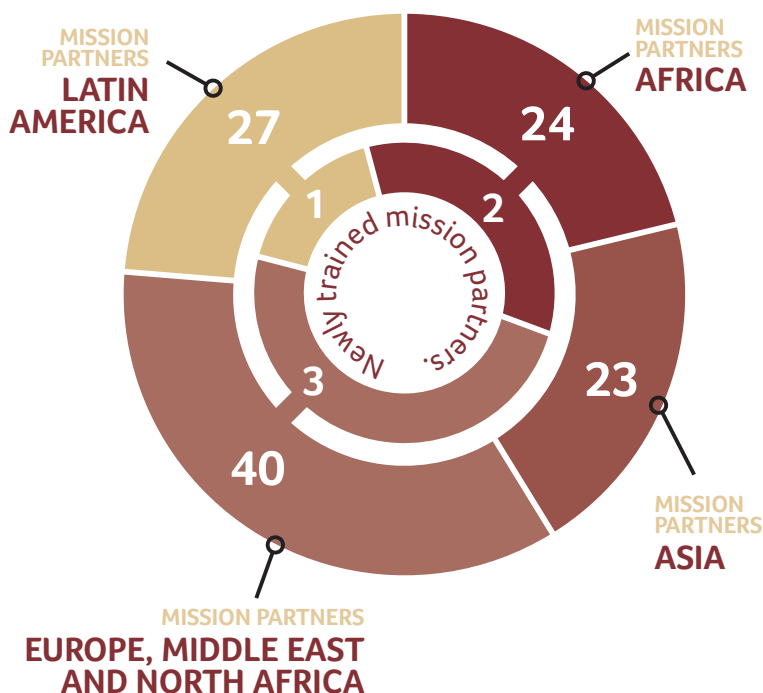
MISSION PARTNERS

In a challenging year, CMS mission partners adapted and continued to share the love of Jesus in 37 countries. Our international mission team worked tirelessly to find the right way forward for each of our mission partners depending on their context.

While some people needed to travel to the UK, and others were on home leave and unable to return to context when planned, many mission partners remained in their usual place of service and adapted to local restrictions and needs. Some continued their normal work (including those running food banks seeing a huge increase in demand), while others adapted to changed circumstances. Mission partners made PPE (either for local health workers or to sell), changed from in-person activities to providing food supplies and educational and Bible teaching materials to families at home, or adapted teaching and support to work online.

In each of the regions where CMS works, regular prayer gatherings and extra support networks were quickly set up using Zoom and WhatsApp. An unexpected bonus was that mission partners were also able to join online times of prayer and worship, and well-being sessions, with UK-based staff.

Ahead of lockdown in March 2020, six mission partners in training were able to complete their course. Although



travel was disrupted, by autumn they were all able to head out and take the next steps in their mission journey, in Paraguay, Uganda and Middle East/North Africa.

Sadly gap year students were unable to travel in 2020, but 84 mission associates and eight short-termers continued to serve. Mission associates in Malawi were able to help get an oxygenator in place in the hospital where they work.

Mission partner recruitment continued – with an online selection conference and two couples beginning their mission journey during lockdown. They started training with CMS online from January 2021.

BREAD OF LIFE IN BOLIVIA

Mission partners Andrew and Lisa Peart, with their daughters Liliana and Anayah and lodger Daniela, live in Santa Cruz, Bolivia.

Normally, Andrew and Lisa would be taking their daughters to school. Lisa would be teaching English to parents at the school and involved in church community through running the Alpha Course and planning things like Messy Church. Andrew would be out working with local microfinance businesses. Liliana and Anayah would be busy with school and extracurricular activities. Daniela, who is Bolivian, had started her own bread business with Andrew and Lisa's help. She was also working at a local orphanage.

In March 2020, Bolivia went into lockdown. Adults were only allowed out one morning a week to buy food, while children were not allowed out at all. Most businesses

and shops closed. Because Bolivia's economy depends on people working day to day, the impact of lockdown on people's income was immediate. In Andrew and Lisa's neighbourhood, families pulled together. Many donated food for those in need.

Daniela was quarantined at the orphanage, so couldn't continue baking. Andrew and Lisa (with tips from Daniela!) made use of the flour they had and their outdoor bread ovens to bake rolls and share them with neighbours. Sometimes people came to them, they delivered on their days out and they added to food parcels for distribution. Andrew and Lisa baked about 100 bread rolls three times a week, packaging their rolls with Bible verses and inviting prayer requests.

Through simple bread rolls, God made new roads for Andrew and Lisa into the heart of the neighbourhood.

PIONEER MISSION EDUCATION

This year we celebrated the 10th anniversary of Pioneer Mission Leadership Training at Church Mission Society. Since 2010, over 500 students have trained with CMS, from those studying for individual modules, certificate or diploma qualifications, to more experienced leaders completing postgraduate degree courses and preparing for ordination as pioneer ministers in the Church of England.

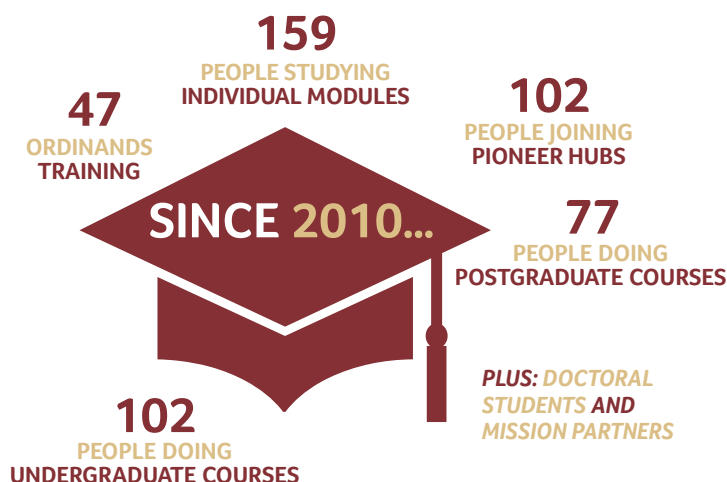
Before lockdown, over 100 people gathered at CMS to explore the power of art in relation to mission, community and pioneering at our annual conversations day. And we rejoiced with one of our pioneer students as five people were baptised at a boxing church community in Essex.

Soon afterwards, the main challenge for the pioneer team was shifting online. One benefit from this was an increased geographical reach, and more people than ever before joined for individual modules, with participants from as far afield as Lebanon and Lima, as well as around the UK.

Pioneer students also responded to lockdown in their contexts. From online events developing connections in the classic car community, to chalking captions about trees onto pavements to help people to enjoy their daily exercise, pioneers won awards for lockdown initiatives.

In the summer, the first cohort at Holy Rumpus! in Bath and Wells diocese graduated. Later in the year 23 students graduated on Zoom from the Oxford centre. Theologian Steve Bevans congratulated the graduates, saying they had participated in “one of the most interesting and creative programmes of theological education in the world”.

Despite the disruption caused by the pandemic, a record 92 students are studying this year in Oxford, including the highest ever intake on the MA course and the largest intake of ordinands yet.



We also saw the first cohort of trainees come together at the Northern Mission Centre in collaboration with the Diocese of Carlisle, with 18 students from the north of England and Scotland. In January 2021 the fifth regional hub delivering the CMS certificate in pioneer mission, in St Albans diocese, held its first teaching.

CMS continues to publish the Anvil journal of theology and mission, and this year, in response to increased attention to issues of racial justice, we invited guest editors to curate a special issue to examine the “Faultlines in mission: reflections on race and colonialism”.

CELEBRATING 10 YEARS OF PIONEERS

From humble beginnings on 28 September 2010, when nine students travelled to Oxford to embark on the first Pioneer Mission Leadership Training course, the programme has grown to include training hubs in the dioceses of London, Chelmsford, Carlisle, Bath & Wells and St Albans as well as Oxford. Further afield an international training hub exists in South Korea.

Research shows that when they finish their course, the majority of pioneer students go on to innovate new initiatives or add increased imagination to existing mission programmes. Pioneer mission leaders

who trained with CMS have birthed a wide variety of imaginative mission ideas such as Clean for Good, an ethical cleaning company, Sacred Bean, a coffee roasting business that actively involves ex-offenders and recovering addicts, a craft beer business, as well as projects for people recovering from addiction, new housing developments and people working in youth and children’s ministry.

One graduate in this tenth anniversary year said, “My time with CMS was like being part of a family. You prepared me well to go out and build God’s kingdom in a radical and exciting way and because of that I am able to support new and existing pioneers in my curacy.”

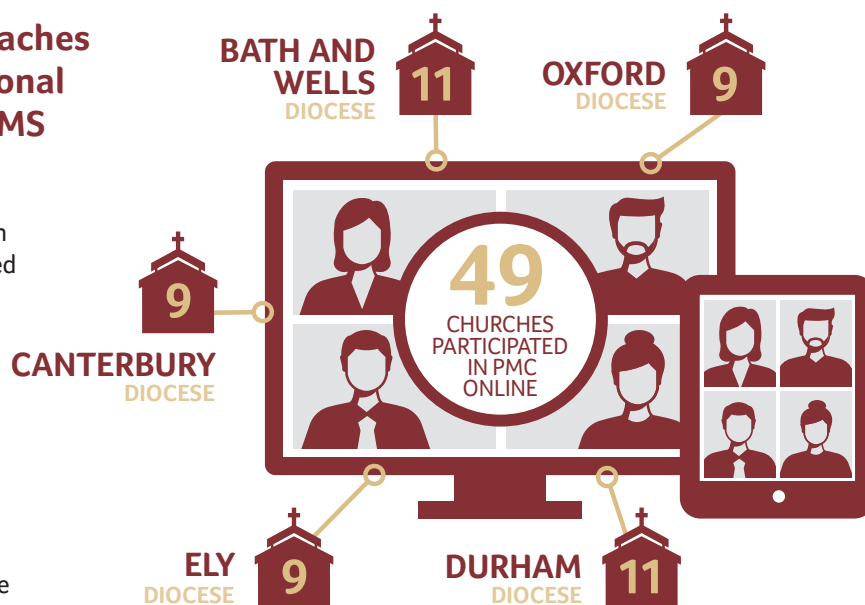
MISSION TRANSFORMATION

Lockdown meant new approaches for the Partnership for Missional Church (PMC) process and CMS community events.

In February 2020, before lockdowns were on the radar, Church Mission Society introduced a Lament for Lent booklet. Even before coronavirus changed our lives, the subject had struck a chord: more than a thousand people ordered copies by Ash Wednesday. As coronavirus crashed in, CMS launched Lamentspace, a space for people to share their grief on the CMS website and social media channels.

As the year progressed, stories of people in mission responding to the pandemic were shared under the banner of Mission Unscripted. And as summer turned into autumn, we launched a season of thinking about mission as Imagination in Action, inspired by *Imagining Mission*, a book by Cathy Ross and Jonny Baker delving into the writings of our former general secretary John V Taylor.

The Partnership for Missional Church journey brings clusters of churches together as they experiment in local missional engagement – difficult when meeting was restricted. The team rose to the challenge and continued supporting churches. They made use of online conferencing and scheduling tools to keep clusters connected and able to share ideas and materials, and ran shorter but more frequent events online. These included meetings to reflect on practices that enable adaptive change in this time of pandemic and beyond. We were encouraged to see that PMC churches were particularly



well placed to respond to needs arising through the pandemic.

The PMC team have also been working hard to create a new approach allowing churches to participate in the process online, making it possible for congregations to try PMC even if there isn't a cluster starting in their diocese. We were grateful for a grant from the Garfield Weston Foundation to support the work of PMC through this period.

The CMS community, unable to hold the usual conferences and forum events, hosted both the Adelante (Latin America-themed) and Africa conferences online in the autumn and saw increased engagement, including more people in mission in those regions than would normally be possible.

IT TAKES A VILLAGE TO RESPOND TO COVID-19

Helen, a community worker at a church in Oxford diocese participating in the PMC journey, shared how it affected her response to COVID-19:

Our church is at the point in the PMC journey where we're starting to experiment, by partnering with others in the community. When the government announced lockdown, I had a real prompting from God that I was to coordinate a neighbourhood support group to assist those who were elderly, vulnerable or isolated within our community. It started with a post on Facebook, asking if anyone would be interested in helping. The

response was phenomenal! I observed so clearly God's heart of love and sacrifice in the words and actions of those who replied and served. The PMC journey has really opened our eyes to noticing the character of God in others, welcoming them and truly valuing the gifts that God has placed within them.

Many people have said "I think it's great that the church is doing this!", even though I hadn't intentionally mentioned the church or God. Several of our Street Reps asked for prayer and have popped into our Facebook Live Sunday services.

God is present among us... and he is most definitely at work!

We again received grants to support a range of work areas. In particular, this year we were pleased to be able to offer support in the aftermath of the tragic explosion in Beirut, to bring hope and help to some of those affected.

CMS has been committed to the people of Lebanon for many years. It was heartbreaking to see the devastation and human tragedy of the explosion in Beirut in August 2020 on top of what Lebanon was already facing: political and economic fragility, 1.5 million Syrian refugees, high levels of unemployment, infrastructure challenges like refuse collection breaking down and hospitals filling up with coronavirus patients.

Our mission partners in the area were well placed to engage immediately in the response with local churches. As Audrey and Colin Gibson and Phil and Sylvie Good were already connected to church distribution networks, they had access to some of the most vulnerable local people, to food supplies and temporary accommodation.

In the immediate aftermath, Audrey and Colin did what they could to join in the clean-up operation. They explained: "Outside of the port area, nearly all the work was being done by volunteers with almost no official coordination. Churches, other faith groups and multiple NGOs were doing what they could – from sweeping up glass to handing out food. Colin and I went down to help too. [The scene] was truly appalling. As well as practical support some of the team offered to pray with people and were giving out audio Bibles to those who wanted them."

CMS had channels to get funds to local partner organisations, particularly Resurrection Church Beirut (RCB) who were able to raise further funds supported by mission partner Phil Good. RCB volunteer teams were cleaning up houses, clearing the streets and handing out food and drink to the many volunteers and workers helping with the clear-up operation.

Their first priority was to make sure that those who lost their homes had a place to stay until their homes were cleaned and restored. Second, teams assessed the damage and carried out repairs, be that to windows,



CMS mission partners offered help immediately following the Beirut blast

doors and cupboards or to electricity and water systems. The church also helped with food packages and hygiene items. RCB set up a team of counsellors providing trauma counselling.

In the months up to November, RCB were able to help more than 2,000 families in different ways with various needs:

- 1,120 families received monthly food parcels
- 1,120 families received women's hygiene products
- 250 children received nappies
- 175 homes/buildings renovated
- 250 patients treated medically

They shared this story of the impact such help can make beyond relief work:

"A member of our church visited Samira, a lady in her 70s, a few months after the initial trauma. The church member left two gifts with her – a grocery voucher to the local supermarket and a copy of God's Word. Samira told her, 'We've had a number of people visit us and they came and left with nothing but your visit is the first time we feel we have real and tangible support.' During the visit, Samira was so touched that she insisted the church member meet her neighbour – a single, unemployed woman in need of help too. Now Samira and her neighbour are virtually attending church online each week."



Resurrection Church Beirut helped in the immediate aftermath of the Lebanon explosion

We continue to have the privilege of working with 64 local partners around the world, seeing these local mission leaders bring transformation in their contexts.

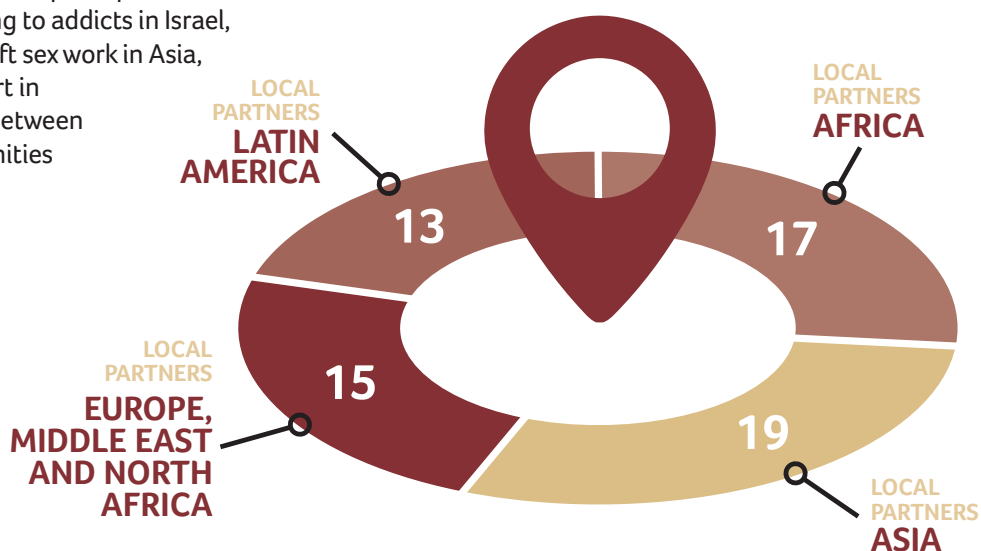
Local partners found themselves facing huge needs in a vast array of contexts – with many encountering significant challenges on top of the pandemic, including conflict, locust swarms, economic hardships and political turmoil. Many, particularly in Africa and Asia, shifted temporarily towards relief work to meet some of the immediate needs of people affected by lockdowns.

The work carried out by local partners included engaging spiritual seekers (increasingly through use of digital media), outreach and discipleship in Latin America and Europe, ministering to addicts in Israel, supporting women who have left sex work in Asia, providing mental health support in Uruguay and building bridges between indigenous and Latino communities in the Paraguayan Chaco.

South Sudanese refugees in Uganda were encouraged by audio recorders with holistic transformational messages distributed by one local partner, and Syrian refugee children began learning in a new building through the work of local partners and mission partners in Lebanon. A local partner in Spain heard

of lives changed through his daily audio messages sharing Bible verses, reflections and prayers with nearly 400 subscribers – many listeners got in touch from Spain and the Americas.

CMS-Africa local partners continued to deliver training to communities, and were encouraged to see participants who had completed Financial Freedom for Families training in DR Congo better placed to face the economic challenges of the pandemic.



DAILY INSPIRATION: FAITH VITAMINS

CMS local partner's five-minute audio messages with the good news of Jesus are "like water in the desert" to grateful listeners.

When lockdown happened, churches around the world had to think differently about how to reach people with the message of Jesus. Noel Diaz is a CMS local partner leading a church in Zaragoza, Spain. Wanting to revitalise the church and evangelise the wider community, Noel and others from his church hit upon the idea of Faith Vitamins: audio messages around five minutes long, each including a Bible verse, reflection and prayer.

These short messages could connect people with the church and help them to engage with God without risk of infection. Noel and others started preparing

and distributing three messages a week. Soon enough, signups started flooding in.

With close to 400 subscriptions through WhatsApp, email and Telegram, they decided to up their content to six messages a week. Noel and the team receive testimonies and thanks every day. They have attracted Spanish-speaking listeners from the Americas too.

A woman from another city phoned to share her story. She had previously tried to end her life several times (and kept her struggles from her family) but when she came out of hospital, she saw a Facebook post about Faith Vitamins and signed up. As she listened, God began to help her. When she spoke to Noel, she had been honest with her family, sought professional help and linked up with a church. Her life has changed completely, and it all started with listening to an audio reflection.

ENABLING MISSION NETWORK

The CMS mission network is made up of CMS, New Zealand CMS, CMS Australia, CMS Ireland, Asia-CMS, CMS-Africa and SAMS USA. This is a group of organisations committed to mission, and in particular to raising up local leaders in mission and investing in mission from everywhere to everywhere.

Over the last year we have seen continued collaboration across the network. CMS in the UK has been seeking to increase our alignment with Asia-CMS and CMS-Africa in particular, working closely with them as we continue our strategic review process and look to the future.

All parts of the mission network responded to the changing context of COVID-19 in different ways, depending on the needs in their area. Asia-CMS initially focused on immediate relief – getting aid and food necessities to the poor and to those most impacted by the lockdowns through partnerships on the ground. In October, the network came together online over three days – with Alastair Bateman and Paul Thaxter attending from CMS. They considered the impact of



Paul Thaxter

COVID-19 on mission, the indigenisation of mission and security in mission.

One significant change in the network at the end of the financial year was the departure of Paul Thaxter as director of international mission at CMS. Paul was a much-valued member of the network, and played a key role in helping to establish Asia-CMS and CMS-Africa. The network looks forward to welcoming Andy Roberts (CMS mission partner and founder of ReVive International) as he takes up the role of director of international mission later in 2021.

RELIEF FOR THE CHILDREN AND FAMILIES IN INDIA

In India, Asia-CMS worked with an organisation called Sahayak to get food to 100 migrant labourer families – and the community's children helped lead this effort.

When a sudden, total lockdown was announced, many migrant workers panicked; with no chance for income, some felt they had no choice but to return (on foot) to their distant home villages. Hearing there was no cure for the coronavirus added to the alarm. Sahayak works mainly with migrant labourer children and women as they are often the most in need. Asia-CMS's offer to partner in food distribution came at just the right time, as food was becoming scarce and families had nowhere to turn.

"The Sahayak kids were instrumental in identifying and helping struggling families come one by one to pick up food packets," Sharon from Sahayak reported. The team distributed food parcels in three phases to avoid crowds gathering. The care packages consisted of flour, rice,

lentils, cooking oil, salt and antiseptic soap. Sharon said, "It was heart-warming to see everyone coming together as a team to reach out and help."

One mother shared how she, along with her three kids, had walked for days to reach the Uttar Pradesh border only to be forced to turn back. She was worried about how to provide for her children. When one of the Sahayak boys told her about the food packages, she felt her prayers were answered.

More than 1,500 households across 10 countries in Asia – "people living in fear, displaced, hungry and hopeless" – have received food and other emergency relief items, thanks to generous supporters and Asia-CMS staff's determination to move quickly to provide for the most vulnerable communities. Suzane from Asia-CMS said, "[People's] prayers and support have helped us walk alongside our partners who had the opportunity to be the face of Jesus to so many who don't know him."

CMS STRATEGIC PRIORITIES

2020–21 saw significant delivery on the Organisational Strategic Plan.

WHAT WE SAID WE WOULD DO

Strategic Direction:

While we are responding to present needs around us, we are also looking to the future. We embarked on a strategic review in 2019, soon after the arrival of Alastair Bateman. The review has been named the Isaiah Project and has already involved consultation with staff across the globe and had much input from our global partners. The aim of the review is to emerge with a greater clarity and focus for the work of CMS and a deep conviction of the call that God has placed on our lives at CMS for this generation.



PROGRESS MADE ON 2020–21 PRIORITIES

We have developed our theory of change, articulated our key mission principles, looked at global trends, reviewed all of our existing programmes and activities, and consulted widely with strategic partners. This has led to the discernment of a new vision to be released in 2021–22. We have reflected on the framework for CMS's contribution in the world as an organisation and as part of a network and movement. We are now discerning the mission focus we are called to in collaboration with our strategic partners.

We said goodbye to Paul Thaxter in January 2021 and set up an interim team until Andy Roberts takes up the role of director of international mission.

Well-Being:

Given COVID-19, much of our focus is on the well-being of our people in mission, our strategic partners, our staff and our supporters. As a community, we have recently lost some wonderful friends and figures from our remarkable history, including former general secretary Bishop Simon Barrington-Ward and former principal of Crowther Hall Bishop Peter Vaughan. Our people in mission are facing big challenges in their personal lives and work. Likewise, our staff and supporters are trying to navigate much change, some of it very tough. We will continue to prioritise this area in the coming months as the scale of the impact becomes clearer.



We have provided significant additional pastoral support to our people in mission and our staff throughout the year.

The year has not been without challenges as we got used to working remotely and not being able to travel, but regular communication, support and webinars have been provided. We have also worked hard to ensure the safety of staff as they have returned to work at CMS House in small numbers with social distancing and other safety precautions in place.

We have had a small number of people in mission and staff who have contracted COVID-19 through the year and the appropriate protocols have been put in place to support them and minimise any spread of the disease.

Sustainability:

These are uncertain times for CMS financially. We are trusting that Jesus is with us, as he was with the disciples on the boat amid stormy seas (Mark 4:35–41). And we are looking to him and to our faithful friends at this time, for continued prayer and help. We do have significant unrestricted reserves which can be utilised as we assess the impact of COVID-19 on our income. We will also continue to be proactive in this area, planning for various scenarios given that the full impact of COVID-19 is still not clear, monitoring income closely and reducing expenditure where needed.



We are hugely thankful for the provision of income during the year. The COVID-19 emergency appeal in May 2020 was very successful and we have run several smaller appeals. This meant our giving has increased significantly on the previous year and resulted in an overall surplus in 2020–21. We have reduced costs both this year and into 2021–22 in areas such as travel, conferences and festivals. Staff costs have also been reduced as we have accessed the government furlough scheme.

As we look forward it's hard not to see our world being reshaped; income from churches is an increasing challenge and we need to work to engage a younger audience. Moving forward from this year, it's exciting to see the ways in which God is calling us to journey with him in his mission.

STRATEGIC PRIORITIES FOR 2021–22

Amid the unexpected tumultuous events of 2020, Church Mission Society decided that it would be in the best interests of the organisation to continue with our planned strategic review, known to internal stakeholders as the Isaiah Project. This review involved taking a closer look at foundational aspects of CMS such as our theory of change, our mission principles and our models of doing mission. We also went through a “re-founding” exercise, returning to the vision and motivation of early CMS pioneers. The year 2021 sees us heading into the implementation phase of the Isaiah Project, wherein we are concentrating on:

2021–22 STRATEGIC PRIORITIES

1

Mission programme development:

We have long been committed to working via mission partners and local partners within our regions of focus. The goal now is to see increased genuine collaboration between mission partners and local partners, who will work together towards more clearly defined shared goals within particular contexts.

2

Organisational development:

As we concentrate on increasing collaboration with our global network partners, we will be working to ensure we have the right structure, skills, roles and culture to enable this.

3

Audience engagement:

Part of the Isaiah Project has involved revisiting our branding, fundraising and communications strategies: rearticulating our vision and purpose as well as brand narrative in conjunction with the developing organisational strategy. Priorities now include implementing this refreshed narrative across our fundraising and communications and building an engagement plan that will increase awareness, interest, participation and support among our identified target audience(s) in order to achieve sustainability.

STRUCTURE, GOVERNANCE AND MANAGEMENT

LEGAL STATUS

Church Mission Society is a registered charity (England and Wales (RCN: 1131655), and Scotland (RCN: SC047163)) and a company limited by guarantee in England and Wales (Company Number 6985330) established on 8 August 2009, although its history as a mission dates back to the 18th century. For details of other group charities/members see Note 1 to the financial statements.

CHARITABLE OBJECTS

Church Mission Society's object is as a community of people in mission obeying the call of God, to proclaim the gospel in all places and to draw all peoples into fellowship with the Lord Jesus Christ.

PATRON

The Most Rev and Rt Hon Justin Welby, Archbishop of Canterbury

CMS GOVERNANCE ARRANGEMENTS

CMS is governed by its Memorandum and Articles of Association and by a Board of Trustees. The Trustees of CMS aim to have high standards of accountability as well as proper and ethical performance of their duties. The process for appointing the Board of Trustees is as follows:

- The Board of Trustees of CMS is made up of up to 15 CMS members elected by the CMS membership (including not more than three co-opted members) with a Chair appointed by the Board.
- The elected members of the Board of Trustees are subject to a fixed-term appointment of four years, with the opportunity to be elected for one further term. Elections take place every two years.

- Co-opted Trustees are subject to a fixed-term appointment of two years, renewable a maximum of twice.
- The Chair of Trustees is selected by the Board of Trustees following a public recruitment and selection process.

The Board of Trustees meets four times a year, including one meeting focusing on trustee development. This is part of the wider induction and training process that is in place for Trustees, which includes consideration of governance, Board operations, the role of Trustees, organisational strategy, the CMS ethos and risk management.

During the year the Board had four sub-committees, each with specific terms of reference. These are:

- The Finance Committee
- The Fundraising Committee
- The Governance Committee
- The Strategy and Impact Task Force

The Finance Committee reviews finance, the human resources (HR) function, facilities, charity law and regulation and information technology (IT). In this the committee is advisory, making recommendations to the whole Board. For the more technical areas of accounting, auditing, investment, pensions and property, the committee particularly helps the Board of Trustees to align decision making with expertise and knowledge.

The purpose of the Fundraising Committee is to advise the charity's fundraising team in the use of the most effective and efficient methods, and to ensure regulatory compliance, particularly in the use of data, public communications and fundraising methods. In this the committee is advisory, making recommendations to the whole Board.

The Governance Committee reviews the effectiveness of the governance system and assists in the nomination and selection of Trustees and principal officers.

The Strategy and Impact Task Force serves the Board of Trustees by ensuring that a clear organisational strategy is in place and is guiding the day to day work of staff. It is also there to ensure the quality and impact of CMS work across the world is regularly evaluated.

THE BOARD OF TRUSTEES

The Trustees of CMS are also its legal company directors. A list of the trustees who served during the year and up to the date of signing the financial statements are included below.

TRUSTEE	GOVERNANCE COMMITTEE	FINANCE COMMITTEE	FUNDRAISING COMMITTEE	STRATEGY AND IMPACT TASK FORCE
Mr Charles Clayton (Chair)	✓	✓	✓	✓
Mrs Naomi Aidoo (resigned 27 March 2020)				✓
Dr Ian Bromilow		✓	✓	✓ (Chair)
Rev Canon Andrew Bowerman	✓			
Mr Beauman Chong			✓ (Chair)	✓
Mr Peter Hyatt		✓ (Chair)		
Dr Kevin McKemey				✓
Dr Salim Munayer				
Rev Jane Shaw	✓ (Chair)			
Mr John Stansfeld		✓		✓
Rev Ian Wallace	✓			
Mrs Rini Ingleby				
Dr Anne Keene			✓	
Mrs Fiona Lambert				
Mr Simon Upcott (co-opted 25 June 2020)		✓		✓

The Chair of Trustees is responsible for ensuring the members of the Board of Trustees collectively contribute the broad range of skills and experience necessary for its effectiveness. The Trustees are responsible for developing strategic vision, articulating policy, managing risk and ensuring effective governance. The Board is assisted in implementation of policies and strategies by the chief executive officer who is supported by the wider CMS Senior Leadership Team. In addition to Trustees, the other sub-committees have additional co-opted members in attendance. Andrew Clark and Anne Maxfield attend the Finance Committee. Andrew Barton attends both Fundraising and Finance Committees. Simon Upcott became chair of the Finance Committee from 25 March 2021 and Anne Keene became chair of the Fundraising Committee on 27 May 2021.

CMS SENIOR LEADERSHIP TEAM

Chief Executive Officer	Mr Alastair Bateman
Deputy Chief Executive Officer	Mrs Debbie James
Director of International Mission	Rev Paul Thaxter (resigned in January 2021)
Director of Mission Transformation	Mrs Debbie James
Director of Mission Education	Mr Jonny Baker
Director of Fundraising for Mission	Mr Jim Barker
Director of Finance and Corporate Services	Mr Charles Walker

The Chief Executive Officer is responsible to the Board of Trustees for the management of CMS. He leads the Senior Leadership Team (SLT), which is shaped around the following responsibilities:

- International Mission – responsible for CMS engagement in international mission in partnership with churches and other agencies of mission worldwide, including members of the CMS Mission Network
- Mission Transformation – connecting with and supporting CMS members and churches enabling them, in a variety of ways, to engage in mission both globally and locally
- Mission Education – overseeing the selection and formation of people in mission, both as pioneers and as mission partners
- Fundraising – broad base fundraising from individuals, churches, trusts and major donors
- Finance and Corporate Services – supporting CMS with expertise in finance, ICT, HR, facilities and legal compliance

KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

The Board of Trustees and the SLT are the key management personnel of CMS, in charge of directing and operating the charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in Note 15 to the financial statements.

Salaries of all staff, including the SLT, are reviewed annually taking inflation and the overall financial position of CMS into consideration. Remuneration levels are also benchmarked with Croner's charity pay and benefits report every four to five years to ensure that the level of remuneration set for key management is in line with roles in similar size organisations. The next benchmarking exercise has been delayed because of the impact of COVID-19, and is now due to be finalised in 2021.

FUNDRAISING

CMS has three sources of donation income to sustain its mission, without which CMS could not carry out its work. These are: Churches, Individuals and Trusts. The income from these sources is split 36 per cent Churches, 59 per cent Individuals and 5 per cent Trusts. The Trustees are grateful for the faithful and committed support from them making CMS's work possible. There is also income from legacies, kindly left to Church Mission Society by supporters in their will. This equates to between 15 and 30 per cent of our total income in any one year. The balance is from other income such as education fees and trading income. During the year CMS spent £733,000 (8.6 per cent of total income) on fundraising activity and the majority of this effort concentrated on raising support for CMS mission partners.

We are pleased to say that we are registered with the Fundraising Regulator and fully comply with the Fundraising Code of Practice. We have worked hard to ensure we protect and work in the interest of supporters who might be seen as vulnerable, through old age or illness, and have developed policy and procedures to ensure we continue to work in their best interest.

In 2020–21 we had a total of six complaints relating to our fundraising activity. We have appropriately resolved each one with the people raising the complaints and have made changes to our procedures where necessary.

Overall, given the schedule of fundraising activity in 2020–21, we consider this a very low level of complaint, as we have a mailing base of over 10,000 for our main publications and 6,000 for our fundraising appeals.

USE OF VOLUNTEERS

Church Mission Society is a membership society and relies heavily on the voluntary support of its members and others as community members, Trustees and committee members, in local members' groups, in mission service globally and locally as advocates for CMS in churches, and working with staff teams.

PUBLIC BENEFIT

In compiling this report, Trustees have given due regard to the public benefit guidance as issued by the Charity Commission. As "a community of people

in mission obeying the call of God to proclaim the gospel in all places and to draw all peoples into fellowship with the Lord Jesus Christ", CMS works out its Public Benefit in a number of ways.

CMS believes the Christian faith is of benefit to society, and individuals, bringing a vision of transformation for peace and social harmony which grows from what Christians believe is God's ultimate purpose: to bring all things into unity and perfection in Jesus Christ. People are likely to become disciples of Jesus if Christians "live a Christ-like life amongst them, share the good news of Jesus, demonstrate God's love and prayerfully expect the Spirit's power to transform individuals, communities and whole nations". CMS seeks to demonstrate this benefit through its wide range of mission activities both in the UK and internationally as detailed throughout the Strategic Report.

GRANTS

As shown in the financial review and Note 13, grant expenditure makes up a significant amount of CMS expenditure. Project proposals received from partner organisations are subject to a formal approval process, which looks at issues such as the alignment, capacity and structure of the partner organisation. An agreed monitoring process is undertaken during the course of the partner spending the funds, and this includes reviews and evaluation of financial and narrative reports.

Church Mission Society is a membership society and relies heavily on the voluntary support of its members and others as community members, Trustees and committee members, in local members' groups, in mission service globally and locally as advocates for CMS in churches, and working with staff teams.

RISK MANAGEMENT POLICY AND INTERNAL CONTROL

The Trustees regularly review the internal and external risks facing CMS. A formal risk management process has been developed and the charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. They have also considered the controls in place for these risks and have identified any necessary areas for action. This includes the regular review of CMS's financial position and internal control environment. CMS operates a comprehensive annual planning and budgeting system and any significant changes to these plans are subject to the specific approval of senior management and Trustees. The financial reporting system compares results with these plans on a monthly basis.

Current risks and the corresponding mitigating controls are set out below, in no order of priority:

Income and costs

As a charity, CMS is dependent on the continuing financial support of its donors. Donation income exceeded budget in 2020–21, but the full impact of COVID-19 is still not known and it may well have a significant impact on donation income in 2021–22. We have systems in place to be able to monitor income very closely throughout the year. Furthermore, we have significantly reduced our cost base in 2021–22 where we can, in areas such as travel, conferences, festivals and more.

Pensions

CMS's defined benefit schemes are open to risks on their liabilities and assets as a result of changes in life expectancy, inflation, discount rates, future salary increases and the value of investments.

The impact of COVID-19 during 2020 did have a detrimental effect on the funding levels of the defined benefit schemes. Since quarter three of 2020, however, funding levels have significantly improved and this has continued into the first quarter of 2021, helped by an increase in gilt yields which has reduced the estimated liabilities.

The impact of any negative movements in the pension scheme deficit is likely to result in increased payments from CMS. These schemes are now closed to new members and closed to future accrual. CMS works with the pension scheme Trustees, its investment managers and its own actuarial consultants to understand and mitigate these risks wherever possible.

COVID-19 Impact

The potential impact of COVID-19 on our operations, staff welfare and running CMS House was significant. The Crisis Management Team (CMT) was convened and continued to meet regularly to manage the crisis and respond to the rapidly changing government regulations. In 2021 the Health & Safety (HS) committee meets weekly to monitor staff well-being (both in the UK and abroad), and to ensure CMS House is both safe for the reduced number of staff working there and compliant with government guidelines.

Reputation

Damage to reputation is a risk for any organisation and particularly important for a charity. One key area in this regard is safeguarding. The Board reviews and approves the CMS safeguarding policy every year and significant work has been undertaken on this during the year to ensure both our policy and practice continue to comply with the charity commission guidance on safeguarding. During 2020 CMS decided to increase the budget allocation to safeguarding given its strategic importance and there is now a two-day per week role dedicated to working with our international partners on safeguarding practice and procedures, alongside the three-day per week role managing other aspects of safeguarding.

Critical Incidents

In response to the increasing awareness of the security issues faced by CMS, robust security procedures have been put in place, security training has been rolled out to relevant high-risk personnel and the CMT, with clear contingency plans for emergencies, has been put in place. During 2021 further training will be undertaken for both the SLT and Trustees.

The report and financial statements of Church Mission Society group (CMS) consolidates the results of Church Mission Society, The Church Mission Society Trust, The South American Mission Society (SAMS) and CMS House Enterprises Ltd.

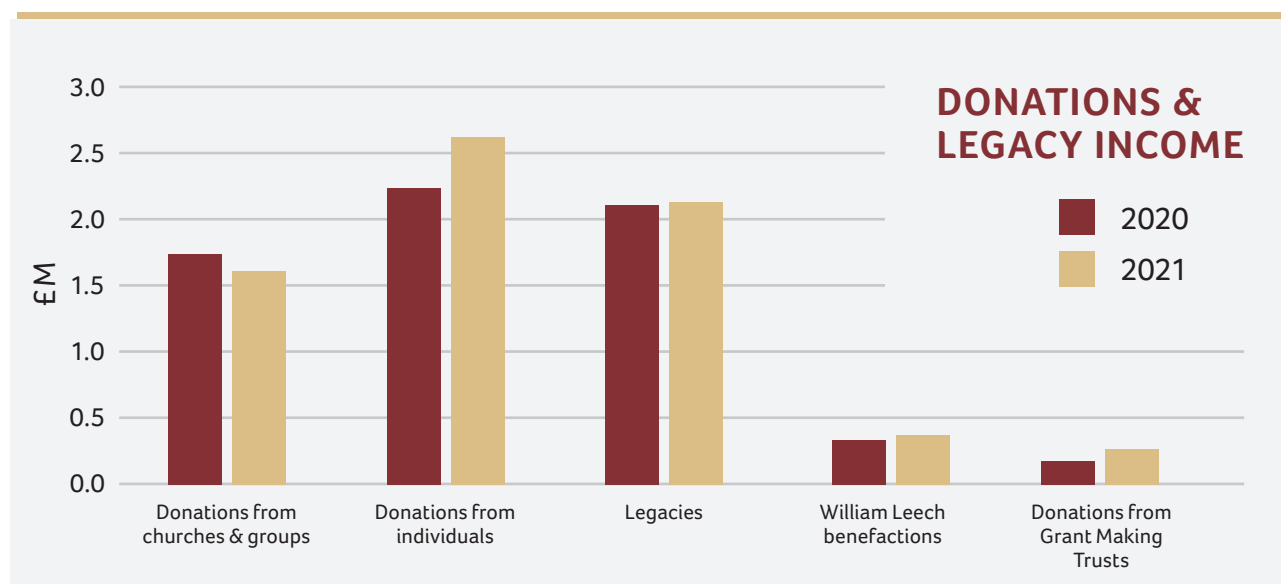
The financial context within which CMS operates continues to be challenging, and despite a very good year for CMS donation income, we are alert to the possibility that the significant long-term impact of COVID-19 on the economy may not yet have filtered through to donors and their giving patterns. Fundraising in the charitable and mission agency sectors has been, and we suspect will continue to be, competitive. This impacts CMS mostly through reduced general fund giving from churches. The financial markets have experienced a turbulent year, largely as a result of COVID-19, but in quarter four they rallied significantly and largely offset the losses made in March 2020. As a result, the CMS listed investments portfolios produced a capital gain of £204,000 (2020: gain of £417,000), which has increased both our free reserve and endowment fund positions. Total income in the year has also increased compared to the prior year. The review below provides some more detailed analysis.

INCOMING RESOURCES

Total incoming resources were £8.5m (2020: £8.4m), an increase of £163,000 from the previous year. This is largely due to the increase in donations from individuals. Donations and legacy income (shown in

the chart below) increased by £412,000 to £7m in 2021 (see Note 3). The increase in individual income stands at £438,000 compared to the previous year. The main driver for this was the successful CMS emergency COVID-19 appeal in May 2020.

Donations from churches reduced by £100,000 in the year. This reduction in church income is partly as a result of a reduction in mission partner numbers during the year, but also reflecting the negative impact of COVID-19 on the income of churches supporting CMS, which reduced their ability to give to mission agencies such as CMS. Donations from trusts, however, have increased by £40,000 in the period. This income has for CMS tended to be more fluctuating in nature, so it is encouraging that CMS has seen a good level of success from its trust applications in the year. The results also clearly show the importance of legacy income within CMS, representing 25 per cent (2020: 25 per cent) of the overall income during this financial year. The Trustees are extremely thankful for the generosity of those who make legacy gifts – often following a lifetime of faithful, prayerful service to God including support of CMS's work. Such gifts are important for sustaining our efforts to put people's call into action. The Trustees are also grateful for the donations received from two William Leech charitable trusts.



CHARITABLE ACTIVITY EXPENDITURE

Total resources expended amounted to £7.5m (2020: £7.4m). Overall there has been a very small increase of £27,000 in total expenditure. The chart below shows how this is spent across our areas of work.

The recruitment, training and support of mission partners is CMS's most significant area of operation comprising 53 per cent of total expenditure. The majority of this expenditure supports 114 long term mission partners working in a range of activities in 37 different countries. In addition CMS has a local partner programme, with total expenditure of £0.42m, which supports 64 local mission leaders around the world.

Mission grants expenditure totalled £0.2m on 39 projects that CMS supports around the world (see Note 13). Grants totalling £0.4m are also paid to CMS-Africa and Asia-CMS as part of CMS's Enabling Mission Network activity.

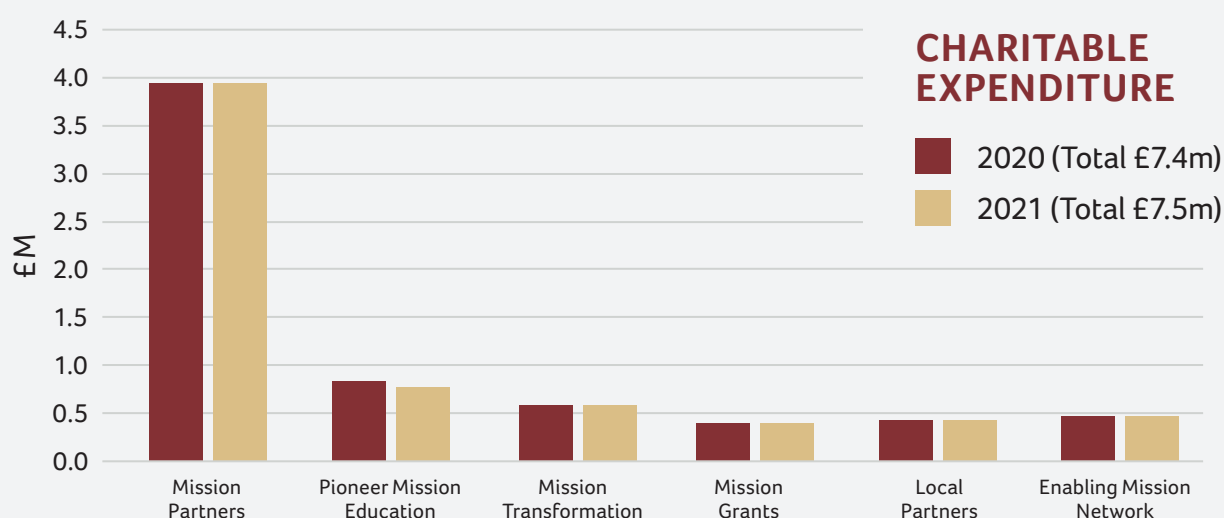
The other main areas of expenditure are the CMS Pioneer Mission Education work (£0.8m) and the Mission Transformation work (£0.6m). Expenditure within the pioneer mission education team relates to the recruitment and training of mission partners, and teaching and support of our students on the Pioneer Mission Leadership Training programme. This has primarily involved running the programme, online for most of this financial year, but it also includes the work being undertaken by CMS pioneer hubs. The Mission Transformation work involves resourcing and mobilising the church in the UK and

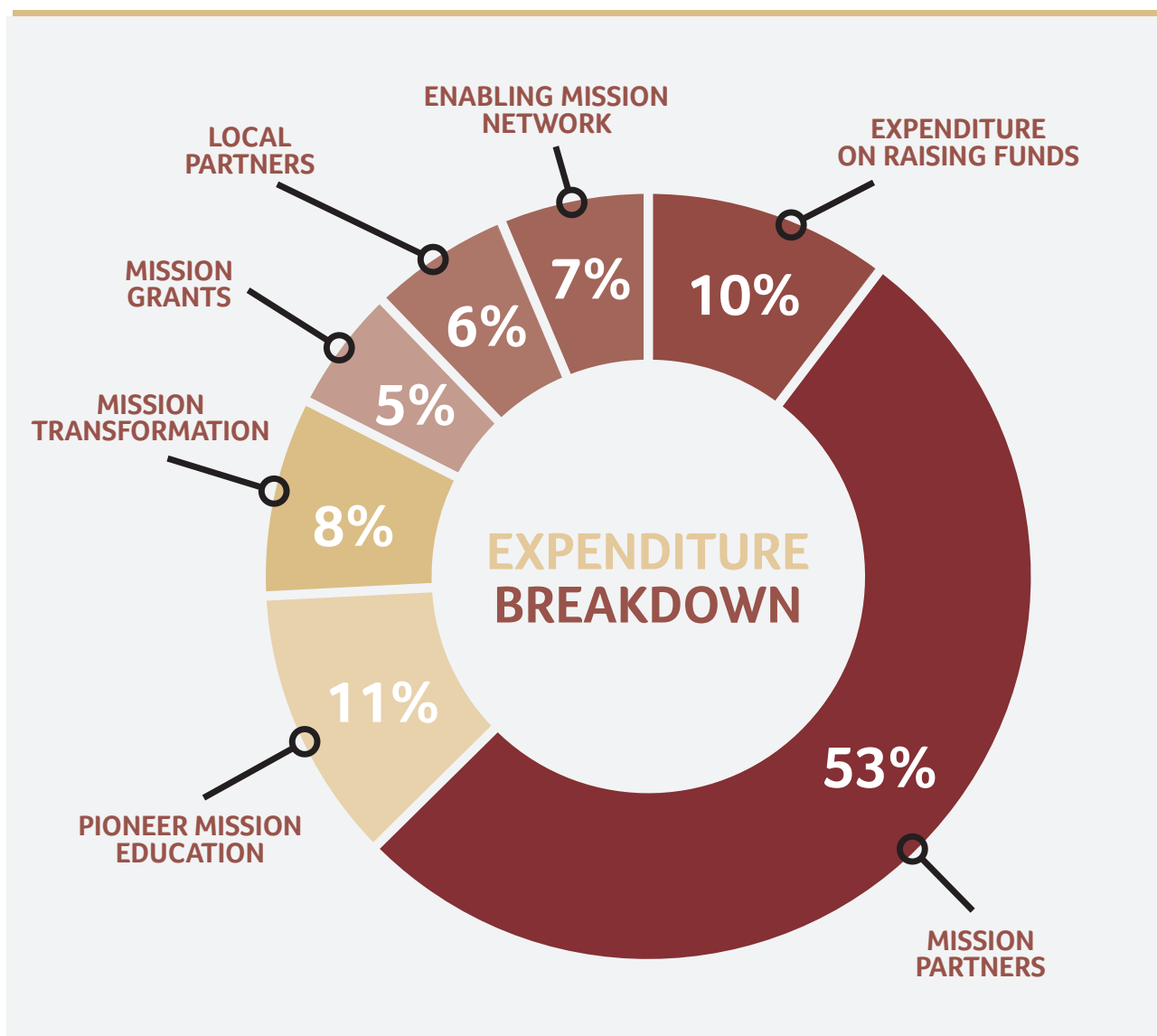
the CMS community into mission. The work this year has included producing the Lament for Lent devotional, our regular flagship publication The Call and continuing the CMS online Resource Hub with hundreds of free resources. CMS also worked with five dioceses during the year on the Partnership for Missional Church process.

The breakdown opposite shows the proportions spent on each activity.

CMS DEFINED BENEFIT PENSION SCHEME

At the year-end, the net liability recognised in the balance sheet relating to the CMS Pension Scheme (Defined Benefit Scheme) was £6.6m (2020: £3.9m) as measured in accordance with FRS 102. The main reason for the large increase was the movement in liability due to changes in the financial and demographic assumptions being applied to measure that liability, which contributed to a £6.1m increase in the present value of the Scheme's liabilities from £83.2m to £89.3m (see Note 25A). Offsetting this, the value of the Scheme's assets rose by £3.4m from £79.3m to £82.7m as a result of market gains. The recovery plan is based on the triennial valuation of the Scheme as at 31 March 2019, which showed a deficit of £8.1m. This deficit is being paid off over a maximum of 14 years. Contributions in the year to 31 January 2021 totalled £1,095,000 (2019: £859,000) in accordance with the recovery plan. Full details of pension liabilities and the recovery plan can be found in Note 25. The impact of this movement in net liability is shown as an actuarial loss of £3.3m





in the charity's Statement of Financial Activities (SOFA). Contributions made by CMS have increased to £510,000 this year and will increase by 2 per cent each year until 2035. In addition, CMS will contribute £232,000 per year to the administration expenses of the scheme.

CHURCH OF ENGLAND DEFINED BENEFIT SCHEME

CMS Group has active members in the Church of England Funded Pension Scheme (also known as the Clergy Scheme) (see Note 25B) and deferred members and pensioners previously employed by SAMS in the Church of England Defined Benefit Scheme (DBS) within the Church Workers Pension Fund (CWPF) (see Note 25C) which are both multi-employer schemes.

The Group is grateful for the contributions paid by the Archbishops' Council, which amounts to some £220,000 for 17 active members of the Clergy Scheme.

The latest actuarial valuation of the CWPF Scheme was that conducted in December 2019, and showed a deficit of £1.33m for the SAMS portion of the Scheme. As a result a new recovery plan was agreed in December 2020, under which administration expenses of £17,500 will be paid per year and annual deficit payments of £182,533 will be paid for 7 years from 1 April 2021. The next actuarial valuation of the scheme is at 31 December 2022.

In accordance with FRS 102, SAMS includes a provision in the balance sheet for its obligations to make deficit payments as this is a multi-employer scheme. The provision for 2021 was £1.5m (2020: £1.64m).

INVESTMENT POLICY AND REVIEW OF INVESTMENT PERFORMANCE

CMS manages its investments according to the CMS Statement of Investment Principles and the Trustees have authority to invest the monies of the Group, not immediately required, in such investments as they think fit. The Statement of Investment Principles includes details of CMS's socially responsible investment policy.

The Trustees have delegated the day-to-day management of the CMS investment portfolio to Cazenove Capital. The investment manager's delegated authority is operated in accordance with the CMS Statement of Investment Principles.

As at 31 January 2021, CMS had £4m (2020: £3.7m) of listed investments, £11.9m (2020: £10.2m) of unlisted investments and £0.2m (2020: £0.2m) of cash held within the investment portfolio. This total of £16.1m of investments includes £10m of endowed funds where the capital is not available to be spent. Further details of investments can be found in Note 17 of the financial statements. Income from the investment portfolio of CMS contributed to a total investment income of £0.9m in the Statement of Financial Activities (2020: £0.9m). Further details of the make up of this investment income can be found in Note 6 of the financial statements. The net gain on investments in 2021 was £1.8m (2020 loss of £1.1m). This was dominated by an increase in market value of investments held by William Leech (Investments) Ltd. The listed holdings managed by Cazenove continue to be on track against their long-term target of CPI plus 3 per cent. These positions are regularly reviewed by the Finance Committee. During the year Cazenove Capital attended the Finance Committee to discuss the performance of CMS's listed investment portfolios, and the CMS Trustee representative on the Board of Directors of William Leech Investments participates in the review of performance of the investments managed by that entity.

MOVEMENT IN FUNDS

Taking CMS's funds in total, there was net income of £2.8m during the year ended 31 January 2021, and an actuarial loss on the two Pension Schemes of £3.4m. The overall position was therefore a net decrease in total reserves of £0.6m.

IMPACT OF COVID-19

During March 2020, the crisis management team was convened (in line with CMS policy) as a result of COVID-19. Its objective was to ensure the safety of all staff and the business continuity of CMS. Since then, some mission partners have had to be flown back to the UK and we have increased our contact and support with all our people in mission across the world. From 23 March 2020, we have operated with a skeleton team at CMS House and the remainder of staff are working from home. Staff began to return to the office in the summer as the government guidelines allowed. Since September 2020 we have advised staff to work from home and that remains our position until the restrictions are fully lifted.

This time last year we forecasted the biggest risk from COVID-19 to be to our donation income. As explained previously, CMS took immediate action to mitigate this risk, and in fact donation income from individuals increased significantly on prior year. We still do expect a negative medium-term impact on individual giving as the impact of COVID-19 takes its hold on the economy. The other area it has affected is church giving and especially general fund church giving from those churches which rely on cash collections from their congregation. As a result, our CMS general fund giving from churches has reduced by £30k on prior year. We have systems in place to be able to monitor our income very closely over the next financial year.

There have been some significant expenditure savings as a result of reduced activity (canteen, travel, conferences and festivals) and as a result of being able to access the government's Job Retention Scheme. This significantly helped our general fund position in the year and will continue to do so in the immediate future.

The other significant detrimental financial impact of COVID-19 was on CMS investments and its participation in defined benefit pension schemes. For example CMS investments had fallen by 5 per cent in April 2020 and the funding levels on both the CMS Pension Scheme and the Church Workers Pension Fund had deteriorated. Since October 2020, however, the markets have rallied and both the CMS investments (listed and unlisted) and the assets sitting in the defined benefit schemes have more than offset the losses experienced in the first half of the year.

We have altered our unrestricted reserve policy as a result of COVID-19, and have increased the reserve both for the pension deficit repayments and for any future drop in donation income.

RESERVES POLICY AND FINANCIAL POSITION UNRESTRICTED: GENERAL FUNDS (FREE RESERVES)

The reserves policy is reviewed annually, by the Trustees, in light of the specific risks faced by the charity. In 2021–22 CMS holds unrestricted general funds (free reserves) for the following reasons:

- To contribute to the increase in pension repayments following the 31/3/2019 triennial valuation
- To allow for falls in our donation income as a result of COVID-19 over the next one to two years
- To act as a buffer while we move from a deficit operational budget to a break even one by 2022
- To allow for any unbudgeted costs, in particular relating to a mission partner emergency situation
- To fund any one-off costs or investments required from the Isaiah Project strategic work
- To fund capital expenditure in 2021–22, primarily on CMS properties

A separate calculation has been made against each of the above factors. The calculation assesses the specific risks and details the reserve required by working out the impact on reduced income or required increase in expenditure. For example, the capital expenditure reserve simply reflects the required expenditure on CMS properties and equipment for the upcoming year. These risks are specific to CMS and will change each year. As such the overall target is reviewed, adjusted and approved annually by Trustees.

Based on these calculations, the 2021–22 overall free reserve target for CMS is £3.6m (2020–21: £3.8m). The free reserves at 31 January 2021 are £3.572m, which is below the stated target but within a 10 per cent threshold of the target which is deemed acceptable.

ENDOWMENT FUNDS

Included in the balance sheet are Endowment Funds totalling £10m, the capital of which is not available to be spent.

RESTRICTED FUNDS

The reserves policy for restricted funds is for sufficient assets to be held to meet the obligations of each fund and this is the case as at 31 January 2021.

DESIGNATED FUNDS

During the year the Trustees have set aside funds from the General Fund for unrestricted tangible fixed assets to ensure the general reserves policy is not skewed by holding these funds (see Note 24).

Shares in William Leech (Investments) Limited purchased before 15 October 1996 are also included within the designated fund following receipt of legal advice confirming their status in June 2016.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

IN SO FAR AS EACH OF THE TRUSTEES IS AWARE:

- there is no relevant audit information of which the company's auditor is unaware
- each of the Trustees has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

The Trustees' Report, including the strategic report on pages 3 to 24, was approved by the Board of Trustees on 16 June 2021 and signed on their behalf by:



Charles Clayton – Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF CHURCH MISSION SOCIETY

OPINION

We have audited the financial statements of Church Mission Society ("the charitable company") and its subsidiaries ("the group") for the year ended 31 January 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 January 2021 and of the group's income and receipts of endowments 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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 set out on page 24, 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

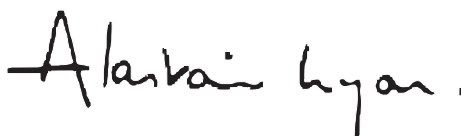
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, in particular legacies and donations, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, agreeing a sample of income to supporting

documentation and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Lyon
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Reading

Date: 21 July 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JANUARY 2021

(Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Income and endowments from:									
Donations and legacies	3	2,998	3,731	225	6,954	2,661	3,666	215	6,542
Charitable activities	4	207	83	-	290	193	96	-	289
Other trading activities	5	150	-	-	150	258	-	-	258
Investments	6	861	52	-	913	870	58	-	928
Other	7	110	104	-	214	89	252	-	341
Total income		4,326	3,970	225	8,521	4,071	4,072	215	8,358
Expenditure on:									
Raising funds	9	670	46	17	733	721	13	17	751
Charitable activities									
Mission Partners	10	1,064	2,855	-	3,919	886	3,038	-	3,924
Pioneer Mission Education	10	720	120	-	840	746	105	-	851
Mission Transformation	10	501	142	-	643	530	88	-	618
Mission Grants	10	92	349	-	441	98	296	-	394
Local Partners	10	226	191	-	417	245	182	-	427
Enabling Mission Network	10	369	113	-	482	365	118	-	483
Total charitable expenditure		2,972	3,770	-	6,742	2,870	3,827	-	6,697
Total Expenditure	10,11	3,642	3,816	-	7,475	3,591	3,840	17	7,448
Net gains/(losses) on investments		624	4	1,136	1,764	(449)	9	(635)	(1,075)
Net income/(expenditure)		1,308	158	1,344	2,810	31	241	(437)	(165)
Transfers between funds	24	(25)	25	-	-	46	(46)	-	-
Actuarial losses on defined benefit pension scheme	24	(3,330)	-	-	(3,330)	(3,482)	-	-	(3,482)
Other gains/(losses) on pension scheme deficit reduction provision	25	-	(56)	-	(56)	-	(67)	-	(67)
Net movement in funds		(2,047)	127	1,344	(576)	(3,405)	128	(437)	(3,714)
Total funds brought forward		11,193	2,094	8,685	21,972	14,598	1,966	9,122	25,686
Total funds carried forward		9,146	2,221	10,029	21,396	11,193	2,094	8,685	21,972

The accompanying notes are an integral part of this Statement of Financial Activities (SOFA). All gains and losses arising in the year relate to continuing activities.

CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 JANUARY 2021

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets					
Tangible fixed assets	16a	6,920	7,576	6,920	7,576
Investments: Unrestricted		6,067	5,453	6,067	5,453
Investments: Restricted and Endowment		10,009	8,663	10,009	8,663
	17	16,076	14,116	16,076	14,116
		22,996	21,692	22,996	21,692
Current assets					
Property held for sale	16b	446	-	446	-
Stock		1	1	-	-
Debtors	19	793	662	799	701
Cash at bank and in hand		6,712	6,288	6,068	5,546
		7,952	6,951	7,313	6,247
Current liabilities					
Creditors: amounts falling due within one year	20	(1,419)	(1,121)	(1,447)	(1,135)
Net current assets		6,533	5,830	5,866	5,112
Total assets less current liabilities		29,529	27,522	28,862	26,804
Net assets excluding pension assets or liability		29,529	27,522	28,862	26,804
Defined benefit pension scheme (liability)	25	(8,133)	(5,550)	(6,629)	(3,910)
Net assets		21,396	21,972	22,233	22,894
The funds of the charity:					
Unrestricted: General fund	24	3,572	3,524	3,573	3,524
Unrestricted: Designated funds	24	12,203	11,579	12,203	11,579
Unrestricted: Pension deficit	24	(6,629)	(3,910)	(6,629)	(3,910)
Unrestricted funds		9,146	11,193	9,147	11,193
Restricted funds excluding pension deficit	24	3,725	3,734	3,057	3,016
Restricted pension deficit	24	(1,504)	(1,640)	-	-
Restricted funds		2,221	2,094	3,057	3,016
Endowment funds	24	10,029	8,685	10,029	8,685
	24	21,396	21,972	22,233	22,894

The accompanying notes are an integral part of this Balance Sheet. The financial statements on pages 28 to 64 were approved by the Board of Trustees and authorised for issue on 16 June 2021 and signed on their behalf by:



Charles Clayton – Chair of Trustees

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2021

RECONCILIATION OF NET INCOME TO THE NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	2,810	(165)
Adjustments for:		
Investment income	(913)	(528)
Net (gains)/losses on investments	(1,764)	1,075
Depreciation charge	255	249
Decrease in stock	-	1
Increase in debtors	(67)	(322)
Increase in creditors	298	74
Decrease in pension scheme deficit reduction provision	(192)	(177)
Net charge for defined benefit pension scheme	(611)	(557)
Profit on disposal of leasehold property	-	(134)
Profit on disposal of fixtures, fittings and equipment	(1)	-
Gift of shares	-	(48)
Net cash used in the Group's operating activities	(185)	(532)

STATEMENT OF CASH FLOWS

	Note	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities		(185)	(532)
Cash flows from investing activities:			
Dividends, interest and other income from investments		849	523
Purchase of tangible fixed assets		(44)	(515)
Proceeds from sale of leasehold fixed assets		-	193
Purchase of investments		(4,655)	(363)
Proceeds from sale of investments		4,459	183
Net cash provided by investing activities		609	21
Change in cash and cash equivalents in the year		424	(511)
Cash and cash equivalents at the beginning of the year	29	6,288	6,799
Cash and cash equivalents at the end of the year	29	6,712	6,288

Cash and cash equivalents comprises the amounts shown in the Balance Sheet as "Cash at bank and in hand", and includes £109,000 as at 31 January 2021 relating to cash held in an endowment fund (2020: £108,000).

NOTES TO THE FINANCIAL STATEMENTS

AT 31 JANUARY 2021

1. CHARITY INFORMATION

Church Mission Society is a registered charity in England and Wales (registered charity number 1131655), a registered company in England and Wales (registered number 6985330) limited by guarantee and is registered as a charity in Scotland (charity number SC047163). CMS does not have share capital and has approval to omit the word “Limited” from its name. The members of the company are the Trustees and others as defined in CMS’s Articles of Association. In the event of CMS being wound up the liability in respect of the guarantee is limited to £1 per member.

Church Mission Society was incorporated on 8 August 2009 and registered as a charity on 16 September 2009. CMS was incorporated to effect the merger between The Church Mission Society Trust (registered charity number 1131655-1 England and Wales) and The South American Mission Society (registered charity number 221328 England and Wales).

The Church Mission Society Trust became a subsidiary of CMS under a scheme, agreed with the Charity Commission in 2010, enabling this to take place. The scheme involved a replacement of The Church Mission Society Trust’s objects to mirror those of CMS, and all Trustees of The Church Mission Society Trust resigned and were replaced by CMS as corporate Trustee. As part of the scheme, the name of that charity was changed to The Church Mission Society Trust (formerly Church Mission Society) and a uniting direction was put in place for The Church Mission Society Trust to be part of CMS for accounting and legal purposes. Therefore the disclosures in these financial statements for “the Charity” include CMS and The Church Mission Society Trust.

CMS is the sole corporate member of The South American Mission Society with the same group of Trustees common to both societies and accordingly The South American Mission Society (SAMS) is considered to be a subsidiary undertaking of CMS. Further information about CMS’s subsidiary undertakings, including SAMS and CMS House Enterprises Ltd, is included in Note 27.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of investments that are included at a current market value.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), with the Statement of Recommended Practice “Accounting and Reporting by Charities applicable to charities preparing accounts in accordance with FRS 102” (effective 1 January 2015) and with the Companies Act 2006.

Church Mission Society constitutes a public benefit entity as defined by FRS 102.

Assessment of going concern

The Trustees have reviewed the financial position and forecasts of the charity as we emerge from the immediate impact of COVID-19. There are uncertainties around donation income which still remain but the Trustees have reviewed both forecasts and different reserve scenarios showing that the level of unrestricted reserves combined with the ability to reduce expenditure where needed means they have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 JANUARY 2021

Accounting estimates and judgements

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The areas involving a higher degree of judgement, or areas where assumptions and estimates were significant to the financial statements, are disclosed in Note 28.

Basis of consolidation

The consolidated financial statements of the CMS Group incorporate the financial statements of the Charity (CMS and The Church Mission Society Trust) and its subsidiary undertakings.

The Trustees have taken advantage of the exemption conferred by S408(3) of the Companies Act 2006 and accordingly present a consolidated Statement of Financial Activities only. In order to comply with the Charities SORP, the gross income and net incoming resources for the Charity are disclosed in Note 24.

Donations, legacies and other income

Income is recognised in the period in which the Charity has entitlement to the income, when it is probable that the income will be received and the amount of the income can also be measured reliably. Where income is received in advance of providing goods and services the income is deferred until CMS becomes entitled to the income.

Legacy gifts are recognised on a case by case basis following the grant of probate and when the entitlement to the legacy has been established, receipt is probable and amount of the legacy can be measured reliably. In accordance with this policy, legacies are included when the Charity is notified by the Personal Representatives of an estate from which a distribution is to be made and the amount involved can be reliably quantified. Where legacies have been notified to the charity, or the charity is awaiting the grant of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. No value is included where the legacy is subject to a life interest held by another party.

Financial instruments

Church Mission Society only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value (including any transaction costs) and subsequently measured at their settlement value (which is also the amortised cost). Financial assets held at amortised cost include cash at bank and in hand and the group's trade and other debtors, excluding prepayments. Financial liabilities held at amortised cost include the group's long and short term creditors, excluding deferred income.

Investments and investment income

Investments are initially measured at cost. Listed investments are included at their open market value at the balance sheet date. All gains and losses on investments are taken to the Statement of Financial Activities, including the net gains and losses arising from disposals and revaluations in the year. The income from investments and short-term deposits is accounted for on an accruals basis.

The unlisted investment in William Leech (Investments) Limited is included in the financial statements as the Charity's share of the net asset value at 31 January 2021 (unaudited). This is a change to prior year where the value taken was the company's accounts dated closest to the Charity's year-end (31 March). In 2020, the investment value was reduced by the cash held by CMS at 31 January which is invested in William Leech (Investments) Limited prior to their year-end on 31 March as this increases the net asset value of William Leech (Investments) Limited.

The social investment (mixed purpose) in Clean for Good Ltd is included in the financial statements as the Charity's share of the net asset value shown in that company's accounts at 31 January 2021. The year-end of Clean for Good Ltd is 31 March 2021. The investment is not justified wholly by either the financial return or by the contribution it makes to the charity's aims but by the combination of the two.

Fund accounting and the allocation of income and expenditure by fund

Income and Expenditure are allocated to three categories of funds: Unrestricted Funds, Restricted Funds and Endowment Funds.

Unrestricted funds are available for use to further the Charity's general purposes and objectives. All income and expenditure associated with the general operation of the Charity has been accounted for within the unrestricted funds, including donations and legacies where the donor attaches no specific conditions. A pension reserve is included within unrestricted funds to reflect the pension liability. Designated funds are a portion of unrestricted funds that have been set aside by the Trustees for a particular project or purpose.

Restricted funds represent income and donations, the use of which has been specified by the donor. Restricted funds are donated for either a particular geographical area or purpose, the use of which is restricted to that purpose or area. Income and expenditure related to CMS's work in South America is shown within restricted funds.

The endowment funds represent assets which have the restriction that the revenue generated by holding the asset is available to spend but the capital itself cannot be spent. Income generated from endowment funds is applied to unrestricted or restricted Funds as appropriate.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. A liability is recognised when a legal or constructive commitment is entered into by the Charity and so a liability exists.

All expenses, including support costs and governance costs, are classified to the applicable expenditure headings in the Statement of Financial Activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Cost of raising funds comprises those costs incurred in seeking voluntary contributions and in the management of CMS investments.

Governance costs are the costs associated with the governance arrangements of the Charity. Included within this category are costs associated with the strategic as opposed to the day-to-day management of the Charity's activities.

Support and governance costs are allocated across the categories of expenditure on charitable activities and the cost of raising funds. When it is necessary to apportion certain expenses between the different categories of resources expended, this is undertaken on bases which are considered appropriate. For example, in the case of salaries and pensions, these are apportioned on the basis of estimated time spent on these activities. The allocation model is reviewed and updated annually to ensure that the apportionments properly reflect the activities of the Charity.

Grants payable are recognised during the year in which the Charity enters into a binding commitment to make a grant and this is communicated to the recipient.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated statement of financial activities with the relevant charitable activity expenditure for the period in which they occurred.

Stock

Stock is valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 JANUARY 2021

Tangible fixed assets, depreciation and property held for sale

Tangible fixed assets are shown at their current net book value on an historical cost basis. Assets are capitalised where the value of the asset is greater than £500. The carrying values of tangible fixed assets are reviewed for impairment in the period in which events or changes in circumstances indicate that the carrying values may not be recoverable. Tangible fixed assets are grouped by category and depreciated on a straight-line basis over the following periods:

Freehold property	30–50 years	Furniture and office equipment	3–10 years
Leasehold property	shorter of 50 years and the period of the lease	Motor vehicles	4 years
Computer equipment	3–5 years		

Included in Current Assets are three properties which the trustees are actively seeking to sell within the next 12 months. They have been transferred from Tangible Fixed Assets at net book value.

Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the lease term.

Pensions

The Charity (CMS) and one of its subsidiaries (The South American Mission Society) have members in defined benefit pension schemes, both employees and mission partners. For certain other employees and mission partners the Charity contributes to personal money purchase pension schemes (defined contribution schemes).

Defined contribution schemes

For defined contribution schemes, the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the total of the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Defined benefit scheme – CMS Pension Scheme

The CMS defined benefit pension scheme is funded, with the assets of the Scheme held separately from those of the Charity, in Trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the Scheme's liabilities. The resulting defined benefit asset or liability is presented after other net assets on the face of the balance sheet, unless a surplus is not recognised in accordance with FRS 102. The current service cost and net interest cost are allocated to relevant expenditure headings within the Statement of Financial Activities, unless the net interest is a credit in which case it is included in "Other income". The change in the value of assets and liabilities arising from asset valuation, actuarial assumptions and any surplus that is not considered recoverable is recognised within the "gains and losses" categories of the Statement of Financial Activities as "Actuarial gains and losses on defined benefit pension scheme".

Defined benefit schemes – multi-employer schemes

The South American Mission Society (SAMS) participates in the Church of England Defined Benefit Scheme (DBS) and the Church of England Pension Builder Scheme (PBS), both of which are separate sections of the Church Workers Pension Fund (CWPF). The assets of the funds are held separately from those of the Society.

In both cases, the schemes are considered to be multi-employer schemes as described in Section 28 of FRS 102 and as the Society is unable to identify its share of the underlying assets and liabilities, contributions are

accounted for as if the Scheme were a defined contribution scheme. In accordance with FRS 102, the pensions costs charged to the Statement of Financial Activities in the year are the contributions payable towards benefits and expenses accrued in that year, plus any charge in respect of the impact of deficit contributions. Where a provision is recognised in respect of any agreed deficit recovery payments, this liability represents the present value of the deficit contributions agreed as at the accounting date and is presented after other net assets on the face of the balance sheet.

In addition to these schemes the Charity and SAMS participate in the Church of England Funded Pensions Scheme, administered by the Church of England Pensions Board, also known as the Clergy Pension Scheme, which provides pensions for clergy and licensed lay workers. The Church of England Funded Pensions Scheme is a multi-employer defined benefit scheme but the Charity and SAMS are unable to identify their share of the underlying assets and liabilities. No funding liability currently arises for the Charity and SAMS in respect of them.

Government Grants

Grants are accounted for under the performance model as permitted by the charity SORP. Coronavirus Job Retention Scheme (CJRS) grant income is therefore recognised on a straight-line basis over the furlough period for each relevant employee.

3. DONATIONS AND LEGACIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Donations from churches and groups	172	1,400	-	1,572	202	1,470	-	1,672
Donations from individuals	785	1,815	-	2,600	721	1,441	-	2,162
Legacies	1,821	321	-	2,142	1,521	605	-	2,126
William Leech benefactions	170	-	225	395	162	-	215	377
Donations from grant making trusts	50	195	-	245	55	150	-	205
	2,998	3,731	225	6,954	2,661	3,666	215	6,542

Legacies of which CMS has been notified, but not recognised as income, are estimated at £616,000 (2020: £719,000).

William Leech Benefactions

Grants are received from two charitable trusts administered by the William Leech Foundation Limited (known as the Foundation Trust and the Charity Trust). The income from the Foundation Trust is distributed in equal portions to CMS and four other charities. The income from the Charity Trust is distributed for charitable purposes at the discretion of the Trustee, which has, since 1973, adopted the policy of giving most of the income to the same five charities. The Charity Trust reviews this policy each year.

Following a resolution of the Board of Directors of William Leech Foundation Limited on 15 October 1996, 57 per cent of the grants paid out to the five charities are made on the condition that they are reinvested in shares in William Leech (Investments) Limited at par, and treated as an addition to the recipient charity's capital funds.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 JANUARY 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Pioneer Mission Education training	207	-	-	207	193	-	-	193
Partnership for Missional Church training	-	80	-	80	-	66	-	66
Events	-	3	-	3	-	30	-	30
	207	83	-	290	193	96	-	289

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Income from sale of books and resources	1	-	-	1	1	-	-	1
Income from property	141	-	-	141	157	-	-	157
Use of conference facilities	8	-	-	8	100	-	-	100
	150	-	-	150	258	-	-	258

6. INCOME FROM INVESTMENTS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Income from William Leech (Investments) Limited	812	-	-	812	791	-	-	791
Investments listed on a recognised stock exchange	35	50	-	85	36	53	-	89
Interest on cash balances	14	2	-	16	43	5	-	48
	861	52	-	913	870	58	-	928

7. OTHER INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Other income	44	88	-	132	89	118	-	207
Gain on disposal of leasehold property	-	-	-	-	-	134	-	134
Gain on disposal of fixtures, fittings and equipment	1	-	-	1	-	-	-	-
Government grants	65	16	-	81	-	-	-	-
	110	104	-	214	89	252	-	341

The government grant income relates to the CJRS furlough scheme claimed from HMRC during the year. This included both staff members and mission partners.

8. OPERATING LEASES AS A LESSOR

The charity receives rental income from leasing certain residential properties to tenants under non-cancellable operating leases and tenancy agreements. Income received under operating leases is included in the SOFA on a straight-line basis over the period of the lease. At the balance sheet date, the charity had contracted with tenants to receive the following future minimum lease payments:

	2021 £'000	2020 £'000
Not later than one year	83	108
Later than one year and not later than five years	41	117
Later than five years	17	17
	141	242

There are no contingent rents recognised as income.

9. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
Cost of generating voluntary income	627	45	-	672	680
Cost of activities for generating funds	31	-	-	31	41
Investment management costs	12	1	17	30	30
	670	46	17	733	751

10. ANALYSIS OF EXPENDITURE

	Direct	Grants	Support Costs	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Raising funds					
Costs of generating voluntary income	390	-	282	672	680
Cost of activities for generating funds	31	-	-	31	41
Investment management costs	30	-	-	30	30
	451	-	282	733	751
Charitable activities					
Mission Partners	3,203	78	638	3,919	3,924
Pioneer Mission Education	588	3	249	840	851
Mission Transformation	418	-	225	643	618
Mission Grants	140	217	84	441	394
Local Partners	118	176	123	417	427
Enabling Mission Network	51	362	69	482	483
	4,518	836	1,388	6,742	6,697
Total Expenditure	4,969	836	1,670	7,475	7,448

11. SUPPORT COSTS BY ACTIVITY

	Finance and ICT	Personnel and Development Total	Facilities and Premises £'000	Governance £'000	Total 2021 £'000	Total 2020 £'000
Costs of generating funds						
Costs of generating voluntary income	220	-	55	7	282	273
Charitable activities						
Mission Partners	387	67	167	17	638	575
Pioneer Mission Education	93	23	133	-	249	251
Mission Transformation	83	28	111	3	225	226
Mission Grants	53	-	28	3	84	78
Local Partners	68	-	55	-	123	120
Enabling Mission Network	39	20	7	3	69	60
Total Support Costs	943	138	556	33	1,670	1,583

The support costs are allocated on the basis of an estimate of staff time spent, by each team, on each of the activities.

Governance costs relate to the audit fee of £33,000 (2020: £33,000) and included in Finance and ICT are non-audit fees of £1,000 (2020: £5,000). All fees are shown gross of VAT.

Depreciation of £255,000 (2020: £249,000) is included in support costs.

12. OBLIGATIONS UNDER OPERATING LEASES

The group's future minimum lease payments on operating leases are as follows:

	2021 £'000	2020 £'000
Within one year	3	6
In two to five years	2	-
After five years	-	-
	5	6

Operating lease charges in the year to 31 January 2021 were £6,000 (2020: £9,000).

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AT 31 JANUARY 2021

13. ANALYSIS OF GRANTS

By category of charitable expenditure	Grants to Institutions	Grants to Individuals	Total grants in year to 31 January 2021	Total grants in year to 31 January 2020
	£'000	£'000	£'000	£'000
Mission Partners	29	49	78	122
Pioneer Mission Education	-	3	3	
Mission Grants	211	6	217	193
Local Partners	176	9	176	167
Enabling Mission Network	362	-	362	390
	769	67	836	872
By geographical area	Grants to Institutions	Grants to Individuals	Total grants in year to 31 January 2021	Total grants in year to 31 January 2020
	£'000	£'000	£'000	£'000
Africa	364	-	364	325
Asia	178	1	179	233
Europe, the Middle East and North Africa	114	21	135	78
Latin America	113	45	158	236
	769	67	836	872
Analysis of Grants to Institutions	Nature of grant		Country	Grants to Institutions
				£'000
Africa				
Buigiri School for the Blind	Mission grants for education and disability programmes		Tanzania	26
Church of Uganda Children's Ministry	Mission grants for community health projects		Uganda	14
Diocese of Toliara	Mission grants for community health projects		Madagascar	23
CMS-Africa	Local Partners		Africa	49
CMS-Africa	Enabling Mission Network		Africa	220
Other Institutions grants under £10k				32
Total				364

13. ANALYSIS OF GRANTS (CONTINUED)

	Nature of grant	Country	Grants to Institutions £'000
Asia			
Asia-CMS	Enabling Mission Network	Asia	141
Asia-CMS	Local Partners	Asia	36
Other Institutions grants under £10k			1
Total			178
Europe, the Middle East and North Africa			
Resurrection Church Beirut	Mission grants for community projects and local partners	Lebanon	69
Other Institutions grants under £10k			45
Total			114
Latin America			
Diocese of Northern Argentina	Mission grants for community projects and local partners	Argentina	14
Diocese of Bolivia	Local Partners	Bolivia	10
Diocese of Peru	Mission grants for community projects and local partners	Peru	13
Intercontinental Church Society	Restricted grant for use of Christ Church Rio	Brazil	23
Other Institutions grants under £10k			53
Total			113
Total Institutional Grants			769

14. STAFF COSTS AND OTHER EMPLOYEE BENEFITS

	2021	2021	2021	2020
Staff costs	UK Staff	Mission Partners	Total	Total
	£'000	£'000	£'000	£'000
Salaries and allowances	2,076	1,533	3,609	3,469
Social security cost	194	25	219	206
Employer's pension contributions (Defined contribution)	442	251	693	659
Employer's pension contributions (Defined benefit)	-	91	91	92
Redundancy and relocation costs	-	-	-	17
	2,712	1,900	4,612	4,443

14. STAFF COSTS AND OTHER EMPLOYEE BENEFITS (CONTINUED)

One employee received emoluments of between £60,000 and £70,000 (2020: no employees).

The total amount of employee benefits received by key management personnel for their services during the year is £385,000 (2020: £362,000). The number of volunteers working for Church Mission Society is 35 (2020: 39). During the year total redundancy payments were £nil (2020: £17,000). The previous year related to the agreed redundancy costs relating to two staff members who left during the prior year.

Employees: The average monthly number of employees in the year is analysed by function below:

UK Staff	2021	2020
	Number	Number
Raising funds	14	12
Charitable activities	55	56
Governance of the charity	1	1
UK Staff	70	69
Mission Partners	108	117
	178	186

15. TRUSTEES' EXPENSES

	2021	2020
	£'000	£'000
Expenses incurred by Trustees and reimbursed by Church Mission Society	1	4
Expenses incurred by Church Mission Society on behalf of the Trustees	-	3
Trustees' indemnity insurance cover cost	4	4

The Trustees receive no remuneration for their services, but are reimbursed expenses in respect of travel and accommodation expenses for attending meetings. In 2021 four Trustees received expenses (2020: four). Charles Clayton (Chair of Trustees of CMS) also serves as a Director of CMS-Africa (Registered in Kenya). For more details of transactions with CMS-Africa, see Note 22. The aggregate value of donations made to Church Mission Society by Trustees who served as trustees during year to the general fund was £4,000 (2020: £5,000) and to restricted funds £16,000 (2020: £12,000).

16. TANGIBLE FIXED ASSETS AND PROPERTY HELD FOR SALE

Part A: Tangible fixed assets

The Group and Charity

	Freehold Property	Long Leasehold Property	Motor Vehicles	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 February 2020	8,864	267	24	1,508	10,663
Additions	-	-	-	44	44
Disposals	-	-	-	(88)	(88)
Transfer to property held for sale	(557)	-	-	-	(557)
At 31 January 2021	8,307	267	24	1,464	10,062
Depreciation:					
At 1 February 2020	1,873	27	24	1,163	3,087
Charge for the year	149	5	-	101	255
Disposals	-	-	-	(89)	(89)
Transfer to property held for sale	(111)	-	-	-	(111)
At 31 January 2021	1,911	32	24	1,175	3,142
Net Book Value:					
At 31 January 2020	6,991	240	-	345	7,576
At 31 January 2021	6,396	235	-	289	6,920

- (a) Capital expenditure authorised and contracted but not yet incurred was £nil (2020: £nil).
- (b) The net book value of long leasehold properties at 31 January 2021 includes two leasehold UK properties (2020: 2).
- (c) The net book value of fixtures, fittings and office equipment comprises:

	2021	2020
	£'000	£'000
Fixtures and fittings	146	170
Office furniture	8	13
Computer hardware/software	133	157
Audio and other equipment	2	5
	289	345

Part B: Property held for sale

Included in Current Asset investments are three properties which the trustees are actively seeking to sell with a net book value of £446,000 within the next 12 months. They have been transferred from Tangible Fixed Assets.

17. INVESTMENTS

The Group and Charity

Analysis of Movement in Investments

	Listed	Unlisted	Social	Held as cash	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Market Value:						
At 1 February	3,696	10,171	10	239	14,116	14,963
Additions to investments	4,435	220	-	-	4,655	411
Proceeds from disposals	(4,383)	-	-	-	(4,383)	(125)
Net movement in cash held by investment manager	-	-	-	(76)	(76)	(58)
Net gain/(loss) on investments	204	1,547	13	-	1,764	(1,075)
At 31 January	3,952	11,938	23	163	16,076	14,116

Unlisted Investments (shown at market value)

	2021	2020
	£'000	£'000
Unrestricted Funds		
Ordinary shares – William Leech (Investments) Ltd	4,347	3,824
	<u>4,347</u>	<u>3,824</u>
Endowment Funds		
Ordinary shares – William Leech (Investments) Ltd	7,591	6,347
	<u>11,938</u>	<u>10,171</u>

Investments – William Leech (Investments) Limited

Grants are received from two charitable trusts administered by the William Leech Foundation Limited (known as the Foundation Trust and the Charity Trust, Note 3).

In accordance with the wishes of the Directors of the William Leech Foundation Limited, 57 per cent of the voluntary income received in 2020–21 has been invested in shares in William Leech (Investments) Limited. The historical cost of the investment and the reinvestment in respect of the year to 31 January 2021 was as follows:

	2021	2020
	£'000	£'000
At historical cost:		
Balance at 1 February	6,774	6,563
Shares purchased at £1 each	220	211
Balance at 31 January	<u>6,994</u>	<u>6,774</u>

The Total Net Assets of William Leech (Investments) Limited at 31 January (unaudited) was £59.7m (2020: £51.4m) comprised of listed securities £53.8m, property £4.7m, other net assets £1.2m. The Charity is one of five charities which each hold 20 per cent of the issued share capital of the company. CMS's share of the net assets is therefore £11.9m (2020: £10.2m). The Charity has a representative on the board of William Leech (Investments) Limited but this does not give the Charity the ability to control or exert significant influence over the company's day-to-day management or financial policies.

17. INVESTMENTS (CONTINUED)

Church Mission Society received legal advice in June 2016 from Winckworth Sherwood that considered whether the shares in William Leech (Investments) Limited should be treated as part of unrestricted funds or endowment funds in the accounts of Church Mission Society. The legal advice received in June 2016 confirmed that the shares purchased after 15 October 1996 should be treated as an addition to capital (endowment funds) and also advised that shares purchased prior to 15 October 1996 could be treated as part of unrestricted funds. The Trustees of Church Mission Society accepted this legal advice in June 2016 and the financial statements continue to be prepared on this basis.

Social Investment (unlisted shown at market value)

	2021 £'000	2020 £'000
Unrestricted Funds		
Ordinary shares – Clean for Good Ltd at historical cost	30	30
Less: Provision	(7)	(20)
	23	10

CMS's current share is 31 per cent of the issued share capital of the company. The Charity has a representative on the board of Clean for Good Ltd.

Custodian funds

The Group also acts as Custodian Trustee of funds belonging to the Diocese of Uruguay:

	2021 £'000	2020 £'000
Value at 31 January	5	5
	5	5

These funds are not part of the Group's net assets and are not included in the Group's financial statements. At the request of the Diocese of Uruguay they are deposited with CCLA who manage the Central Board of Finance of the Church of England Investment Funds.

18. FINANCIAL INSTRUMENTS

The Charity has certain financial assets and financial liabilities of a kind that qualify as basic financial instruments. The Charity has the following financial instruments:

	2021 Group £'000	2020 Group £'000	2021 Charity £'000	2020 Charity £'000
Financial assets measured at fair value, through profit and loss				
Unlisted investments	11,938	10,171	11,938	10,171
Other investments	4,138	3,945	4,138	3,945
Financial assets measured at amortised cost				
Cash at bank and in hand	6,712	6,288	6,068	5,546
Amounts due from subsidiaries	-	-	8	46
Other receivables (excluding prepayments)	672	542	670	535
Financial liabilities measured at amortised cost				
Amounts due to subsidiaries	-	-	(85)	(73)
Other creditors due within one year (excluding tax and deferred income)	(1,221)	(884)	(1,182)	(845)

19. DEBTORS

	2021 Group £'000	2020 Group £'000	2021 Charity £'000	2020 Charity £'000
Trade debtors	104	113	103	112
Taxation recoverable	30	53	29	53
Amounts owed by group entities	-	-	8	46
Prepayments	121	120	121	120
Accrued income	497	327	497	321
Other debtors	41	49	41	49
	793	662	799	701

20. CREDITORS

Amounts falling due within one year

	2021 Group £'000	2020 Group £'000	2021 Charity £'000	2020 Charity £'000
Trade creditors	144	137	140	134
Amounts owed to group entities	-	-	85	73
Accruals for grants payable	292	295	292	295
Other accruals	288	126	280	118
Taxes and social security costs	110	110	92	90
Deferred income	88	127	88	127
Other creditors	497	326	470	298
	1,419	1,121	1,447	1,135

Included in "Other creditors" are pension contributions due to the CMS Defined Benefit Pension Scheme of £328,000 (2020: £171,000), pension and administration expenses due to the CWPf Defined Benefit Pension Scheme of £19,000 (2020: £19,000) and pension contributions due to the CWPf Pension Builder 2014 Defined Benefit Pension Scheme of £8,000 (2020: £8,000). In addition, there are pension contributions to the Group's other defined contributions pension schemes of £65,000 (2020: £56,000). All deferred income as at 31 January 2020 was recognised during the year ended 31 January 2021. Deferred income relates to amounts received in advance of entitlement.

21. REGISTERED HOLDER

The properties and investments of The Church Mission Society Trust are held in trust in the name of Church Missionary Trust Association Ltd.

22. RELATED PARTY TRANSACTIONS

There have been no related party transactions that require disclosure other than transactions with the subsidiary companies, The South American Mission Society and CMS House Enterprises Limited, as set out below:

South American Mission Society (SAMS)

In 2021, SAMS charged the Charity (gift from parent entity) with £497,000 (2020: £504,000). This calculation pertains to the amount of restricted funds received by the Charity (Church Mission Society), but relating to mission partners employed by SAMS. Each year, the Charity transfers a gift to SAMS of restricted funds relating to mission partners who are still employed by its legal entity to reflect the income received by the parent charity.

CMS House Enterprises Ltd

In 2021 the Charity charged CMS House Enterprises Limited management fees totalling £1,000 (2020: £4,000). These are calculated as a percentage of external conference and catering services income.

In 2021 the Charity charged CMS House Enterprises Limited licence fees totalling £200 (2020: £1,000). These are calculated as a percentage of total conference and catering services room hire income.

In 2021 CMS House Enterprises Limited charged the Charity room hire fees totalling £4,000 (2020: £20,000). These fees are based on usage of rooms hired relating to courses run by the Pioneer Mission Education team.

CMS-Africa

Charles Clayton (CMS Chair of Trustees) was appointed Director of CMS-Africa (an independent organisation based in Nairobi, Kenya) in October 2015. During 2020–21 CMS paid CMS-Africa £276,000 (2019–20: £277,000). Included in the amounts paid is £220,000 (2019–20: £223,000) which relates to Mission Support funding, and the remainder is support for the local partner programme plus other grants. Mr Clayton is one of seven Directors.

23. NET ASSETS BY FUND

The Group – 2021	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Fixed assets	6,704	216	-	6,920
Investments	6,067	89	9,920	16,076
Current assets	4,254	3,589	109	7,952
Less: Current liabilities	(1,250)	(169)	-	(1,419)
Less: Defined benefit pension liability	(6,629)	(1,504)	-	(8,133)
Net Assets 2021	9,146	2,221	10,029	21,396
Net Assets 2020	11,193	2,094	8,685	21,972
The Charity – 2021	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Fixed assets	6,704	216	-	6,920
Investments	6,067	89	9,920	16,076
Current assets	4,312	2,892	109	7,313
Less: Current liabilities	(1,307)	(140)	-	(1,447)
Less: Defined benefit pension liability	(6,629)	-	-	(6,629)
Net Assets 2021	9,147	3,057	10,029	22,233
Net Assets 2020	11,193	3,016	8,685	22,894
The Group – 2020	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Fixed assets	7,355	221	-	7,576
Investments	5,453	86	8,577	14,116
Current assets	3,251	3,592	108	6,951
Less: Current liabilities	(956)	(165)	-	(1,121)
Less: Defined benefit pension liability	(3,910)	(1,640)	-	(5,550)
Net Assets 2020	11,193	2,094	8,685	21,972
Net Assets 2019	14,598	1,966	9,122	25,686
The Charity – 2020	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Fixed assets	7,355	221	-	7,576
Investments	5,453	86	8,577	14,116
Current assets	3,296	2,843	108	6,247
Less: Current liabilities	(1,001)	(134)	-	(1,135)
Less: Defined benefit pension liability	(3,910)	-	-	(3,910)
Net Assets 2020	11,193	3,016	8,685	22,894
Net Assets 2019	14,598	2,898	9,122	26,618

NOTES TO THE FINANCIAL STATEMENTS

AT 31 JANUARY 2021

24. FUNDS

Unrestricted Funds: Group							
	At 1 February 2020	Incoming	Outgoing Resources	Net Gain/ (Loss) on Investments	Transfers	Actuarial Loss on Defined Pension Scheme	At 31 January 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General fund	3,524	3,926	(2,813)	101	(1,166)	-	3,572
Tangible Fixed Asset Fund (Designated)	7,354	-	(250)	-	46	-	7,150
William Leech Fund (Designated)	3,825	-	-	523	-	-	4,348
Pension Fund	400	400	(95)	-	-	-	705
Pension reserve	(3,910)	-	(484)	-	1,095	(3,330)	(6,629)
Unrestricted Funds	11,193	4,326	(3,642)	624	(25)	(3,330)	9,146

Unrestricted Funds: Charity							
	At 1 February 2020	Incoming	Outgoing Resources	Net Gain/ (Loss) on Investments	Transfers	Actuarial Loss on Defined Pension Scheme	At 31 January 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General fund	3,524	3,918	(2,804)	101	(1,166)	-	3,573
Tangible Fixed Asset Fund (Designated)	7,354	-	(250)	-	46	-	7,150
William Leech Fund (Designated)	3,825	-	-	523	-	-	4,348
Pension Fund	400	400	(95)	-	-	-	705
Pension reserve	(3,910)	-	(484)	-	1,095	(3,330)	(6,629)
Unrestricted Funds	11,193	4,318	(3,633)	624	(25)	(3,330)	9,147

The Tangible Fixed Asset Fund represents the net book amount invested in tangible fixed assets (including property held for sale) other than those covered by restricted funds. The William Leech Fund reflects the element of the grants received from William Leech Foundation Limited prior to 15 October 1996 which have been reinvested in shares in William Leech (Investments) Limited (see Note 17). The Pension Fund relates to additional funds received from William Leech (Investments) Ltd, which will be utilised to reduce CMS group pension liabilities. The pension reserve relates to the movement in the defined benefit pension scheme (see Note 25).

24. FUNDS (CONTINUED)

Endowment Funds The Group and Charity						
	At 1 February 2020	Incoming	Outgoing Resources	Net Gain/ (Loss) on Investments	Transfers	At 31 January 2021
	£'000	£'000	£'000	£'000	£'000	£'000
William Leech Capital Fund	6,456	225	-	1,023	-	7,704
P Fund	1,150	-	(9)	57	-	1,198
H B Aserappa Fund	588	-	(4)	31	-	615
R H Aserappa Fund	389	-	(3)	20	-	406
Christava Mahilalayam Fund	79	-	(1)	4	-	82
Bell Trust Fund	23	-	-	1	-	24
Total Endowment funds	8,685	225	(17)	1,136	-	10,029

The William Leech Capital Fund reflects the capital element of the grants received from William Leech Foundation Limited after 15 October 1996 which have been reinvested in shares in William Leech (Investments) Limited (see Note 17).

The P Fund is a permanently endowed fund. The capital of the fund was amalgamated from a large number of small trust funds with Charity Commission approval in 1998. The total value of the P Fund is broken down into the following areas, defined by the restrictions placed on the income generated:

China	£159,000
India	£402,000
Medical work	£328,000
Palestine	£44,000
General reserves	<u>£265,000</u>
	<u>£1,198,000</u>

The H B Aserappa Fund is for evangelistic work in East Asia or other parts of the world at the Trustees' discretion. The R H Aserappa Fund is for salaries and disbursements to lay evangelists in Sri Lanka.

The Christava Mahilalayam Fund is held for the benefit of the Christava Mahilalayam School in South India.

The Bell Trust Fund is for the in-service training of Religious Education teachers in Africa.

24. FUNDS (CONTINUED)

Restricted Funds							
The Group and Charity							
	At 1 February 2020	Incoming	Outgoing Resources	Net Gain on Investments	Transfers	Pension Deficit Provision	At 31 January 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mission Personnel Funds	841	1,795	(1,840)	-	113	-	909
South America Funds – Charity	-	93	(85)	-	2	-	10
Latin America Projects	1,043	78	(78)	-	(7)	-	1,036
Africa Projects	187	32	(87)	-	(1)	-	131
Asia Projects	175	24	(14)	-	8	-	193
Europe & Middle East Projects	16	144	(84)	-	(2)	-	74
Multi Region Projects	37	576	(387)	-	(153)	-	73
St Julian's Fund	221	-	(5)	-	-	-	216
Marc Nikkel Fund	9	-	-	-	(5)	-	4
Tanzania Education Fund	108	3	(29)	4	-	-	86
H B Aserappa Income Fund	-	13	(13)	-	-	-	-
R H Aserappa Income Fund	17	8	-	-	-	-	25
Christava Mahilalayam Income	14	2	-	-	-	-	16
Partnership for Missional Church	35	103	(96)	-	-	-	42
Mid-Africa Fund	112	79	(142)	-	-	-	49
Strategic Mission Fund	52	-	-	-	(5)	-	47
Local Partner Fund	12	79	(191)	-	100	-	-
Other restricted funds	137	182	(148)	-	(25)	-	146
Total restricted funds – Charity	3,016	3,211	(3,199)	4	25	-	3,057
South America Funds – Group	718	759	(595)	-	(214)	-	668
South America Funds – Pension reserve (see Note 25C)	(1,640)	-	(22)	-	214	(56)	(1,504)
South America Total	(922)	759	(617)	-	-	(56)	(836)
Total restricted funds – Group	2,094	3,970	(3,816)	4	25	(56)	2,221

24. FUNDS (CONTINUED)

Mission Personnel Funds are held as individual restricted funds for the support of CMS mission partners.

The South America Funds – Charity funds include reserves held by Church Mission Society which are used to support work in South America.

The regional project funds represent various small projects where the beneficiaries of the grants are based in a specific region or cover multiple regions. Donations and other income are received with a restriction to support these projects.

The St Julian's Fund represents the property held by CMS for the former residents of the St Julian's Community. This fund is restricted for the time that the properties are required by the residents, after which time the properties will revert to the general fund.

The Marc Nikkel Fund is for scholarships for Sudanese students.

The Tanzania Education Fund is for the Buigiri School for the Blind, Diocese of Tanganyika, Tanzania.

The accumulated income from the H B Aserappa Fund, the R H Aserappa Fund, the Christava Mahilalayam Fund is held for the same beneficial objects as for their corresponding endowments.

Partnership for Missional Church relates to a partnership to deliver training for dioceses in the UK.

The Mid-Africa Fund is held by CMS for work in the Mid-Africa region.

The Strategic Mission Fund was set up following a restricted donation from a major donor for new strategic work to be carried out.

The Local Partner Fund is to support a new generation of gifted and dedicated leaders who are passionate about serving their church in some of the world's financially poorest nations.

Other restricted funds represent a wide variety of small restricted funds, held and separately accounted for, for some of the current projects that CMS is involved in. Some fund transfers in the year relate to transfers from unrestricted funds to finance deficits on restricted funds, in particular mission personnel restricted funds. Other transfers relate to the movement from programme funds to help support individual mission partners and projects.

The South America Funds – Group funds include reserves held by The South American Mission Society which are used to support mission partners in Latin America.

25. RETIREMENT BENEFITS

The Charity (CMS) and one of its subsidiaries (South American Mission Society) have members in the following defined benefit pension schemes:

- A. CMS Pension Scheme (a defined benefit scheme)
- B. Church of England Funded Pensions Scheme (a multi-employer defined benefit pension scheme)
- C. Church Workers Pension Fund (CWPF) Defined Benefit section (a multi-employer defined benefit pension scheme)
- D. Church Workers Pension Fund (CWPF) – Pension Builder Scheme section (a multi-employer defined benefit pension scheme).

The net defined benefit pension liability shown in the Group and Charity Balance Sheets comprises:

	2021 Group £'000	2020 Group £'000	2021 Charity £'000	2020 Charity £'000
CMS Pension Scheme (see Note 25A below)	(6,629)	(3,910)	(6,629)	(3,910)
Multi-Employer Defined Benefit Pension Scheme – CWPF Defined Benefit section – Pension Scheme Deficit Reduction Provision (see Note 25C)	(1,504)	(1,640)	-	-
	(8,133)	(5,550)	(6,629)	(3,910)

For certain other employees and mission partners the Charity contributes to personal money purchase pension schemes (defined contribution schemes), as explained in Note 25E below.

A. Defined Benefit Schemes – CMS Pension Scheme (Group and Charity)

The Charity contributes to the CMS Pension Scheme, a defined benefit pension scheme, to secure present and future pensions for certain current and former mission partners and staff. CMS Ireland, an independent charity, also funds pensions for its current and former mission partners and staff, but these amount to only some 3 per cent of the scheme's total liabilities.

Nature of the Scheme

The Church Mission Society Pension Scheme operated by the Society is a funded defined benefit arrangement which provides retirement benefits based on final pensionable salary. The Scheme closed to the future accrual of benefits with effect from 30 June 2011. Accrued benefits of active members continue to be linked to pensionable salaries.

The Scheme is a UK registered scheme in accordance with Section 153 of the Finance Act 2004. The Scheme must comply with UK pensions legislation and is regulated by the UK Pensions Regulator. The Scheme is governed by a corporate Trustee, CMS Pension Trust Limited, which has six directors including two member-nominated directors, elected by the membership, and two independent directors, appointed by CMS. The remaining two directors are also appointed by CMS but represent the employer's interests. The Trustee is responsible for the administration of the Scheme and for the Scheme's investment policy. The Trustee, with the advice of the Scheme Actuary and with the agreement of the Employers, determines the contributions that are paid to the Scheme.

The calculations for the FRS 102 disclosures have been carried out by running full actuarial calculations as at 31 January 2021.

25. RETIREMENT BENEFITS (CONTINUED)

Funding Policy

Following the cessation of accrual of benefits with effect from 30 June 2011, regular contributions to the Scheme are no longer required. However, additional contributions are still made to cover any shortfalls that arise following each valuation. The funding method employed to calculate the value of previously accrued benefits is the Attained Age Method.

The financial statements have used the actuarial valuation of the Scheme at 31 March 2019. This indicated that the Scheme had a deficit. The Society and the Trustee of the Scheme have put in place a Schedule of Contributions and a Recovery Plan which detail the contributions that will be made to fund this deficit. These contributions are:

- core deficit contributions of £42,500 per month from 1 April 2020, increasing by 2 per cent on each subsequent April and continuing to 30 June 2035.
- an additional amount dependent upon the amount of unrestricted legacy income in any year. If unrestricted legacy income in any year (1 February to 31 January) exceeds £1,032,000, 50 per cent of the excess will be paid to the Scheme.
- an additional amount dependent upon the amount of unrestricted windfall income received from William Leech (Investments) Ltd (WLI). Church Mission Society will pay to the Scheme 50 per cent of any windfall income received.
- if any of the six properties, which are owned by Church Mission Society but do not form part of the contingent asset arrangement, are sold, with the consent of the Trustee required for the sale to be made, an additional contribution equal to 50 per cent of the net proceeds of the sale would be paid to the Scheme.
- additional contributions of £19,300 per month from 1 April 2020 in respect of the Scheme's administration expenses.

By Church Mission Society Ireland:

- core deficit contributions of £1,650 per month from 1 April 2020, increasing by 2 per cent on each subsequent April and continuing to 30 June 2035.
- an additional amount dependent upon the amount of unrestricted legacy income in any year. If unrestricted legacy income in any year (1 November to 31 October) exceeds €160,000, 15 per cent of the excess will be paid to the Scheme, subject to a maximum additional contribution of €5,000 in any one year.
- additional contributions of €700 per month from 1 April 2020 in respect of the Scheme's administration expenses.

The Charity contributed £1,095,000 to the Scheme in respect of the year to 31 January 2021 (2020: £859,000).

The legal structure of the Scheme is such that if the other employer fails, the Society could become responsible for paying a share of that employer's pension liabilities.

25. RETIREMENT BENEFITS (CONTINUED)

Scheme Amendments

There have been no amendments to the Scheme during the year and no special events have occurred.

	2021	2020
	£'000	£'000
Amounts recognised in the balance sheet		
Fair value of scheme assets	82,649	79,266
Present value of funded obligations	(89,278)	(83,176)
Net defined benefit (liability) recognised in the balance sheet	(6,629)	(3,910)
	2021	2020
	£'000	£'000
Amounts charged to the Statement of Financial Activities		
Interest on scheme assets	1,333	1,834
Interest cost on obligation	(1,394)	(1,852)
Net interest on net defined benefit asset or liability	(61)	(18)
Past service costs	(9)	-
Pension scheme administration expenses	(414)	(284)
Included in net income/(expenditure)	(484)	(302)
Return on scheme assets (not included in interest)	3,742	7,762
Experience (loss)/gain on liabilities	-	375
Actuarial (loss)/gain on scheme obligation	(7,072)	(11,619)
Recognised in "Actuarial (losses)/gains on defined benefit pension scheme"	(3,330)	(3,482)
Total amounts recognised in the SOFA	(3,330)	(3,784)
There are no current service costs of the Scheme included within the SOFA (2020: £nil).		
	2021	2020
	£'000	£'000
Changes in fair value of scheme assets		
Scheme assets at the beginning of the year	79,266	71,368
Interest on assets	1,333	1,834
Return on scheme assets (not included in interest)	3,742	7,762
Contributions by CMS	1,095	859
Contributions by CMS Ireland	24	17
Administration expenses	(414)	(284)
Benefits paid	(2,397)	(2,290)
Scheme assets at the end of the year	82,649	79,266
Actual return on scheme assets	5,075	9,596

25. RETIREMENT BENEFITS (CONTINUED)

Scheme Assets

The major categories of Scheme assets as a percentage of the total Scheme assets are as follows:

	2021	2020
	%	%
Diversified growth funds	51	50
Bonds	13	13
Cash and NCA	12	11
Liability driven investments	24	26
	2021	2020
	£'000	£'000
Changes in present value of the Scheme's defined benefit obligation		
Obligation at the beginning of the year	83,176	72,353
Interest cost on obligation	1,394	1,852
Actuarial loss/(gain)	7,072	11,619
Past service cost	9	-
Experience gain on liabilities	-	(375)
Contributions by scheme participants	24	17
Benefits paid	(2,397)	(2,290)
Defined benefit obligation at the end of the year	89,278	83,176

The weighted average duration of the liabilities of the Scheme was 17 years as at 31 January 2021 and 17 years at 31 January 2020.

Principal Actuarial Assumptions at the balance sheet date used for the FRS 102 disclosures

The principal assumptions used by the actuary to calculate the Employee benefit obligation for Church Mission Society in respect for the CMS Pension Scheme were as follows:

	2021	2020
	%pa	%pa
Discount Rate at end of year	1.40	1.70
Discount Rate at start of year	1.70	2.60
Inflation – CPI	2.15	1.90
Inflation – RPI	2.95	2.90
Rate of increase in pensionable salaries	2.15	1.90
Rate of increase in pensions in respect of service:		
- pre 10 January 1994	3.45	3.45
- between 10 January 1994 and 5 April 2005	2.85	2.80
- after 5 April 2005	2.15	2.10
Rate of increase in deferred pensions in respect of service:		
- before 1 April 1994	5.00	5.00
- between 1 April 1994 and 5 April 2009	2.15	1.90
- after 5 April 2009	2.15	1.90

25. RETIREMENT BENEFITS (CONTINUED)

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 87 if they are male and on average until age 91 if female. For a member currently aged 55 the assumptions are that if they attain an age of 65 they will live on average until age 88 if they are male and on average until 91 if female.

B. Defined Benefit Schemes – Church of England Funded Pensions Scheme (Group and Charity)

In addition to the CMS Pension scheme the Group has 17 active members of the Church of England Funded Pension Scheme (also known as the Clergy Scheme), which has approximately 8,000 active members. Contributions for these members of the Scheme are paid for by the Archbishops' Council on behalf of the Group, so the expense recognised in the SOFA is £nil (2020: £nil). Employer's contributions to this scheme amounting to some £220,000 are funded by the Archbishops' Council in accordance with the Pensions Measure 1997, under a grant which the national church undertook to make to meet the pension costs of clergy employed by qualifying mission agencies belonging then to the Partnership in World Mission.

C. Multi-Employer Defined Benefit Pension Scheme – Church Workers Pension Fund Defined Benefit section (Group)

The Group through South American Mission Society participates in the Defined Benefit Scheme section of Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The CWPF has a section known as the Defined Benefit Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefit Scheme (DBS) section of the CWPF provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. It does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the Scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such 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 (2021: £56,000, 2020: £67,000), plus any impact of deficit contributions (see below) giving a total charge in the year ended 31 January 2021 of £94,000 (2020: net charge of £121,000).

25. RETIREMENT BENEFITS (CONTINUED)

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, and the most recent scheme valuation completed was as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11m.

Following the valuation, the Employer has entered into an agreement with the CWPf to pay expenses of £17,500 per year.

From 1 April 2021 a new annual deficit payment of £182,533 has been agreed and is payable until 31 March 2028 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

In accordance with Section 28.11A of FRS 102 the agreed deficit recovery payments are recognised as a liability. The movement in the provision is set out below:

	2021	2020
	£'000	£'000
Pension scheme deficit reduction provision		
Balance sheet liability at 1 February	1,640	1,750
Deficit contribution paid	(214)	(214)
Interest cost (recognised in SOFA)	22	37
Remaining change to the balance sheet liability (recognised in SOFA), comprising the change in agreed deficit recovery plan and the change in discount rate between year-ends	56	67
Balance sheet liability at 31 January	1,504	1,640

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following discount rates, set by reference to the duration of the deficit recovery payments.

	2021	2020
	%pa	%pa
Discount Rate at end of year	0.50	1.40
Discount Rate at start of year	1.40	2.30

The legal structure of the Scheme is such that if another employer fails, the Society could become responsible for paying a share of that employer's pension liabilities.

The next valuation of the Scheme will be carried out as at 31 December 2022.

25. RETIREMENT BENEFITS (CONTINUED)

D. Multi-Employer Defined Benefit Scheme – Church Workers Pension Fund – Pension Builder Scheme section (Group)

The Group through South American Mission Society also participates in the Pension Builder Scheme section of Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The CWPF has a section known as the Defined Benefit Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Pension Builder Scheme is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and accordingly contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year ended 31 January 2021 are contributions payable of £95,000 (2020: £96,000).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2019. For the Pension Builder Classic section, the valuation revealed a deficit of £4.7m on the assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time. For the Pension Builder 2014 section, the valuation as at 31 December 2019 revealed a surplus of £5.5m on a technical provisions basis. The legal structure of the scheme is such that if another employer fails, SAMS could become responsible for paying a share of that employer's pension liabilities.

During the 2017–18 year, following consultation with our scheme members it was decided to transfer all members from the Pension Builder Classic section to the Pension Builder 2014.

The next valuation of the Pension Builder Classic and 2014 schemes will be carried out as at 31 December 2022.

E. Defined Contribution Schemes (Group and Charity)

The Charity contributes to personal money purchase pension schemes (defined contribution schemes) for certain employees and mission partners.

	2021 £'000	2020 £'000
Staff and Mission Partners	693	659
	693	659

26. SECURED ASSETS

CMS House, the Mission and Community House in Oxford and two other residential properties have been pledged as security to the CMS Defined Benefit Pension Scheme. These properties are being used as security to guarantee the Charity's funding shortfall to the CMS Defined Benefit Pension Scheme.

27. SUBSIDIARY UNDERTAKINGS

Charity

As outlined in Note 1, The Church Mission Society Trust became a subsidiary of CMS under a scheme agreed with the Charity Commission in 2010. CMS is a corporate trustee of The Church Mission Society Trust. As part of the scheme, a uniting direction was put in place for The Church Mission Society Trust to be part of CMS for accounting and legal purposes. Therefore the disclosures in these financial statements for "the Charity" include CMS and The Church Mission Society Trust.

Principal Subsidiaries at 31 January 2021

a) The South American Mission Society

Name	Principal Activities	Ownership
The South American Mission Society (RCN: 221328 and Co. No.:00065048)	To be a community of people in mission obeying the call of God, to proclaim the gospel in all places with particular emphasis on Latin America and to draw all people into fellowship with the Lord Jesus Christ.	100%

b) CMS House Enterprises Ltd

Name	Principal Activities	Ownership
CMS House Enterprises Ltd (Co. No.: 09376700)	Income from room hire of CMS House and book sales.	100% – £1 share capital

27. SUBSIDIARY UNDERTAKINGS (CONTINUED)

Summary of results for the 12 months to 31 January

	The Charity	The South American Mission Society	CMS House Enterprises Ltd	Consolidation adjustments	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Total incoming resources	8,251	759	8	(497)	8,521	8,358
Total resources expended	(7,346)	(617)	(9)	497	(7,475)	(7,448)
Gain/(losses) on investments	1,764	-	-	-	1,764	(1,075)
Actuarial gains/(losses) on defined benefit scheme	-	(56)	-	-	(56)	(67)
Other gains/(losses) on pension scheme deficit reduction provision	(3,330)	-	-	-	(3,330)	(3,482)
Net movement in funds	(661)	86	(1)	-	(576)	(3,714)

	The Charity	The South American Mission Society	CMS House Enterprises Ltd	Consolidation adjustments	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Total fixed assets	22,996	-	-	-	22,996	21,692
Current assets	7,313	722	11	(94)	7,952	6,951
Current liabilities	(1,447)	(54)	(12)	94	(1,419)	(1,121)
Defined benefit pension scheme asset/(liability)	(6,629)	(1,504)	-	-	(8,133)	(5,550)
Net assets/(liabilities)	22,233	(836)	(1)	-	21,396	21,972

Consolidation adjustments

The SAMS adjustment in the funds movement relates to transfer of restricted funds relating to mission partners where the income is received by CMS (parent charity) (see Note 22) and the costs are paid out of SAMS (subsidiary charity) which is the legal employer. CMS bears all other SAMS overheads without charge, apart from the SAMS governance cost.

The registered office of The Church Mission Society Trust, The South American Mission Society and CMS House Enterprises Ltd is CMS House, Watlington Road, Oxford, Oxfordshire, OX4 6BZ.

27. SUBSIDIARY UNDERTAKINGS (CONTINUED)

Other subsidiaries at 31 January 2021

In addition to the above principal subsidiaries, the following entities are also part of the CMS group but are not consolidated due to materiality.

Name	Percentage Holding	Registered Office
Church Missionary Trust Association Ltd	100	CMS House, Watlington Road, Oxford, Oxfordshire, OX4 6BZ
CMS Pension Trust Ltd	100	CMS House, Watlington Road, Oxford, Oxfordshire, OX4 6BZ
World Mission Association Ltd	50	5 Trinity Street, London, SE1 1DB

28. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations and financial position. Accounting policies are shown in Note 2 to the financial statements.

Pension liabilities – CMS Pension Scheme

CMS has recognised its liability to its defined benefit pension scheme which involves a number of estimations, as disclosed in Note 25.

Cost allocation

Costs not attributable to a single activity are allocated or apportioned to activities on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised relate to the proportion of time spent by staff across different activities and judgement is exercised in applying cost drivers to cost categories.

Pension liabilities – multi-employer defined benefit pension schemes

FRS 102 makes the distinction between a group and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the CWPF. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the SOFA in accordance with Section 28 of FRS 102. The Trustees are satisfied that the CWPF meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements. As explained in Note 25, there is a deficit reduction plan in relation to SAMS's membership of the Defined Benefit section of the CWPF.

29. CHANGE IN MOVEMENT IN NET FUNDS

	At 1 February 2020	Cash flow	At 31 January 2021
	£'000	£'000	£'000
Cash at bank and in hand	6,288	424	6,712
Cash held with investment manager	239	(76)	163
Net Cash	6,527	348	6,875

Cash held with investment manager is included within Investments (see Note 17).

REFERENCE DETAILS OF THE CHARITY AND ADVISERS

Principal Address

Church Mission Society
Watlington Road
Cowley
Oxford OX4 6BZ

Principal Professional Advisers

Bankers

Barclays Bank PLC
Oxford Team
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OX2 0JB

Auditors

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Reading
Berkshire
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Principal Solicitors

Anthony Collins
Solicitors LLP
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Investment Managers

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Church Mission Society is a mission community acknowledged by the Church of England Registered Company No. 6985330 and Registered Charity No. 1131655 (England and Wales) and SC047163 (Scotland) Also part of CMS: The South American Mission Society. Registered Company No. 65048 and Registered Charity No 221328 (England and Wales), The Church Mission Society Trust. Registered charity number 1131655-1 (previously 220297), Registered and principal offices of all above entities: Watlington Road, Oxford, OX4 6BZ.