

Charity Registration No. 1155158

Company Registration No. 08776679 (England and Wales)

CHURCH OF ENGLAND CENTRAL SERVICES

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

(A COMPANY LIMITED BY GUARANTEE)

Church of England Central Services

Reference and administrative information

Trustees	John Spence (Chair) (to 30 September 2023) Clive Mather (Chair) (from 1 October 2023) Carl Hughes (from 1 October 2023) Elizabeth Renshaw (to 31 December 2023) Samantha Rushton Alan Nigel Smith Maggie Rodger
Charity Number	1155158
Company Number	08776679
Principal Address & Registered Office	Church House Great Smith Street London SW1P 3AZ
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	Lloyds Bank plc 1 Legg Street Essex CM1 1JS

Church of England Central Services

Trustees' report (incorporating a strategic report)

The trustees present their trustees' report (which is a directors' report and strategic report for company law purposes) together with the Independent Auditor's report, for the year ended 31 December 2023.

The Charity

Church of England Central Services (ChECS) is a company limited by guarantee, incorporated on 15 November 2013 and registered with the Charity Commission on 31 December 2013. The Charity's governing document is its Memorandum and Articles of Association.

The Charity is a jointly controlled entity between the Archbishops' Council (AC), the Church Commissioners for England (CC), and the Church of England Pensions Board (PB) each of which is a member and guarantor. It is one of seven National Church Institutions (NCIs) and started operating shared services on behalf of the NCIs on 1 April 2014.

Governance and structure

The three members of the jointly controlled entity each have the right to appoint two trustees. The trustees (who are also the company directors) who held office during the year were:

- AC: John Spence (Chair of Archbishops' Council Finance Committee, to 30 September 2023)
- AC: Samantha Rushton
- AC: Carl Hughes (Chair of Archbishops' Council Finance Committee from 1 October 2023)
- CC: Alan Smith (First Church Estates Commissioner)
- CC: Elizabeth Renshaw (to 31 December 2023)
- PB: Clive Mather (Chair of the Pensions Board)
- PB: Maggie Rodger

The trustees meet regularly with the chief executives in a joint NCIs forum called the Joint Employment and Common Services Board (JECSB), and on the same day the directors also meet together as a ChECS Board to consider the business of ChECS.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to a sum not exceeding £10 per member of the Charity.

Recruitment and appointment of trustees

The trustees all hold positions in the other NCIs, either as trustees or committee members. Their appointment and training is dependent on the processes in the member NCI. Each member NCI has the power to appoint two trustees to the Board.

Church of England Central Services Trading Limited

The Charity has a wholly owned trading subsidiary company, Church of England Central Services Trading Limited (ChECS Trading), which carries out activities that are deemed, for tax purposes, to be trading activities. The company was incorporated on 14 March 2014 and donates any taxable profits to the Archbishops' Council, under a deed of covenant.

Staff Remuneration and Executive Pay

The staff working for ChECS are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value which is based on a comprehensive job evaluation scheme, with staff being placed in one of eight 'bands'. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to regular review.

Church of England Central Services

Trustees' Report (incorporating a Strategic Report) (continued)

Staff Remuneration and Executive Pay (continued)

The NCIs use a range of appropriate external data tools and internal dedicated resources to advise on market rates. Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January each year. The NCIs are committed to being a Living Wage employer, and, for those roles based in London, a London Living Wage employer for all staff including apprenticeships, interns and those on training schemes.

Certain senior roles sit outside the banding system, as the skill set required to fulfil the role is not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider employment market, typically comparing to the charity and public sector, and overseen by the Remuneration Committee comprising senior trustees from each of the main NCIs. In general these staff can expect the same percentage annual uplift for cost of living as other staff.

The "key management personnel" for ChECS are the three chief executives of the other NCIs (as well as the six trustees, who are appointed by the other NCIs), therefore none are paid by ChECS.

Pensions

All staff members are eligible to join the Church Administrators Pension Fund – those whose employment commenced before July 2006 accrue pension on a defined benefit basis, and those employed subsequently are part of the defined contribution section with employer contribution rates ranging from 8% to 18% depending on the age of the employee and any personal contribution that they make.

STRATEGIC REPORT

PUBLIC BENEFIT

In exercising their responsibilities, the trustees have had regard to the Charity Commission's published advice on public benefit, in accordance with the requirements of s17(5) of the Charities Act 2011. ChECS' activities provide public benefit by reducing the support costs of the NCIs, dioceses and other charities with a Church ethos which allows them to better provide their charitable services.

ACTIVITIES AND BUSINESS REVIEW

Activities

The Charity's objects are to enhance the efficiency and effectiveness of the NCIs, dioceses and other charities with a Church ethos by providing cost-effective shared financial, legal and other support services including payroll, and to promote the charitable purposes of the NCIs.

The day-to-day management of the Charity's departments has been delegated to the three chief executives of the NCIs. Management is shared across the NCIs as follows:

Archbishops' Council managed

- Communications & Digital
- Legal

Church Commissioners managed

- Technology
- Office Services
- Data Services
- Finance & Project Management
- Human Resources
- Giving & Stewardship
- Internal audit and Risk Management

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Trustees' Report (incorporating a Strategic Report) (continued)

The NCIs are managed respectively by:

- William Nye (AC – Secretary General)
- Gareth Mostyn (CC – Secretary and Chief Executive)
- John Ball (PB – Chief Executive)

The costs of operating these functions are recovered from those receiving the services according to their proportionate usage of the shared services. The ChECS senior leadership team has met regularly during 2023 and reports quarterly progress to the ChECS Board.

Business Review

In 2023 ChECS continued to provide a range of products, services and advice to the NCIs and the wider Church. A significant proportion of the activities carried out are 'core services' which enable the NCIs to continue to operate effectively, ensuring the operational processes are in place with appropriate controls and support. ChECS also enables strategic change and drives continuous improvement activities, both in terms of improving its own operations but also supporting the NCIs to deliver their strategic objectives.

During 2023 ChECS completed its first year of its approved triennium funding to support the NCIs in delivering an ambitious programme of change, aligned to the Church of England Vision & Strategy for the 2020s, including the key priorities of Net Zero, Safeguarding and other key initiatives on transformation, development of improved processes and services and supporting significant church estate modernisation. Allied to this, and throughout the year ChECS teams have continued to work closely with dioceses, cathedrals and other parts of the wider Church to ensure a good understanding of future needs, and the effect on the Church of the current on-going geopolitical instability and challenging economic conditions.

Following the completion of extensive prior year refurbishments to modernise and 'right size' our offices in Church House Westminster, and to enable the space for the new post-pandemic world of hybrid working, Church House was occupied for permanent use in December 2023, prior occupation had been temporary during modifications. This has enabled the NCIs to occupy a smaller overall footprint that is designed in a more suitable way to support our new and more flexible ways of working. Office services and Technology staff have played a key role in ensuring that all teams were able to continue to operate effectively and safely during the refurbishment, and in helping to evaluate the needs and design for the future.

A number of key and instrumental changes have also been delivered with some prioritised for further development to help deliver an organisation that is modern, 'fit for purpose' and more resilient for the future. The second phase of the Oracle People management system has been completed for Payroll, going live in March 2023 including enhanced data collection, new data reporting processes and automated linkages to our Pathways recruitment system to aid efficiency and improve customer experience. We also completed a pan-NCI audit needs analysis to ensure a comprehensive internal audit plan was developed for each NCI, including rolling out the new Rhiza risk management software to ensure that an effective, and well managed risk and controls system for process and control review was effectively embedded for the future.

2023 has also been pivotal in more comprehensively developing the Finance Transformation Programme which has gathered pace to enable further extensive benefits to be delivered as our existing finance system approaches the need for replacement. This work will continue working in close partnership with our wider Governance Programme to help redefine the future shape and design of ChECS and other NCIs. These Programmes will remain a key focus for a wider transformation of the church, Mission and Ministry into the 21st Century.

Ongoing HR support has continued to help our teams to adapt our working practices and to operate effectively into a new way of working that encompasses Homeworking for some, and a hybrid working arrangement for others. New guidance has been completed to support these developments which reflects new ways of working in a post pandemic world, whilst also delivering policies to protect and support

Church of England Central Services

Trustees' Report (incorporating a Strategic Report) (continued)

staff from harassment and bullying as well as a roll out of the confident manager training programme to support and develop our staff. HR are also developing a revised Pay and Reward framework and offer, in the context of the cost of living crisis, a challenging recruitment market and rising inflationary pressure, leading to the development of a reward plan that is now being refined.

The HR team has continued to support leaders, managers and staff across the NCIs across all aspects of recruitment, reward, development, engagement and performance, alongside new work to refresh our NCI Values and deliver our second Belonging and Inclusion Plan. The HR team also supported bishops' staff and continued to develop our HR External Service and HR Network for dioceses and cathedrals. We undertook significant senior recruitment and an external review of our end to end recruitment process to ensure best practice. We are especially proud in 2023 to have made progress on our learning, leadership and apprenticeship offers to our staff, building on previous years' intensive work on inclusion and wellbeing, where we recently won an award for our extensive support during Covid.

A range of high impact initiatives, activities and pilots have been undertaken through the 'Simpler services for dioceses and worshipping communities' workstream of Transforming Effectiveness, including the successful roll out of contactless giving across 15 Dioceses, with over 900 units already distributed, over £10m has been received through digital giving accounts that have been set up on Parish Buying. 50% of parishes now have a digital giving capability, this is a significant achievement as communities move towards a more cashless environment and the church embraces new technology. The PGS has continued with its strong growth in 2023, processing £80m of gifts to parishes in 2023, In addition ChECS has supported and completed all required Technology improvements within Church House, Bishopthorpe and Lambeth as progress is made to modernise, protect, and refurbish our valuable estate.

The Digital Communications team continued to provide a widespread range of services and media support with particular attention being given over King Charles III's Coronation in May 2023, and ensuring that this historic occasion would be a memorable celebration for all. The campaign was developed with the Daily Prayers for the Coronation of King Charles III, Building on the idea of 'Celebrating Community, Faith and Service' a 'crown' symbol was designed to convey a sense of community / people celebrating together. This was included on all of the resources, the Church of England logo, and official Coronation logo also appeared. An award-winning range of innovative tools and digital services has also been delivered including pre-recorded national online worship services, and training for parishes and dioceses to help those churches in need of support and advice on the practicalities of online worship, social media, and digital strategy as well as developing and delivering seasonal campaigns for Lent and Christmas digital services.

ChECS teams have continued to support a range of other major projects including Net Zero feasibility and the related proposals for fundraising, Delivering efficiencies and economies to enable more resources to be made available for Mission and Ministry, and safeguarding our valuable resources through improved Cybersecurity awareness, protection and mandated training for all staff with support from our Technology team and banking partners.

FINANCIAL PERFORMANCE

The Charity's results are set out in the Consolidated Statement of Financial Activities (page 15), the Balance Sheets (page 16) and the Consolidated Cash Flow Statement (page 17).

Funds

As all the Charity's resources are spent in pursuit of its primary charitable objects, ChECS' resources are categorised under Unrestricted Funds.

Reserves

ChECS does not hold reserves as all of its expenditure is recoverable from those receiving its services in the period in which the service was provided. As such, there is no need for reserves to be held.

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Trustees' Report (incorporating a Strategic Report) (continued)

Measures of performance

As a provider of shared services to the NCIs and wider church, the main performance indicators for ChECS are an increased use of shared services plus the ability of the charity to recoup its costs. Both objectives were satisfactorily met during 2023.

Funding sources

The majority of the Charity's income is received from the three main National Church Institutions in the form of recharged expenditure. A small proportion of its income comes from other bodies to which it provides services (such as IT services and payroll). The Charity prepares annual budgets and regular re-forecasts, and in addition, in formulating its strategy for future development, considers a longer-term period beyond that for which formal budgets and forecasts are prepared.

The trustees have assessed the key risks and uncertainties which impact upon immediate liquidity and longer-term solvency. The trustees have specifically considered the effect of the geo-political turbulence, the energy and cost of living crises and the post pandemic context on the charity's primary income streams and have reviewed the material cash flows, and the availability of mitigating actions which could be taken to reduce expenditure. The trustees have assessed the continued demand for the Charity's services from the three main NCIs, which depend upon the Charity to provide key support services to enable them to deliver their charitable activities. They have considered the relative financial strength of the three main NCIs, including cash reserves and the availability of liquid resources, and consider that planned expenditure remains recoverable from them. The trustees have also considered how activities could be reprioritised if mitigating action becomes necessary to reduce expenditure.

Having due regard to the above, the trustees have a reasonable expectation that ChECS has adequate resources and cash flows to meet spending commitments for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Plans for future periods

The Charity's plans for 2024 are described below. The aims of the Charity are to continue to provide, and to expand, cost-effective shared-services in the form of products, services and advice to the National Church Institutions and both directly and indirectly to dioceses, parishes and the wider Church. Future objectives for ChECS include:

- To support the delivery of commitments made in the Business Plans of each of the NCIs, notably this includes:
 - supporting a range of objectives aligned to enabling the Church of England Vision & Strategy for the 2020s, including supporting new triennium funding streams and development of digital resources
 - continuing to support the work undertaken through the Safeguarding programme to improve Safeguarding arrangements in the Church of England, with key projects including Independence, Redress and Casework Management
 - supporting the Church of England Pensions Board in developing its Housing service to meet the needs of retiring clergy within a complex financial and regulatory context
 - supporting the expansion of the work of the National Society, particularly in relation to the NPQ Developing Leaders programme and the Archbishops' Young Leaders Award
- To provide stronger financial management and a robust control environment; and to improve the quality of financial analysis and insight to support decision-making; this objective includes the delivery of new Finance and Grant Management systems for the NCIs
- To facilitate effective people leadership and staff engagement, leading to high performance levels, whilst embedding NCI values and behaviours, promoting belonging and inclusion, and enabling effective ways of working; thereby providing "cultural glue" across the NCI and wider Church.
- To deliver stronger and more joined up Data, Technology and Digital services, with a particular focus on cyber security and data protection, and the delivery of a range of key technology projects to enhance security and reliability of transactional processing.

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Trustees' Report (incorporating a Strategic Report) (continued)

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- To improve and join up customer support across a range of key services.
 - To plan and implement the recommendations of the Governance Review Group Report which focuses on the governance of the National church bodies
 - To deliver key areas of Transforming Effectiveness and to develop opportunities for more effective services to the wider Church (including through Parish Buying)
 - To equip dioceses and parishes with the tools and knowledge to create the best environment for encouraging giving and generosity in their churches
 - To improve the NCIs' maturity in Project Management and the effectiveness of strategy execution

ChECS Trading

ChECS Trading's objective remains to provide (and grow the use of) procurement and recruitment activities on behalf of the Church of England. Whilst turbulence in the energy market created complexity and uncertainty in the year, the Parish Buying (energy basket) continued to provide value to Church customers. In addition, Pathways recruitment activity saw positive growth towards pre-pandemic levels. The activities of the Company remain of significant strategic importance to ChECS – the long term business model for Parish Buying is being further developed to support the expansion of services, but is considered to be sustainable.

FUNDRAISING

ChECS does not undertake any fundraising from the general public, and neither does it employ any person on its behalf to do so. Grants may be awarded occasionally from the other NCIs in order to further the effectiveness of ChECS' shared activities.

Neither ChECS nor any person acting on its behalf was subject to an undertaking to be bound by any voluntary standard of fundraising, and no complaints have been received by ChECS or a person acting on its behalf in respect of its activities.

PRINCIPAL RISKS AND UNCERTAINTIES

2023 has provided a separate set of challenges in addition to the ongoing Ukrainian conflict and the cost of living crisis. The emergence of conflicts in Israel, Gaza, and the ongoing tensions in Europe and the Middle East. All of these continue to play a part in creating worldwide uncertainty, including within the UK. These instabilities have been compounded by the continued political and economic volatility in the UK and the continuation of high levels of stubborn inflation that appear likely to remain for at least the medium term. Cyber security concerns have also increased over the course of the year with ChECS placing considerable effort into training and education together with system controls to minimise the potential for harm or loss.

The ChECS risk management process supports management by facilitating the identification and assessment of significant risks to the achievement of objectives. The support provided can help ChECS utilise resources effectively, identify threats and dangers early and facilitate communication between staff, management and the Board of trustees. The main roles and responsibilities of directors, trustees, management and staff are outlined in the NCIs' risk management policies along with the risk management process.

All strategic (principal) identified risks have an allocated risk owner who is responsible for ensuring the risk assessment is reflective of the prevailing risk environment. The risk scoring is reviewed by applying the methodology proposed by the Charity Commission. The Risk & Assurance Department help to facilitate and monitor the NCIs' risk management process.

The strategic risk register and risk management arrangements are reviewed by the ChECS Board on at least an annual basis. Reviews of the relevant risk registers with the risk owners are aided by the Risk & Assurance Department. This ensures an accurate reflection of the existing risks and offers ongoing assurance over the adequacy of current risk management arrangements. These processes are independently reviewed via Internal Audit processes and reported to the three Audit & Risk Committees of the NCIs, as ChECS continues to support the vision and strategy of the Church of England.

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Trustees' Report (incorporating a Strategic Report) (continued)

The ChECS Board has agreed that the strategic (principal) inherent risks below represent the main obstacles to the achievement of the key objectives of ChECS. The issues identified are subject to ongoing mitigation and management action to reduce the residual risk to a tolerable level.

Principal Risk Area	Key Management Actions and Plans
Operational Challenges Increasing workload combined with insufficient resources and real term budget reductions results in service delivery expectations/requirements not being met, leading to regulatory failure, financial and reputational damage and loss of staff morale. Governance Review recommendations result in significant changes to shared services arrangements.	<ul style="list-style-type: none"> Regular communications with staff in relation to the Transforming Effectiveness Programme, which focuses on increasing effectiveness and efficiency across ChECS and the wider Church. Processes and controls developed for pan-NCI approach to project management Emerging Church Steering Group in place to co-ordinate and prioritise workstreams. Regular Governance Review update meetings ChECS Project Board meeting monthly.
People Inability to attract/recruit and/or retain high quality staff with the requisite skills. Central Services under resourced, undervalued or underutilised, leading to an undermining of service delivery.	<ul style="list-style-type: none"> Pay & Reward package implemented and backdated from October 2022 Refreshed values launched in June 2023 Portfolio Management Process to review resourcing of major projects Updated Hybrid Working Policy Learning and Development strategy Windsor Leadership Development programme – second cohort commenced in 2023.
Culture Risk that organisational staff profile does not reflect wider society and is not welcoming. Inability to lead and handle change results in lack of resilience and inability to adapt to changing demands.	<ul style="list-style-type: none"> Inclusion Training rolled out for all staff Confident Career programme launched June 2023 New Wellbeing Strategy agreed July 2023 Diversity and Inclusion Officer recruited Review of Equality in Recruitment completed NCI Staff Survey completed with corporate action plan launched in response.
Cyber/Data-Security The information security management system (ISMS) is not of a robust and sufficient standard to prevent NCIs being the target of a cyber-attack. Unauthorised third party software use by staff. Staff neglecting cyber security training.	<ul style="list-style-type: none"> A 'Zero trust' continuous authentication and monitoring network utilised. IT Security Awareness staff training. Penetration testing scheduled. Regular random phishing testing. Quarterly Cyber Security Steering group meetings. Dedicated Cyber Security Analyst in post External 24/7 Security Operations Centre (SOC) Cyber Insurance Policy
Provisions of Service to wider Church Insufficient capacity within ChECS Trading Limited to serve and support the wider Church.	<ul style="list-style-type: none"> Well established vehicle to deliver change via ChECS Trading Limited. Emerging Church review of ChECS Trading Limited
Finance Transformation Programme Introduction of new finance system is delayed, over budget and does not meet service user needs.	<ul style="list-style-type: none"> Experienced Programme Lead appointed. Established Programme Board. External advisor to the Board from Gartner Regular updates to ChECS Board. Appropriate Project Scoping. Utilisation of NCI Programme methodology. Lessons learned from historic projects. Key project team members recruited Director of Finance Transformation appointed

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Trustees' Report (incorporating a Strategic Report) (continued)

People System Implementation Introduction of new HR & Payroll system is further delayed, further over budget and does not meet service user needs.	<ul style="list-style-type: none">• ChECS Project Board in place overseeing the project.• External advisor to the Board from Gartner• Engagement with key stakeholders.• Weekly meeting with software provider.• Established new People System Support Team.• Regular updates to ChECS Board.
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Church of England Central Services

Trustees' Report (incorporating a Strategic Report) (continued)

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements are prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Charity and of incoming resources and application of resources of the Group and Charity 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 of the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are responsible and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Charity will continue in business.

The trustees are responsible for keeping adequate accounting records that show and explain the Group and Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Group and Charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and Charity and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

All of the current trustees (who are also the directors of the company) have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group and Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

Approval

This report was approved by the board of trustees on 21st May 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Clive Mather', with a horizontal line underneath.

Clive Mather, Chairman

Church of England Central Services

Independent Auditor's Report to the members of Church of England Central Services (continued)

Opinion

We have audited the financial statements of Church of England Central Services ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity only Balance Sheets, the 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 December 2023 and of its / the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company / 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's 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.

Church of England Central Services

Independent Auditor's Report to the members of Church of England Central Services (continued)

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 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 requires 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 11, 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

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.

Church of England Central Services

Independent Auditor's Report to the members of Church of England Central Services (continued)

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 and the Charities Act 2011 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 taxation and employment 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 and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission 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. 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, for our audit work, for this report, or for the opinions we have formed.



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 5 June 2024

Church of England Central Services

*Consolidated Statement of Financial Activities
(including consolidated income and expenditure account)
For the year ended 31 December 2023*

		All	All
	Note	Funds	Funds
		2023	2022
		£'000	£'000
Income from:			
Charitable activities	2	23,415	18,517
Total income		23,415	18,517
Expenditure on:			
Charitable activities	3	(23,415)	(18,517)
Total expenditure		(23,415)	(18,517)
Net income / (loss) and net movement in funds		-	-
Total funds at 1 January		-	-
Total funds at 31 December		-	-

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

All funds were unrestricted.

Church of England Central Services

Consolidated and Charity only Balance Sheets As at 31 December 2023

	Notes	Consolidated 31-Dec-23 £'000	Consolidated 31-Dec-22 £'000	Charity Only 31-Dec-23 £'000	Charity Only 31-Dec-22 £'000
Fixed assets					
Intangible assets	6	3,673	4,136	3,673	4,136
Total fixed assets		3,673	4,136	3,673	4,136
Non-Current asset					
Amounts due from subsidiary undertaking	7	-	-	212	212
Total Non-Current assets		-	-	212	212
Current assets					
Debtors	7	2,171	1,391	1,848	1,332
Cash at bank and in hand		4,272	2,037	4,147	1,731
Total current assets		6,443	3,428	5,995	3,063
Current liabilities					
Creditors: amounts falling due within one year	8	(7,487)	(4,329)	(7,251)	(4,176)
Net current liabilities		(1,044)	(901)	(1,256)	(1,113)
Total assets less current liabilities		2,629	3,235	2,629	3,235
Creditors: amounts falling due after one year	8	(2,629)	(3,235)	(2,629)	(3,235)
Net assets / (liabilities)		-	-	-	-
Funds of the Charity					
General fund		-	-	-	-
Total funds		-	-	-	-

The Financial Statements of Church of England Central Services (Company No. 08776679) were approved and authorised for issue by the Board on 21st May 2024 and signed on its behalf by:



Clive Mather, Chair

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

		2023 £'000	2022 £'000
Cash generated from operating activities	A	2,750	1,294
Cash flows from investment activities			
Purchase of intangible asset		(515)	(1,572)
Change in cash, cash equivalents and net debt in the year		2,235	(278)
Cash, cash equivalents and net debt at 1 January		2,037	2,315
Cash, cash equivalents and net debt at 31 December	B	4,272	2,037

A. Net cash generated by operating activities

	2023 £'000	2022 £'000
Net income for the year (as per the statement of financial activities)	-	-
Amortisation	978	589
Decrease/(increase) in debtors	(780)	184
Increase in creditors	2,552	521
Net cash generated by operating activities	2,750	1,294

B. Analysis of cash, cash equivalents and net debt

	2023 £'000	2022 £'000
Cash at bank and in hand	4,272	2,037
Total cash, cash equivalents and net debt	4,272	2,037

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

1. ACCOUNTING POLICIES

Church of England Central Services (ChECS) is a company limited by guarantee, incorporated on 15 November 2013 and registered with the Charity Commission on 31 December 2013. The Charity's governing document is its Memorandum and Articles of Association.

a) Basis of Preparation of Accounts

ChECS' financial information has been prepared in accordance with:

- Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102");
- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("the SORP"); and
- The Companies Act 2006.

ChECS meets the definition of a Public Benefit Entity ("PBE") as set out in FRS 100, and therefore applies the PBE prefixed paragraphs in FRS 102.

The financial information has been prepared on the historical cost basis and on the accruals basis.

b) Consolidation

The consolidated statement of financial activities ('SOFA') and balance sheet include the financial activities of ChECS and its subsidiary ChECS Trading Ltd made up to 31 December 2023. The subsidiary has been consolidated on a line by line basis. Intra-group balances and transactions are eliminated on consolidation. The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Financial Activities in these financial statements. The parent company's profit for the year was £nil (2022: £nil).

c) Going concern

The trustees have a reasonable expectation that ChECS has adequate resources and cash flows to meet its spending commitments for the foreseeable future. In making this assessment, they have assessed the key risks and uncertainties which impact upon immediate liquidity and longer-term solvency. The trustees have specifically considered the effect of the geo-political turbulence, the energy and cost of living crises and the post pandemic context on the charity's primary income streams and have reviewed the material cash flows, and the availability of mitigating actions which could be taken to reduce expenditure. The trustees have assessed the continued demand for the Charity's services from the three main NCIs, which depend upon the Charity to provide key support services to enable them to deliver their charitable activities. They have considered the relative financial strength of the three main NCIs, including cash reserves and the availability of liquid resources, and consider that planned expenditure remains recoverable from them. The trustees have also considered how activities could be reprioritised if further mitigating action becomes necessary to reduce expenditure.

Having due regard to the above, the trustees have a reasonable expectation that ChECS has adequate resources and cash flows to meet spending commitments for the foreseeable future, and do not consider there to be material uncertainty over the Charity's ability to meet its future obligations and commitments. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

d) Income

All income is recognised on the accruals basis. It is recognised when ChECS is entitled to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Income from Charitable Activities predominantly represents recharged expenditure from the shared service departments and income generated by ChECS-run courses and conferences.

It also includes income generated from procurement and recruitment services via ChECS Trading.

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

1. ACCOUNTING POLICIES (CONTINUED)

e) Expenditure

All expenditure is accounted for on an accruals basis.

Charitable activity costs are the cost of operating the shared service departments, including staff costs and accommodation costs.

Governance costs include costs associated with the governance arrangements of the Charity including external audit.

f) Taxation

ChECS is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly it is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Charity is registered for VAT and recovers all that it incurs.

The Charity's subsidiary (ChECS Trading Ltd) is a non-charitable subsidiary and is subject to taxation, but does not generally pay UK Corporation tax because its policy is to pay any taxable profits to the Archbishops' Council.

g) Pension Costs

As set out in Note 5, pension benefits to staff employed by ChECS are provided either through the Church Administrators Pensions Fund (CAPF) defined benefit pension scheme or through the CAPF defined contribution scheme.

The defined benefit scheme is considered to be a multi-employer scheme and consequently is accounted for as if it were a defined contribution scheme, where employer contributions payable in the year are charged to expenditure. The NCIs' pension scheme liability is calculated by actuaries Lane, Clark and Peacock LLP (LCP). The Church of England Pensions Board took advice from LCP and have determined the method and assumptions to use for this valuation in consultation with the employers. The valuation adopts the "projected unit method", under which the technical provisions are calculated as the amount of assets required as at the valuation date to meet the projected benefit cashflows, based on benefits accrued to the valuation date and the various assumptions made.

The Fund faces a number of risks. In particular, the actual returns on the Fund's assets may prove to be higher or lower than those anticipated in the calculation of the technical provisions. The greater the returns anticipated, the greater is the chance that actual returns will be lower, leading to the need for additional employer contributions in the future. Similarly, there is the risk that the other assumptions adopted are not borne out by future experience.

Contributions are shown in Note 4.

h) Related Parties

The three members are related to ChECS. Details are given in Note 11.

The Church of England is governed by a large number of legally independent bodies in its parishes, cathedrals and dioceses as well as at national level. These bodies are not related parties as defined in the Charities SORP or FRS 102. Transactions and balances with these bodies are accounted for in the same way as other transactions and, where material, are separately identified in the notes to the financial statements.

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

1. ACCOUNTING POLICIES (CONTINUED)

i) Funds

As all the Charity's resources are spent in pursuit of its primary charitable objects, ChECS' resources are categorised mainly under Unrestricted Funds.

j) Amortisation

Costs incurred on acquiring or enhancing intangible assets are capitalised. Staff costs that relate to the development of intangible assets are capitalised, including related tax and social security payments. Amortisation is charged on a straight line basis over the estimated useful life of the asset, as set out below:

Software 20%

2. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
Department	£'000	£'000
Comms & Digital	2,887	2,429
Data Services	3,674	2,893
Finance & Project Management Office	5,628	4,272
Giving & Stewardship	1,475	800
HR & Office Services	2,267	2,316
Internal Audit	784	381
Legal	1,521	1,415
Strategic Development Unit	3	9
Technology	3,770	3,317
ChECS Trading Limited	1,406	685
TOTAL	23,415	18,517

3. CHARITABLE EXPENDITURE

	2023	2022
Department	£'000	£'000
Comms & Digital	2,887	2,429
Data Services	3,674	2,893
Finance & Project Management Office	5,628	4,272
Giving & Stewardship	1,475	800
HR & Office Services	2,267	2,316
Internal Audit	784	381
Legal	1,521	1,415
Strategic Development Unit	3	9
Technology	3,770	3,317
ChECS Trading Limited	1,406	685
TOTAL	23,415	18,517

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

Governance costs - auditor's remuneration:

Included within charitable expenditure are governance costs related to audit costs:

	2023 £'000	2022 £'000
Audit of ChECS	8	8
Audit of ChECS Trading Ltd	3	3
Taxation services provided by auditor	5	3
TOTAL	16	14

4. STAFF NUMBERS AND COSTS

The cost of staff for which ChECS was the managing employer during the year ended 31 December 2023 was:

	Comms & Digital	Data Services	Finance & PMO	Giving & Stewardship	HR & Office Services	Internal Audit	Legal	Technology	2023 Total	2022 Total
Average No. Employed	22	20	58	17	26	3	14	18	178	157
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	1,180	887	2,923	777	1,167	229	1,022	936	9,121	7,565
Social security	135	100	335	87	130	28	124	107	1,046	947
Pension contributions	141	128	418	101	150	29	171	125	1,263	1,542
Total cost of staff	1,456	1,115	3,676	965	1,447	286	1,317	1,168	11,430	10,054

Total cost of staff includes termination costs of £4,536 (2022: £76,114) in respect of 1 (2022: 4) individuals. The average number of staff employed during the year has increased as a result of filling existing vacancies and team expansion to help support the finance and governance transformation programmes of work that require additional resources to deliver.

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

4. STAFF NUMBERS AND COSTS (CONTINUED)

The cost of staff for which ChECS was the managing employer during the year ended 31 December 2022 was:

	Comms & Digital	Data Services	Finance & PMO	Giving & Steward ship	HR & Office Services	Internal Audit	Legal	Technol ogy	2022 Total
Average No. Employed	19	19	51	11	26	3	12	16	157
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	912	703	2,422	474	1,084	204	899	867	7,565
Social security	114	94	298	59	130	25	119	108	947
Pension contributions	110	155	777	65	137	26	159	113	1,542
Total cost of staff	1,136	952	3,497	598	1,351	255	1,177	1,088	10,054

The numbers of staff whose emoluments for the year fell in the following bands were:

	2023 Number	2022 Number
£60,001 to £70,000	15	13
£70,001 to £80,000	9	6
£80,001 to £90,000	8	3
£90,001 to £100,000	1	2
£100,001 to £110,000	4	5
£110,001 to £120,000	2	1
£120,001 to £130,000	-	2
£130,001 to £140,000	1	-
£140,001 to £150,000	1	-
Total	41	32

All of the staff above are members of the Church Administrators Pension Fund (Note 5). Of these, 37 (2022: 29) accrue benefits under a defined contribution scheme for which contributions for the year were £428,246 (2022: £327,627). The remaining 4 (2022: 3) staff members accrue benefits under a defined benefit scheme.

The highest paid member of staff was the Chief Operating Officer who earned £141,814 (2022: highest paid member of staff was the Chief Operating Officer who earned £130,000). ChECS' remuneration policy is in line with that of the other NCIs.

None of the trustees were remunerated and none were reimbursed (2022: £548) expenses by ChECS during the year.

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

5. PENSIONS

Pension benefits for staff employed by ChECS are provided either through the Church Administrators Pensions Fund (CAPF) defined benefit pension scheme or through the CAPF defined contribution scheme which was established for employees commencing service after 30 June 2006. The schemes are administered by the Church of England Pensions Board, which publishes the schemes' financial statements. The contributions to the defined benefit schemes have been assessed by an independent qualified actuary using the projected unit method of valuation and are detailed below.

The Church Administrators Pension Fund

- i) Defined Benefits Section (closed to new members from 30 June 2006)

Costs shared between the National Church Institutions

A valuation of this section is carried out every three years, the most recent having been at 31 December 2022. This revealed a deficit of £2.4m for the entire scheme. As agreed prior to the valuation, the employers collectively paid contributions of 27.6% of Pensionable Salaries each month and deficit payments of £2.4m until December 2023, in respect of the shortfall in the Defined Benefit Section. Future contributions of Pensionable Salaries from 01 January 2024 onwards has been agreed to be 16.5%.

The deficit contributions paid by ChECS in 2023 were £447,000 (2022: £436,000). The level of additional contributions made by the participating employers as a whole was £2.4m in 2023 (2022: £2.4m).

FRS 102 requires this agreed deficit recovery plan to be provided for. The total provision of £2.4m (as at 31 December 2022) was measured at its net present value. However, this transaction had no impact on ChECS' financial statements as the amount is recharged in full to the three equal partners of which ChECS is a jointly controlled entity. As at 31 December 2023 no such provision was made.

Contributions Paid

In 2023 ChECS paid contributions (exclusive of the additional contributions) to the Fund totalling £153,259 (2022: £216,008). The participating employers are also responsible for making contributions towards the administration costs of the scheme of £499,000 (2022: £504,000).

- ii) Defined Contribution Section

Following the closure of the defined benefit section of the Fund on 30 June 2006 a defined contribution section was set up for those commencing service after this date. ChECS paid contributions of £1,097,042 in 2023 (2022: £915,073).

Membership

The average number of ChECS employees within each scheme was:

	CAPF	
	Defined Benefit	Defined Contribution
2023	9	165
2022	14	139

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

6. INTANGIBLE ASSETS

	2023	2022	2023	2022
	Consolidated	Consolidated	Charity only	Charity only
Cost	£'000	£'000	£'000	£'000
At 1 January	5,019	3,447	5,019	3,447
Additions	515	1,572	515	1,572
Disposals	-	-	-	-
At 31 December	<u>5,534</u>	<u>5,019</u>	<u>5,534</u>	<u>5,019</u>
Accumulated amortisation				
At 1 January	(883)	(294)	(883)	(294)
Charged for the year	(978)	(589)	(978)	(589)
At 31 December	<u>(1,861)</u>	<u>(883)</u>	<u>(1,861)</u>	<u>(883)</u>
Net book values				
At 31 December 2023	<u>3,673</u>	<u>4,136</u>	<u>3,673</u>	<u>4,136</u>
At 31 December 2022	<u>4,136</u>	<u>3,153</u>	<u>4,136</u>	<u>3,153</u>

During the year ChECS continued to undertake work on a new IT system, which incorporated Master Data Management and HR/Payroll functionality to enable the strategic management of people data across the Church, including but not limited to NCI staff and clergy. The system interfaces with other key business systems including recruitment, pensions and the diocesan contact management system. All associated feasibility costs were expensed, until formal approval was given by the JECBS and the ChECS Board in July 2019. Subsequent to approval being given the project was considered to have moved into its development phase and therefore costs incurred as a direct result of the work were capitalised.

The asset was partly brought into use in 2021, with amortisation incurred from the go-live date on the value capitalised up to that date. The new HR/Payroll system went live at the end of March 2023.

7. DEBTORS

	2023	2022	2023	2022
	Consolidated	Consolidated	Charity only	Charity only
Current debtors	£'000	£'000	£'000	£'000
Trade debtors	886	608	264	289
Other debtors	144	38	53	38
Prepayments and accrued income	1,141	745	939	616
Amounts due from subsidiary undertaking	-	-	592	389
	<u>2,171</u>	<u>1,391</u>	<u>1,848</u>	<u>1,332</u>

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

7. DEBTORS (continued)

	2023	2022	2023	2022
Non-current debtors	Consolidated	Consolidated	Charity only	Charity only
	£'000	£'000	£'000	£'000
Amounts due from subsidiary undertaking	-	-	212	212
	-	-	212	212

During the year, the Board considered the status of the amounts loaned to the subsidiary undertaking, and determined that this funding had been provided for the long term benefit of ChECS Trading and is not expected to be repaid within twelve months. As a result, the substance of this debt is considered to be a long term debtor and is therefore presented as such in the financial statements.

8. CREDITORS

	2023	2022	2023	2022
Current liabilities:	Consolidated	Consolidated	Charity only	Charity only
	£'000	£'000	£'000	£'000
Amounts due within 1 year				
Trade creditors	957	811	851	688
Related parties (see Note 11)	3,847	692	3,828	668
Taxation & social security	1,628	1,912	1,630	1,914
Accruals & deferred income	1,055	914	942	906
	7,487	4,329	7,251	4,176

	2023	2022	2023	2022
Non-current liabilities:	Consolidated	Consolidated	Charity only	Charity only
	£'000	£'000	£'000	£'000
Amounts due after 1 year				
Related parties (see Note 11)	2,629	3,235	2,629	3,235
	2,629	3,235	2,629	3,235

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

9. SUBSIDIARY RESULTS

ChECS has a trading subsidiary, ChECS Trading Ltd (company registration no. 08940330), which carries out any activities that are deemed, for tax purposes, to be trading activities. ChECS owns 100% of the share capital in ChECS Trading Ltd. The subsidiary is registered at the same address as its parent. A summary of the profit and loss account of ChECS Trading Ltd is shown below:

<u>ChECS Trading Ltd</u>	Year Ended 31/12/2023 £'000	Year Ended 31/12/2022 £'000
Turnover	1,402	685
Cost of Sales	(1,387)	(637)
GROSS PROFIT	15	48
Administration expenses	(8)	(6)
Interest payable	(7)	(5)
Charitable donations	-	(37)
RESULT FOR THE FINANCIAL YEAR	-	-

A summary of the net assets of ChECS Trading Ltd is shown below:

	2023 £'000	2022 £'000
Current assets		
Debtors	917	515
Cash at bank and in hand	124	305
	1,041	755
Creditors: amounts falling due within one year	(829)	(608)
Net current assets	212	212
Creditors: amounts falling due after one year	(212)	(212)
Total reserves	-	-

During the year the prior year allocation between accrued and deferred income was updated in respect of £64,000. The comparatives have been updated accordingly.

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

10. OPERATING LEASES

As at 31 December 2023 the charity had commitments under non-cancellable operating leases, representing the total minimum future lease payments, as follows:

	Property	Office Equipment	2023 Total	2022 Total
Falling due:-	£'000	£'000	£'000	£'000
Within One year	-	174	174	220
Two to Five years	-	70	70	178
	-	244	244	398

The annual lease payments were £244,000 (2022: £398,000)

As at 31 December 2022 the charity had commitments under non-cancellable operating leases, representing the total minimum future lease payments, as follows:

	Property	Office Equipment	2022 Total
Falling due:-	£'000	£'000	£'000
Within One year	-	220	220
Two to Five years	-	178	178
	-	398	398

Church of England Central Services

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

11. RELATED PARTIES

ChECS is a jointly controlled entity between the Archbishops' Council, the Church Commissioners for England, and the Church of England Pensions Board in which the three members hold equal shares. Each member has the right to appoint and remove two of ChECS' trustees and holds equal guarantee rights in ChECS.

The amount charged to each related party during the year was as follows:-

	2023	2022
	£'000	£'000
Church Commissioners for England	7,230	6,767
The Archbishops' Council	10,956	7,729
The Church of England Pensions Board	3,018	2,758
Total	21,204	17,254

As at 31 December the following amounts were owed to related parties:-

	2023	2022
	£'000	£'000
Church Commissioners for England	2,686	1,563
The Archbishops' Council	1,913	1,919
The Church of England Pensions Board	1,877	445
Total	6,476	3,927

ChECS Trading owed £18,000 to the above related parties (2022: £24,000 was owed to the above related parties).

ChECS Trading

The amount charged to ChECS by ChECS Trading during the year was as follows:-

	2023	2022
	£'000	£'000
ChECS	38	2

As at 31 December the following amounts were due from ChECS Trading:-

	2023	2022
	£'000	£'000
ChECS Trading	808	601

12. POST BALANCE SHEET EVENTS

As at 1 Jan 2024, ChECS has become the parent entity of Parish Giving Scheme (PGS, company registration no. 08824540), a charity with a mission to enhance the generosity that enriches the life of the Church and its ministry in each community. The principal activity of PGS is the provision of a professional and cost-effective scheme to enable givers to support their local church.