

Church Extension Association (Incorporated) Limited by Guarantee

Report and Financial Statements
Year Ended 31 October 2021

Registered Company Number	00032430
Registered Charity Number	00200240

Church Extension Association (Incorporated)
Report of the Trustees for the year ended 31 October 2021

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Church Extension Association (Incorporated)
Report of the Trustees for the year ended 31 October 2021

Reference and administrative details

Trustees

F H M Baumberg
E C Brogden
A I Cook
C M Heybourn
S J Hird
S I McCarten
A Taylor
T D Wright

Secretary and registered office

C M Heybourn
St Michael's Convent, Vicarage Way, Gerrards Cross, Buckinghamshire, SL9 8AT

Company number 00032430

Charity registration number 200240

Auditors

Moore Kingston Smith LLP
Devonshire House, 60 Goswell Road, EC1M 7AD

Investment managers

Brewin Dolphin Securities Limited,
12 Smithfield Street, London, EC1A 9BD

Solicitors

Stone King LLP
13 Queen Square, Bath, BA1 2HJ

Church Extension Association (Incorporated)
Report of the Trustees for the year ended 31 October 2021

The directors and trustees present their report together with the audited financial statements for the year ended 31st October 2021.

Legal and administration details

Legal and administrative information set out on the previous page forms part of this report. The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and the 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 (The FRS 102 Charities SORP)

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit.

Structure, governance and management

The principal activity of the Association is that of a charitable organisation engaged in religious education and general pastoral work. The Association was founded in 1864 and in 1890 was incorporated as a company limited by guarantee and is governed by its Memorandum and Articles of Association. In the event of the Association being wound up each Member has guaranteed to contribute a maximum of £1.

The registered charity number is 200240, the company number is 00032430.

Trustees

The trustees are the Sister Provincial, the Assistant Provincial and six other elected Members.

The Appointment is for a period of three years after which they may be re-elected.

The trustees of the Association during the year were:

F H M Baumberg
E C Brogden
A I Cook
C M Heybourn (Secretary)
S J Hird
S I McCarten
A Taylor (Chair)
T D Wright

The directors meet a minimum of three times a year, the Secretary draws up the agenda, and items are included in response to established practices and as a way of monitoring the administration of the charity.

Church Extension Association (Incorporated)
Report of the Trustees for the year ended 31 October 2021 (continued)

Trustees are elected by the Members or co-opted by the Trustees under the Memorandum and Articles of Association of Church Extension Association (Inc)

Ongoing support and training is made available as necessary, as is advice from legal and financial professional advisors.

Risk management

The directors and trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Community, and are satisfied that procedures are in place to mitigate our exposure to the major risks.

The Trustees identified six areas of risk:

Disaster:	From fire - mitigated by regular fire alarm and smoke detector checks; fire safety training; regular boiler checks; Insurance in place. From flood - mitigated by regular boiler and plumbing checks; Insurance in place.
Building:	Maintenance contracts; emergency numbers visible; fault reporting procedures; regular insurance surveys; allowing adequate budget provision; insurance in place.
Computers:	Virus check in-built; back-ups in place; passwords used.
People:	Ageing members - funerals budgeted for; health and safety procedures are a priority. Employee loss - Contracts of employment; use of 'Peninsula'.
Financial:	Fraud, Investments - Annual audit; Sister Bursar in place; cash is kept secure; regular check on investments and ratings; annual meeting with business advisors. Having sufficient income to meet expenditure.
Reputation:	Wrong counselling advice - professional insurance and supervision in place; on-going professional training. Safeguarding policies in place and training made available for spiritual direction/retreat work.

Church Extension Association (Incorporated)
Report of the Trustees for the year ended 31 October 2021 (continued)

Objectives and activities

The Association is established for the furtherance of religion, education and the relief of poverty. These objectives are met through the outreach and ministry of the Sisters, who live at the properties that the Association owns and those locations where it operates, and the trustees ensure that they benefit the public. The trustees have had regard to the Charity Commission's guidance on public benefit, including 'public benefit: running a charity (PB2)'.

A full description of these activities can be found on the Community's website - www.sistersofthechurch.org.

Achievements and performance

The Community at St. Michael's Convent, Vicarage Way, Gerrards Cross, Buckinghamshire SL9 8AT have continued with their daily worship and intercession, which has become even more relevant throughout the pandemic. Members of the public were welcomed for Retreats and Quiet Days when Covid restrictions allowed. Further work has been done to develop the garden and this was shared with others through an Open Garden Day with the National Open Garden Scheme. The major work of re-roofing the 1909 part of the house was undertaken when we were unable to have guests because of Covid. Sisters have continued with the ministries of Quiet Days, Counselling and Spiritual Direction, mostly online. The eldest members of the Community live and are cared for at St Michael's Convent Gerrards Cross.

The charity also undertakes the following activities:-

Women and children are supported, who have yet to gain indefinite leave to remain in the UK. They receive both financial and pastoral help in their transition to independent living.

At our Bristol house the work has continued to be that of pastoral care outreach in the local community, mainly centred on the house but also working with other agencies and food-banks. At the house, this care has taken the form of both practical assistance, such as giving food parcels at the door, and befriending and listening and giving prayer support to callers and volunteers. Some individuals receive extensive and long-term support from the Sisters.

There are a team of volunteers who assist the Sisters with their Ministry. The volunteers contributed approximately 6,000 hours in the year.

Outside the house, Sisters provide religious education through such means as talks, preaching and spiritual accompaniment. Sisters make pastoral visits at home, in hospital, and prison when permitted.

Anita has continued with her Ministry in the Benefice of East Clevedon and has co-ordinated the contributions coming locally for the Loaves and Fishes project in Bristol.

She has also continued to serve as Chair of the St. Andrew's Trust and a member of the Anglican Religious Communities Development Trust. She serves as a Member of the General Synod of the Church of England and several other related bodies.

At West Harrow, Vivien is a Lay Chaplain at St Martin in the Fields. She promotes religious education through various ministries. She is a member of an ecumenical team that runs Weeks of Accompanied Prayer in parishes throughout the South East. She also accompanies people on Ignatian Retreats, including some in Wales. Locally, and in London, she sees individuals for Spiritual Direction/Supervision. Vivien visits those in need of a listening ear.

Vivien's face to face ministry of accompaniment has been curtailed during the year, but she has carried on by phone, virtually on the internet and in person when allowable. Marguerite Mae has also been living at the West Harrow house.

Other sisters live beyond community houses to care for family members and relatives. They remain committed to a life of prayer and service and attend community gatherings.

Church Extension Association (Incorporated)
Report of the Trustees for the year ended 31 October 2021 (continued)

Financial Review

This year's activities resulted in an overall surplus of £1,042,035 (2020 - £102,916 deficit), which has been transferred to accumulated reserves. Of the total surplus, £15,669 relates to realised gain on investments, £1,271,789 relates to unrealised gains on investments and there was an operating deficit of £245,423

Reserve Policy

The year's surplus has increased the accumulated reserves to £15,121,572 (2020 - £14,079,537). The Directors consider that this level of reserves is necessary for the future financial stability of the charitable company for two reasons:-

- 1) £6,944,594 of the reserves is represented by St Michael's Convent at Gerrard's Cross and the other properties held by the charity.
- 2) £8,055,827 of the reserves are represented by investments, the income from which is the company's principal source of income.

Total reserves are represented by £7,544 of restricted funds, £104,615 of designated funds and £6,985,597 invested in fixed assets.

This leaves £8,023,816 as free reserves of the charity.

The charity seeks to maintain free reserves in order to continue to deliver its charitable objectives to the charities beneficiaries in the short term. The charity has calculated that the working capital required for the continuity and operation of the charities activities for a period of 12 months is £ 557,000. At the year end, total reserves were above this level.

Investments Policy

Investments are stated at the market value prevailing at the balance sheet date. The market value of quoted securities is based on the bid price. Any gain or loss on revaluation is taken to the SOFA.

The investment policy is to maximise total return through a diversified portfolio whilst providing a level of income advised by the trustees from time to time. There is also an Ethical Policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Church Extension Association.

Plans for the future

The Sisters plan to continue with their established ministries whilst being open to the possibilities of new callings.

They continue to seek ways to make a smaller impact on the environment.

They plan to continue seeking financial support for the ministry with women and children who have come to this country as asylum seekers, and displaced persons.

They are returning to the ministry of hospitality and hope to be available for those who have been especially affected by the pandemic.

The Sisters have considered the effect of Covid-19 on the charity's finances in current and future periods.

In the short to medium term, the charity is protected from this by the significant reserves it holds in liquid investments, which can be readily converted into cash if required. It has enough unrestricted funds to continue its charitable activities and fund future potential deficits, should they arise.

Church Extension Association (Incorporated)
Report of the Trustees for the year ended 31 October 2021 (continued)

Statement of Trustees' responsibilities

The trustees (who are also the directors of the Church Extension Association (Incorporated) for the purpose of company law) are responsible for preparing the report of the directors and trustees report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 company will continue in business.
- Observe the methods and principles in the charities SORP.

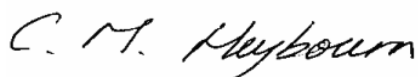
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit information

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company'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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board of trustees and signed on their behalf by:



C M Heybourn
Trustee & Secretary

Date: 5th May 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHURCH EXTENSION ASSOCIATION (INCORPORATED)

Opinion

We have audited the financial statements of Church Extension Association (Incorporated) ('the charitable company') for the year ended 31 October 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the Corporation 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHURCH EXTENSION ASSOCIATION (INCORPORATED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHURCH EXTENSION ASSOCIATION (INCORPORATED)

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHURCH EXTENSION ASSOCIATION (INCORPORATED)

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 19/05/2022

Church Extension Association (Incorporated)

Statement of Financial Activities for the year ended 31 October 2021

Note

		General Fund (unrestricted) £	Bristol (designated) £	Relief Fund (designated) £	Relief Fund (restricted) £	Total funds 2021 £	Total funds 2020 £
Income from:							
Accommodation		1,985				1,985	12,416
Donations		15,197	8,206	2,806	4,200	30,409	823,696
Donations from Overseas						-	4,448
Legacies		21,144	1,181			22,325	12,662
Charitable activities			100,661			100,661	107,444
Royalties & Energy, Interest		718				718	847
Sisters earning and pensions		171,286				171,286	165,525
Investments		265,267				265,267	195,250
Total income		475,597	110,048	2,806	4,200	592,651	1,322,288
Expenditure on:							
Charitable activities	2	695,141	107,870	32,836	2,227	838,074	730,680
Total expenditure		695,141	107,870	32,836	2,227	838,074	730,680
Net gains/(losses) on investments		1,287,458	-	-	-	1,287,458	(694,524)
Net income/ (expenditure)		1,067,914	2,178	(30,030)	1,973	1,042,035	(102,916)
Transfer between funds		562,649	(590,802)	28,153		-	-
Net movement in funds	12	1,630,563	(588,624)	(1,877)	1,973	1,042,035	(102,916)
Balance brought forward at 1 November 2020	12	13,378,850	693,239	1,877	5,571	14,079,537	14,182,453
Balance carried forward at 31 October 2021	12	15,009,413	104,615	-	7,544	15,121,572	14,079,537

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the statement of financial activities.

Church Extension Association (Incorporated)

Balance Sheet at 31 October 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	7 & 8		6,985,597		7,107,970
Investments	9		8,055,827		6,792,740
			<u>15,041,424</u>		<u>13,900,710</u>
Current assets					
Debtors	10	19,494		95,448	
Cash at bank and in hand		<u>137,865</u>		<u>182,446</u>	
		157,359		277,894	
Creditors: amounts falling due within one year					
	11	<u>(77,211)</u>		<u>(99,067)</u>	
Net current assets			80,148		178,827
Total assets less current liabilities			<u>15,121,572</u>		<u>14,079,537</u>
Net assets			<u><u>15,121,572</u></u>		<u><u>14,079,537</u></u>
Funds					
Unrestricted funds					
General fund		15,009,413		13,378,850	
Designated funds		<u>104,615</u>		<u>695,116</u>	
			15,114,028		14,073,966
Restricted funds			7,544		5,571
Total funds	12		<u><u>15,121,572</u></u>		<u><u>14,079,537</u></u>

Approved and authorised for issue on behalf of the Executive Body on

5th May 2022

Signed on behalf of the Executive Body of the Church Extension Association (Incorporated);

A. Taylor

A Taylor
Chief Officer

C. M. Heybourn

C M Heybourn
Member of the Executive Body
Secretary

Registered Company Number: 00032430

The notes on pages 14 to 26 form part of these financial statements.

Church Extension Association (Incorporated)

Statement of Cash Flows for the year ended 31 October 2021

	2021 £	2020 £
Cash generated from operating activities		
Net cash provided by operating activities	<u>(334,219)</u>	<u>1,692,942</u>
Cash flows from investing activities		
Investment income	265,267	195,250
Proceeds from the sale of property, plant and equipment	-	-
Purchase of fixed assets	-	-
Proceeds from the sale of investments	295,698	486,865
Purchase of investments	(1,691,732)	(1,169,147)
Movement on cash held in investment portfolio	1,420,405	(1,292,836)
Net cash provided by/(used in) investing activities	<u>289,638</u>	<u>(1,779,868)</u>
Cash flows from financing activities		
Repayments of borrowing	-	-
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
<i>Change in cash and cash equivalents in the reporting period</i>	<u>(44,581)</u>	<u>(86,926)</u>
Cash and cash equivalents at the beginning of the reporting period	182,446	269,372
Cash and cash equivalents at the end of the reporting period	<u><u>137,865</u></u>	<u><u>182,446</u></u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,042,035	(102,916)
Adjustments for:		
Depreciation charges	122,373	118,202
(Gains)/losses on investments	(1,287,458)	694,524
Investment income	(265,267)	(195,250)
(Profit)/loss on sale of fixed assets	-	10,738
(Increase)/decrease in debtors	75,954	1,255,855
Increase/(decrease) in creditors	(21,856)	(88,211)
Net cash provided by/(used in) operating activities	<u>(334,219)</u>	<u>1,692,942</u>

Church Extension Association (Incorporated)

Notes forming part of the Financial Statements

For the year ended 31 October 2021

1 Accounting policies

Status of company

The Church Extension Association (Incorporated) was incorporated under the Companies Act 1862 to 1890 and is a company limited by guarantee, not having a share capital. The liability of its members is limited to £1 per member. Its registered address is St Michael's Convent, Vicarage Way, Gerrards Cross, Buckinghamshire, SL9 8AT.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) the Companies Act 2006 and Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern Basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements and in particular have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income from the Covid-19 pandemic. The trustees have concluded that there is a reasonable expectation that the charitable entity has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

Income

The charity, in common with many others, derives a proportion of its income from voluntary donations which can only be recorded on receipt. Donations are therefore included in the accounts on the basis of cash received, except as follows:

- when donors specify that donations, and grants given to the charity must be used in future accounting periods, the income is deferred until those periods; and
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

All other incoming resources, including legacies, are recognised in the financial year in which the charity becomes entitled to the income, the amount can be measured and receipt is probable.

Church Extension Association (Incorporated)

Notes forming part of the Financial Statements (continued)

For the year ended 31 October 2021

1 Accounting policies (continued)

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expense was incurred.

Charitable activities comprises the direct costs, staff costs and overheads, including governance costs of carrying out the charity's objectives.

Governance costs includes the costs of compliance with constitutional and statutory requirements.

Expenditure on raising funds comprise the direct costs relating to raising funds.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land, over their expected useful lives. It is calculated at the following rates:

Furniture and equipment	-	10% reducing balance
Computers Hardware/Software	-	33% Straight line
Motor vehicles	-	25% reducing balance
Freehold land	-	Nil
Freehold buildings	-	2% straight line
Freehold buildings - Refurbishment	-	2% straight line
Freehold buildings - Improvements	-	5% straight line

Investments

Investments are stated at the market value prevailing at the balance sheet date. The market value of quoted securities is based on the bid price quotation. Any realised and unrealised gains and losses on revaluation are taken to the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Financial Instruments

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price.

Employee benefits

The cost of short term employee benefits are recognised as a liability and as an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Pensions

Contributions to the company's defined contribution scheme are charged to the SOFA in the year which the became payable.

Church Extension Association (Incorporated)
Notes forming part of the Financial Statements (continued)
For the year ended 31 October 2021

1 Accounting policies (continued)

Fund accounting

Funds held by the charity are either:

- unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects; or
- restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Each year a transfer of funds is recognised to move a designated amount for the branches and the Solomon Islands from unrestricted funds to designated funds.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have the most significant effect on amounts recognised in the financial statements:

The annual depreciation charge for property, plant and equipment is sensitive to change in useful economic life and residual values of assets. These are reassessed annually.

Church Extension Association (Incorporated)
Notes forming part of the Financial Statements (continued)
For the year ended 31 October 2021

2 Charitable activities

	General Fund	Bristol	West Harrow	Clevedon	Relief Fund	Relief Fund (Restricted)	Total 2021	Total 2020
	£	£	£	£	£	£	£	£
Bank charges & interest	121	8	-	-	-	-	129	120
Chapel & Chaplaincy	588	328	21	8	-	-	945	3,101
Council tax, water charges & insurance	26,556	1,837	1,881	1,958	-	-	32,232	27,525
Depreciation	118,834	119	2,889	531	-	-	122,373	118,202
Donations & Gifts	3,074	503	425	320			4,322	3,063
Donations -Solomon Islands	10,039	-	-	-	-	-	10,039	7,194
Education & Training	7,302	400	689	386	-	-	8,777	8,202
Funeral related expense	75	-	-	-	-	-	75	4,214
Furniture & Equipment								
Renewals	2,962	904	-	300	-	-	4,166	4,132
General	148	-	-	-	-	-	148	625
Housekeeping & Household	28,463	12,654	3,072	7,051	-	-	51,240	56,751
Library	447	-	-	-	-	-	447	269
Ministry	1,093	75,460	-	-	30,959	4,104	111,616	91,152
National Insurance Sisters	1,671	-	-	-	-	-	1,671	360
Newsletter	1,716	-	-	-	-	-	1,716	1,780
Postage, Stationery, Computing	8,959	1,349	388	478	-	-	11,174	7,597
Premises - Repair & Maintenance	138,908	1,526	1,352	6,225	-	-	148,011	81,890
Professional fees	44,972	-	-	-	-	-	44,972	55,637
Sale of assets/(Profit)	-	-	-	-	-	-	-	10,738
Salaries & Wages	67,898	-	-	-	-	-	67,898	65,526
Sisters Care costs	128,381	-	-	-	-	-	128,381	157,451
Sisters personal	11,602	4,437	1,667	2,186	-	-	19,892	24,668
Telephone	2,069	1,040	417	632	-	-	4,158	4,104
Travel & Motor Exps. Including Insurance	15,101	2,623	1,742	959	-	-	20,425	17,288
Utilities	19,498	4,646	2,625	1,196	-	-	27,965	23,799
Utilities (Prior years excess accrual)	-						-	(61,064)
Goverance	14,550	36	-	-	-	-	14,586	15,506
Publicity	716	-	-	-	-	-	716	850
	655,743	107,870	17,168	22,230	30,959	4,104	838,074	730,680

Church Extension Association (Incorporated)
Notes forming part of the Financial Statements (continued)
For the year ended 31 October 2021

3 Governance costs

	General Fund £	Branch Houses £	Total 2021 £	Total 2020 £
Audit and accountancy charges	14,550	36	14,586	15,506
General expenses	148	-	148	625
	<u>14,698</u>	<u>36</u>	<u>14,734</u>	<u>16,131</u>

4 Deficit of income over expenditure for the year

	2021 £	2020 £
This is stated after charging the following:		
Depreciation	122,373	118,202
Auditors' remuneration - audit services	14,450	14,000
	<u>136,823</u>	<u>132,202</u>

5 Staff costs and trustees' remuneration

	2021 £	2020 £
Wages	94,485	91,848
Social security costs	4,344	3,687
Pension contributions	1,901	1,845
	<u>100,730</u>	<u>97,380</u>

No employee received remuneration amounting to more than £60,000 in either year.

The directors and trustees were not paid or reimbursed for expenses during either year.

Key Management Personnel

Key management personnel include the Trustees and the Bursar. The total employee benefits of the charity's key management personnel were £nil (2020: £nil).

Church Extension Association (Incorporated)
Notes forming part of the Financial Statements (continued)
For the year ended 31 October 2021

6 Employees

	2021 Number	2020 Number
The average number of employees during the year was as follows:		
Domestic assistants	3	3
Administration	1	1
	<u>4</u>	<u>4</u>

7 Tangible assets

	Motor vehicles £	Freehold land and buildings (see note 8) £	Furniture And Equipment £	Total £
<i>Cost</i>				
At 1 November 2020	51,103	7,443,751	178,704	7,673,558
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 October 2021	<u>51,103</u>	<u>7,443,751</u>	<u>178,704</u>	<u>7,673,558</u>
<i>Depreciation</i>				
At 1 November 2020	38,774	389,688	137,126	565,588
Charge for the year	3,083	109,469	9,821	122,373
Disposals	-	-	-	-
At 31 October 2021	<u>41,857</u>	<u>499,157</u>	<u>146,947</u>	<u>687,961</u>
<i>Net book value</i>				
At 31 October 2021	<u>9,246</u>	<u>6,944,594</u>	<u>31,757</u>	<u>6,985,597</u>
At 31 October 2020	<u>12,329</u>	<u>7,054,063</u>	<u>41,578</u>	<u>7,107,970</u>

Church Extension Association (Incorporated)
Notes forming part of the Financial Statements (continued)
For the year ended 31 October 2021

8 Freehold land and buildings

		Cost	Accumulated depreciation	Net book value
		£	£	£
St Gabriel's, Clevedon	Land	6,265	-	6,265
St Gabriel's, Clevedon	Buildings	6,265	6,012	253
10 Furness Road, West Harrow	Land	113,024	-	113,024
10 Furness Road, West Harrow	Buildings	113,025	65,068	47,957
Garden House, Gerrards Cross	Buildings	180,397	18,040	162,357
Main House, Gerrards Cross	Land	2,175,000	-	2,175,000
Main House, Gerrards Cross	Buildings	2,175,000	174,000	2,001,000
	Building refurbishment			
Main House, Gerrards Cross		2,458,800	193,224	2,265,576
	Building improvements			
Main House, Gerrards Cross		215,975	42,813	173,162
		7,443,751	499,157	6,944,594

Church Extension Association (Incorporated)
Notes forming part of the Financial Statements (continued)
For the year ended 31 October 2021

9 Investments

	2021	2020
	£	£
<i>Quoted securities at valuation</i>		
At 1 November	5,173,945	5,186,188
Additions	1,691,732	1,169,147
Disposals	(295,287)	(486,730)
Realised gain/(loss)	15,669	(11,466)
Unrealised (loss)/gain	1,271,789	(683,058)
Accrued Interest	(411)	(136)
	<u>7,857,437</u>	<u>5,173,945</u>
At 31 October	7,857,437	5,173,945
Capital on deposit	198,390	1,618,795
	<u>8,055,827</u>	<u>6,792,740</u>
<i>Historical cost</i>		
Investments	6,459,495	5,076,607
Capital on deposit	198,390	1,618,795
	<u><u>6,657,885</u></u>	<u><u>6,695,402</u></u>

All investments are listed on the UK Stock Exchange.

There are no investments held by the Church Extension Association (Incorporated) with a market value in excess of 5% of the total portfolio market value as at 31 October 2021.

Church Extension Association (Incorporated)
Notes forming part of the Financial Statements (continued)
For the year ended 31 October 2021

10	Debtors	2021	2020
		£	£
	Other debtors	11,931	78,444
	Prepayments and accrued income	7,563	17,004
		<u>19,494</u>	<u>95,448</u>

All amounts shown under debtors fall due for payment within one year.

11	Creditors: amounts falling due within one year	2021	2020
		£	£
	Other creditors	40,955	47,564
	Accruals and deferred income	36,256	51,503
		<u>77,211</u>	<u>99,067</u>

Church Extension Association (Incorporated)

Notes forming part of the Financial Statements (continued)

For the year ended 31 October 2021

12 Funds

For the year ended 31 October 2021

	Balance at 1 November 2020	Income	Expenditure	Gain/(Losses)	Transfers	Balance at 31 October 2021
	£	£	£	£	£	£
General Fund	13,378,850	475,597	(695,141)	1,287,458	562,649	15,009,413
Designated Funds:						
Branch House	693,239	110,048	(107,870)	-	(590,802)	104,615
Relief Fund	1,877	2,806	(32,836)	-	28,153	-
Restricted Fund:						
Relief	5,571	4,200	(2,227)	-	-	7,544
Total	<u>14,079,537</u>	<u>592,651</u>	<u>(838,074)</u>	<u>1,287,458</u>	<u>-</u>	<u>15,121,572</u>

For the year ended 31 October 2020

	Balance at 31 October 2019	Income	Expenditure	Gain/(Losses)	Transfers	Balance at 31 October 2020
	£	£	£	£	£	£
General Fund	13,523,106	1,196,517	(608,995)	(694,524)	(37,254)	13,378,850
Designated Funds:						
Branch House	656,186	117,406	(100,076)	-	19,723	693,239
Relief Fund	-	1,725	(17,379)	-	17,531	1,877
Restricted Fund:						
Relief Fund	3,161	6,640	(4,230)	-	-	5,571
Total	<u>14,182,453</u>	<u>1,322,288</u>	<u>(730,680)</u>	<u>(694,524)</u>	<u>-</u>	<u>14,079,537</u>

Purpose of funds

Designated funds

In previous years the branch house designated fund included an accumulated amount £612,402 relating to all branch houses. During 2021 the decision was made to only designate funds related to the Bristol branch house and therefor the balance has been released into unrestricted funds.

Relief Fund

This fund is for the Sisters' ministry in the financial relief of the poor. Nearly all of it is for women and children family support.

Church Extension Association (Incorporated)

Notes forming part of the Financial Statements (continued)

For the year ended 31 October 2021

13 Analysis of net assets between funds

For the year ended 31 October 2021

	General Funds	Designated Funds	Restricted Funds	Balance at 31 October 2021
Tangible Fixed Assets	6,985,597	-	-	6,985,597
Investments	8,055,827	-	-	8,055,827
Net Current Assets	(32,011)	104,615	7,544	80,148
	<u>15,009,413</u>	<u>104,615</u>	<u>7,544</u>	<u>15,121,572</u>

For the year ended 31 October 2020

	General Funds	Designated Funds	Restricted Funds	Balance at 31 October 2020
Tangible Fixed Assets	7,107,970	-	-	7,107,970
Investments	6,792,740	-	-	6,792,740
Net Current Assets	(519,983)	693,239	5,571	178,827
	<u>13,380,727</u>	<u>693,239</u>	<u>5,571</u>	<u>14,079,537</u>

14 Contingent liabilities

- i. At the year end, Church Extension Association (Incorporated) acted as a guarantor of the rent on two properties. On property 1, if the tenant were to default on their rent, the charity would be liable for the full rental payments due under the lease terms of £1,500 per calendar month. The lease is ongoing and has a period of notice. On property 2, if the tenant were to default on their rent, the charity would be liable for the full rental payments due under the lease terms of £1,600 per calendar month. The lease is due to expire on 10 April 2023.
- ii. When a Sister makes her Life Profession in the Community she renounces her right to all income and assets to which she becomes entitled. Whilst Sisters usually make a lifelong commitment to the Community, in the event that a Sister leaves the Community then she would be entitled to the capital she brought with her plus any amount she inherited whilst she was a member of the Community.

This entitlement does not extend to any income or movement in value arising from these monies whilst a Sister is a member of the Community, only the original capital amount brought in or inherited.

The total amount of capital brought into the Community or inherited by Sisters whilst a member of the Community, and therefore repayable in the event that a Sister leaves, is £1,049,769.

Church Extension Association (Incorporated)

For the year ended 31 October 2021

15 Taxation

As a charity, Church Extension Association (Incorporated) is exempt on income gains falling within section 466-493 of the Corporation Tax act 2010 to the extent that they are derived from charitable activities.

16 Related party transactions

There were no related party transactions in the period under review that require disclosure in the financial statements in the period under review.

Church Extension Association (Incorporated)
Notes forming part of the Financial Statements (continued)
For the year ended 31 October 2021

Statement of Financial Activities for the year ended 31 October 2020

	Note					
		General Fund (unrestricted)	Bristol (designated)	Relief Fund (designated)	Relief Fund (restricted)	Total funds 2020
		£	£	£	£	£
Income from:						
Accommodation		12,416	-	-	-	12,416
Donations		805,369	9,962	1,725	6,640	823,696
Donations from Overseas		4,448				4,448
Legacies		12,662	-	-	-	12,662
Charitable activities			107,444	-	-	107,444
Royalties & Energy		847	-	-	-	847
Sisters earning and pensions		165,525	-	-	-	165,525
Investment income		195,250	-	-	-	195,250
Profit on sale of tangible assets		-	-	-	-	-
Total income		1,196,517	117,406	1,725	6,640	1,322,288
Expenditure on:						
Charitable activities	2	608,995	100,076	17,379	4,230	730,680
Total expenditure		608,995	100,076	17,379	4,230	730,680
Net gains/ (losses) on investments		(694,524)	-	-	-	(694,524)
Net expenditure		(107,002)	17,330	(15,654)	2,410	(102,916)
Transfer between funds		(37,254)	19,723	17,531	-	-
Net movement in funds	12	(144,256)	37,053	1,877	2,410	(102,916)
Balance brought forward at 1 November 2019	12	13,523,106	656,186	-	3,161	14,182,453
Balance carried forward at 31 October 2020	12	13,378,850	693,239	1,877	5,571	14,079,537