THE CORPORATION OF THE CHURCH HOUSE

England & Wales · Charity number 213252

Details

Other names	CORPORATION OF THE CHURCH HOUSE
Status	Registered
Legal form	Other
Registered	1963-01-23
Register	View on the Charity Commission register

Contact

Address	Corporation Of The Church House 27 Great Smith Street London SW1P 3AZ
Phone	02078981310
Email	info@churchofengland.org
Website	www.churchhouse.org.uk

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Activities

Objects: 8 THE OBJECTS O F THE CORPORATION SHALL BE:-8.1 TO ACQUIRE AND HOLD LAND OR ANY ESTATE OR INTEREST IN LAND OR BUILDINGS FOR THE PURPOSES OF THIS OUR CHARTER, AND TO HOLD ACQUIRE OR PROVIDE A BUILDING OR BUILDINGS TO BE CALLED THE CHURCH HOUSE AND TO USE OR LET OR AUTHORISE THE SAME LANDS OR BUILDINGS TO BE USED OR LET BY WAY OF LICENCE, LEASE OR OTHERWISE FOR ANY PURPOSE CONNECTED WITH THE CHURCH OF ENGLAND, OR WITH ANY CHURCH OR BODY IN COMMUNION OR CONNECTION THEREWITH, OR FOR ANY PURPOSE WHICH THE COUNCIL MAY FROM TIME TO TIME CONSIDER TO BE FOR THE BENEFIT OF THE CHURCH OF ENGLAND, AND IN PARTICULAR BUT NOT BY WAY OF RESTRICTION FOR ROOMS FOR THE MEETINGS OR BUSINESS OF THE ARCHBISHOPS' COUNCIL OR OF THE GENERAL SYNOD OR OF THE HOUSES OF THE CONVOCATIONS OF THE PROVINCES OF CANTERBURY AND YORK OR EITHER OF THEM AND OF THE HOUSE OF LAITY AND OF THE COMMITTEES THEREOF RESPECTIVELY, OR OTHER MEETINGS.8.2 TO PROVIDE A LIBRARY OR LIBRARIES AND ROOMS FOR THE CUSTODY AND PRESERVATION OF RECORDS AND REPORTS AND FOR COMMITTEES OR CONFERENCES, AND OFFICES AND ROOMS OR OTHER ACCOMMODATION FOR OFFICERS OR EMPLOYEES OF THE CORPORATION.8.3 SUBJECT TO THE FOREGOING AND AT THE ABSOLUTE DISCRETION OF THE COUNCIL TO MAKE GRANTS OF MONEY, PROVIDED ALWAYS THAT SUCH GRANTS SHALL BE MADE ONLY FOR THE BENEFIT OF THE NATIONAL BODIES OF THE CHURCH OF ENGLAND.

Activities: To own and maintain Church House for the use of the National Institutions of the Church of England.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NATIONAL AND CITY OF WESTMINSTER.
- City Of Westminster

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£8,454,947	£9,178,329	£23,579,067	35
2023-12-31	£6,735,992	£7,344,646	£24,302,449	33
2022-12-31	£7,357,137	£6,153,139	£24,708,047	31
2021-12-31	£5,561,554	£6,526,601	£24,459,733	26
2020-12-31	£4,370,541	£6,446,689	£23,419,018	34

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Trustees

Name	Role	Appointed
Stephen Barney	Chair	2021-11-18
Darren Noel Miller		2024-11-21
Dr Justine Allain Chapman		2020-05-01
Helen Ainsworth		2023-11-16
Hywel Rees-Jones		2018-07-26
James Robert Bryer		2022-02-24
Josile Wenus Munro		2022-07-21
Keith William Cawdron		2019-07-25
Robert David Zampetti		2025-07-17

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THE CORPORATION OF THE CHURCH HOUSE

England & Wales - Charity number 213252

Accounts

THE CORPORATION OF THE
CHURCH HOUSE

THE CORPORATION OF THE CHURCH HOUSE

Annual report and accounts

Year ended 31 December 2024

Registered charity number: 213252

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Chair's report to the members of the Corporation of the Church House

Overview

2024 saw much progress with the completion of the first phase of our major refurbishment programme and the start soon after of the second phase despite a change in contractors as we endeavoured to control programme costs. The Corporation has funded the project thus far from reserves and operating surpluses and the new contractor appears to be likely to deliver a very high-quality product within the agreed costings. We can be reasonably certain that, since the works are at advanced stage, there will be no more unexpected structural costs or delays. This will mean that the second phase of the works will be completed by the summer of 2025, the Corporation having incurred no external borrowing to date, although contingency funding is available, and may be required, during the period when the new spaces are let, and rent-free periods are expected to apply.

The conference centre business continued to perform very strongly and won the prestigious award of the Best Conference Venue at the London Venue and Catering Awards ceremony. Repeat business is significant, there being a good mix between new clients and existing ones. Various imaginative plans from the marketing team to build on this growing reputation have been approved by the conference centre board and the trustees.

The trustees are unlikely to be able to support national projects for the common good until 2026. Given successful lettings during 2025, we anticipate that this grant making will be substantially higher than was possible previously, when it is reinstated.

Carbon neutrality

We remain committed to be net zero carbon by 2030, building on the continuing innovative solutions to the refurbishment project led by our architects.

Additionally, we are now looking at how to change the way the building is heated. One innovative solution which is under review is the SWAN district heat network proposal which is supported by the UK department for energy security and net zero (DESNZ). Both the gas and electricity used at Church House are certified green, however gas can never be totally clean and will not allow the building to be net zero in 2030. The SWAN project is a London District heating network that aims to provide sustainable heat using energy sources such as waste heat from the Thames and the London underground. The trustees support this project, but the commercial viability of it remains to be assessed.

Our staff

We continue to pay attention to the well-being, training and morale of our staff. A staff survey completed at the end of January 2025 showed continued high scores. There were some learning points which will be acted upon. 94% of staff are very satisfied or satisfied with their roles. Amongst the events which were put on was a day involving puppies by Paws at Work a mental health focused well-being company this was well received. We

revamped our staff break room focusing on colour and texture that is supportive of rest and welcome

We have strengthened our finance team with the appointment of a Director of Finance. Caroline Hibbs took up this new appointment in January 2025. She brings a wealth of relevant experience.

Our building

A review of the usage of utilities shows that the use of electricity shows an 11% reduction from the 2019 baseline. Water consumption has also reduced significantly largely due to the installation of waterless urinals.

We have continued to pay attention as well to our sustainability. Tenants staff neighbours and trustees were interviewed to contribute to a gap analysis. We will roll out targets and goals for each section as part of our net zero journey.

In December 2024 we had our third independent health and safety risk assessment, the summary stated “a great commitment towards health and safety methods…. There are generally good control and prevention measures in place for health and safety”. Our contractors are independently inspected monthly for compliance.

Trustees

Andrew Penny completes his term of trustee at the July 2025 Annual General Meeting. We are very grateful to him for his wise advice. He was our safeguarding lead, a member of the Art committee, Audit Committee and a trustee for ten years. We welcome the Venerable Darren Miller as a trustee nominated by the General Synod.

Finally, it is remarkable amongst all of the uncertainties of the building project, that staff morale remains high. The trustees are all very grateful for the way so many people have responded to this challenge. We do particularly want to thank Stephanie Maurel and her senior team for their resilience and commitment to the business and to our tenants and conference users for their forbearance on occasions when changes in plan have had to be made at the last minute. We have no doubt that the end result will make this all very worthwhile.



Stephen Barney

Chair of Trustees

Report of the Council of The Corporation of the Church House

The Council is pleased to present its annual report for the year ended 31 December 2024.

Objects and activities

The primary object of The Corporation of the Church House, as laid down in its 1888 Royal Charter, is to own and maintain a building, Church House, for the use of the National Church Institutions of the Church of England (NCIs). Following amendment of the Royal Charter in February 2018, the Corporation is now permitted to award grants for the benefit of the NCIs. The Corporation may manage such business as it thinks fit and expedient to undertake for the promotion of the objects of the Corporation.

The Corporation aims to provide office and meeting space for the NCIs at a cost below the market rent for the area; the annual rent charged in the year represents a substantial saving when compared to the costs of equivalent commercial property. The rent reflects an appropriate annual share of the governance costs and provides funds to be used towards the costs of future refurbishments and improvements to the building. The Corporation is also able to market any remaining office accommodation on a fully commercial basis.

The Corporation seeks to generate income from the operation of its wholly owned commercial subsidiary, Church House Conference Centre Limited. The company markets the meeting rooms and event space provided by the building (whose listed status precludes radical alteration) to a range of businesses and organisations when these are not required for use by the General Synod. Clients include commercial companies, charities, church organisations, government bodies, trade associations and research organisations. The company covenants its taxable profits to The Corporation.

Since the 2018 amendment to its objects for the provision of financial support when funds allow to the National Church Institutions through the award of grants, the Corporation has awarded a total of five grants to the National Church Institutions, amounting to £8.26m.

The current major refurbishment programme which represents a significant financial commitment, has been in progress since June 2022, and no grants have therefore been awarded during this period.

The Corporation's primary objectives for the year under review were focussed on ensuring that the security of the building continued to be maintained, and that Church House continued to offer a safe and available workspace for the benefit of the National Church Institutions and our commercial tenants while the refurbishment programme continues.

Review of achievements and performance for the year

In reviewing its aims and objectives and in planning its future activities, we confirm the Corporation has complied with the Charity Commission's general guidance on public benefit: 'Charities and Public Benefit'.

Operational performance

The National Church Institutions remain one of the principal tenants of our building, although they now occupy a significantly reduced footprint. The first phase of our major refurbishment programme was successfully completed in September 2024 and the second phase commenced in October 2024 with a target completion date of August 2025. The ongoing refurbishment works has therefore continued to disrupt both our rental revenues and our trading subsidiary revenues for a further year. We have continued various good will compensations for noise and disturbance to our tenants as a result.

All facilities and services were maintained at appropriate levels and operated well throughout the year.

Grant-making policy

The Corporation will from time to time accept grant applications from the National Church Institutions dependent upon the financial performance of The Corporation. However, in view of the ongoing refurbishment project, no grants were awarded in 2024.

Financial review

The charity's principal sources of income are property rents and covenanted profit from its trading subsidiary, Church House Conference Centre Limited. Following the liquidation of its sizeable investment portfolio in 2023 in order to finance the building refurbishment programme, the Corporation's financial performance is not currently supported by an investment income stream.

We have posted a net expenditure position this year of £723.4k (2023: £405.6k net expenditure), representing a £1.09m net expenditure position for the Corporation and a net profit of £366.6k from its trading subsidiary. Group income rose by 16% while costs also rose by 16%, in part due to a doubling to £989k in the property depreciation charge (2023:£478k) following the completion of phase one of the refurbishment programme. No grants were awarded in the year (2023: nil). Total reserves decreased by 3% to £23.6m at 31 December 2024 (2023: £24.3m).

Group fixed assets increased by a further 20% as the refurbishment programme continues to progress, debtors rose by 10% while current liabilities reduced by 9% and group cash holdings decreased by 68% as funds were drawn down in support of the refurbishment works. The group current ratio has decreased from 2.79 in 2023 to 1.49 in 2024.

Church House Conference Centre Ltd

The financial statements consolidate the results and financial position of the Corporation's wholly owned subsidiary, Church House Conference Centre. The company

has delivered a profit of £366.6k for the year, representing a 113% improvement on the previous year (2023:£172.4k). While trading performance has continued to be disrupted by the refurbishment works programme, the company has been very successful at retaining existing clients during this period and is attracting new business at a highly positive rate, with turnover rising by 19% to £5.25m (2023: £4.42m).

Forward plan and financial outlook

The Corporation's primary objective is to provide and maintain efficient office accommodation space for the National Church Institutions of the Church of England, and to manage running costs on a cost effective and sustainable basis. The Corporation continues its programme of works which commenced in 2020, to achieve permanent carbon net zero status by 2030.

The major refurbishment programme being undertaken is modernising and upgrading available office accommodation to strengthen the Corporation's commercial letting opportunities and increase rental revenues substantially. The capital works have also incorporated a number of changes that support the Corporation's aim of operating a carbon net zero building by 2030. The estimated cost of the capital programme stands at £24.6m. The Council is confident that the refurbishment will secure the long-term viability of the Corporation and will, ultimately, provide additional funds that can be invested for the long term and provide further opportunities to support the mission of the Church of England through continued grant-making.

Reserves

The reserves of the Corporation are primarily unrestricted reserves, held to meet the primary charitable objective of the Corporation which is to own and maintain the building called Church House for the use of the National Church Institutions of the Church of England. The unrestricted reserves represent the accumulated surpluses generated from the group's charitable and trading activities and are funds that are available for use at the discretion of the trustees. The reserves comprise fixed asset funds, designated funds and free reserves. Free reserves consist of the general reserve and the non-charitable trading fund. The Corporation has a small, restricted fund held for artwork restoration and installations.

The group's total funds stood at £23.6m at 31 December 2024 (2023: £24.3m). Fixed asset funds represent the funds invested in fixed assets that the trustees consider essential in enabling the Corporation to implement its building management strategy. The fund represents the net book value of unrestricted tangible fixed assets and amounts to £22.15m (2023: £18.53m). Designated funds included a property refurbishment reserve set up to meet the anticipated costs of the refurbishment programme and a grant-making reserve set up to meet the cost of grant awards. These funds totalled £3.48m at the start of the year. Both designated funds have been fully utilised in 2024 in order to meet the refurbishment cost arising in the year. Free reserves stood at £1.4m at the end of the year (2023: £2.19m), reflecting the need to contribute £1.38m of general reserves towards the year's £4.89m refurbishment and other asset additions.

The group's free reserves are typically represented by its investment and cash holdings. With the divestment of the investment portfolio in 2023 to finance the capital works, its reserves are backed solely by its cash holdings; these stood at £2.25m at 31

December 2024 (2023: £7.09m).

The Council of the Corporation remains focussed on the longer term objective of delivering financial sustainability through the successful completion of the refurbishment programme funded primarily from unrestricted reserves. In March 2024, the Corporation secured a financing facility through Charity Bank of up to £1m to support operations as required during the final phase of the refurbishment programme. When undertaking its annual review of free reserves, the Council determined that the present level combined with the loan financing facility remains sufficient to meet operational needs. The reserves policy will be reviewed following completion of the capital programme.

Fundraising

The Corporation does not actively engage in fundraising activities and does not employ a professional fundraiser or commercial participator. No complaints in respect to fundraising activity were received by the Corporation during the year.

Investment policy

The Corporation's investment policy is one of a long-term investment horizon and medium risk in order to deliver a balance of income and capital growth from its investments. The Council of the Corporation gives its investment managers discretion to manage the portfolio within an agreed risk profile. It is the Council's policy to take note of the guidance of the Church of England's Ethical Investment Advisory Group.

The purpose of the Corporation's investment policy and portfolio is to build capital over the long term in order to provide the financing for the periodic improvement and refurbishment of Church House. The Corporation's investment portfolio is managed in such a way that the value of the investments more than matches inflation over the longer term, and given the investment horizon, that the portfolio is weighted substantially in UK and overseas equities.

In 2021, the Council approved the divestment of the Corporation's investment portfolio in order to provide the financing for the current refurbishment programme, which commenced in 2022, and which had an estimated cost of £24.6m. The portfolio was fully divested in 2023.

Investment performance

All listed investments were sold during 2023 to support the refurbishment project. Investment income earned in 2024 was therefore only in respect of interest earned on cash holdings of £112.5k (2023: £387.4k).

Risk management

The Council has identified and reviewed the major risks to which the Corporation and its subsidiary are exposed, in particular those relating to their operations and finance with particular reference to the refurbishment of the building. The Council is satisfied that systems are in place to mitigate the Corporation's exposure to these major risks.

The primary risks faced by the Corporation and Church House Conference Centre Limited are those that would significantly disrupt the availability and operation of the building. The Corporation and its subsidiary company have comprehensive policies of insurance, reviewed annually, that provide financial compensation for many such occurrences.

Above all, the Corporation has a business continuity plan that enables it to maintain and recover its operations in the event of significant disruption.

The Corporation's ability to fund improvements to Church House has been tested by the increasing costs of the refurbishment programme. Completion of the programme may require recourse to some external borrowing although this will be minimised by maximising intra-group borrowing. The Board of directors of Church House Conference Centre Limited continue to monitor the company's financial position, trading conditions and market prospects.

Structure, governance and management

The Corporation of the Church House ("the Corporation") was established by Royal Charter in 1888 to own and maintain a building, Church House, for the use of the National Church Institutions of the Church of England (NCIs). The Corporation is a registered charity (no. 213252). The affairs of the Corporation are regulated by its founding and subsequent charters. The most recent of these charters was granted in February 2018, and prior to that in November 2002. The February 2018 charter permits grants to be awarded for the benefit of the National Church Institutions of the Church of England.

The Corporation of the Church House comprises the Corporation and its wholly owned subsidiary, Church House Conference Centre Limited, whose principal activity is that of providing and managing a conference venue within the building. The company is registered in England and Wales (no. 02869220), and trades under the name Church House Westminster.

Trustees

The Council of the Corporation comprises nine trustees. The Chair, and Deputy Chair and Treasurer, are elected from amongst the members of the Corporation by the members of the Corporation, namely members of the General Synod and a small number of long standing members, three members are nominated by the Appointments Committee of the Church of England and four members are co-opted by the Council. This structure was put in place following resolutions carried at the 2008 Annual General Meeting with requisite approval of the Privy Council and the Charity Commission.

Each member is appointed for an initial term of five years, renewable for a further term of the same length. Every member of the Council must be and continue to be a member of the Church of England.

Elected trustees	
Chair	Stephen Barney
Treasurer & Deputy Chair	Hywel Rees-Jones

Nominated trustees
Helen Ainsworth
Keith Cawdron (until 24 July 2024)
Dr Justine Allain Chapman
Ven Darren Miller (from 21 November 2024)

Co-opted trustees
James Bryer
Keith Cawdron (from 25 July 2024)
Josile Munro
Andrew Penny (to 23 February 2025)

Church House Westminster Board of directors	
Peter Thackwray	Chair, Non-executive
Hywel Rees-Jones	Non-executive
Mary Griffiths	Non-executive
Dr Michaela Jordan	Non-executive

Governance

Members of the Council, as the Corporation's trustees, have responsibility for the overall direction and management of the Corporation and its subsidiary. All new Council members are given an induction in the policies and operations of the Corporation and its subsidiary and are provided with Charity Commission guidance on the roles and responsibilities of trustees.

The trustees are aware of the Charity Governance Code published in 2017, which sets out the principles and recommended practice for good governance within the sector. The trustees are committed to maintaining high standards of governance and are satisfied that the Corporation applies the principles of the Code within its current governance arrangements.

Committees of the Council	
Audit Committee	
Chair	Stephen East
Council representative	Andrew Penny (to 23 February 2025)
Ex-officio	Manoharan Dilukshan
Ex-officio	Kevin Rodrigues
Investment Committee	
Chair	Hywel Rees-Jones
Council representative	James Bryer
Council representative	Andrew Penny (to 23 February 2025)
Ex-officio	T Clark
Remuneration Committee	
Chair	Stephen Barney
Treasurer & Deputy Chair	Hywel Rees-Jones
Council representative	Helen Ainsworth

The Audit Committee has an independent Chair, at least one independent member and one member co-opted from the Council. The Committee meets at least twice a year and is responsible for overseeing and monitoring the Corporation's external audit arrangements and risk management systems.

The Remuneration Committee was set up in February 2024 with delegated authority from the Council to approve the annual staff bonus award.

The Council delegates to the Secretary and Chief Executive of the Corporation responsibility for the day-to-day management of the Corporation, and, through the Board of directors, of Church House Conference Centre Ltd. The Secretary and Chief Executive delegates management of specific functions to members of the senior leadership team, comprising the Chief Executive, the Head of Facilities, the Head of Venue Operations, and the Director of Finance.

Key management personnel	
Secretary and Chief Executive	Stephanie Maurel
Head of Facilities	Hugh Allcock-Green
Head of Venue Operations	Vedrana Dancerelle
Head of Finance	Phoebe Akushie (to 24 December 2024)
Director of Finance	Caroline Hibbs (from 6 January 2025)

Statement of the Council's responsibilities

The Council is responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the group and the charity and of the income and expenditure of the charity and the group for that year.

In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).
- make judgments and estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures 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 the charity will continue in business.

The Council is responsible for keeping accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provision of the Royal Charter. It is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the group and the charity financial information included on the group and the charity's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Council on 12 June 2025.

Stephen Barney
Stephen Barney

Chair

H. Rees-Jones
Hywel Rees-Jones

Treasurer and Deputy Chair

Independent auditor's report to the Council of The Corporation of the Church House

Opinion

We have audited the accounts of The Corporation of the Church House (the 'parent charity') and its subsidiary (collective referred to as the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the parent charity and group balance sheets, the consolidated statement of cash flows, principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2024 and of their incoming resources and application of resources 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 Charities Act 2011.

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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard. 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts 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 other information comprises the information included in the annual report, including the Council's report, other than the accounts and our auditor's report thereon. The Council members are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and 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 accounts, or our knowledge obtained in the course of 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 accounts 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Council

As explained more fully in the Council's responsibilities statement, the Council members are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Council Members are responsible for assessing the group's and the parent charity'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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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 engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) and those relating to health and safety legislation; and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Council members' meetings.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested and reviewed journal entries to identify unusual transactions.
- Tested the authorisation of expenditure.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

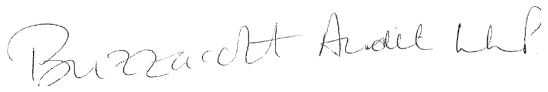
- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of Council members; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures

required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 18 June 2025

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities for the year ended 31 December 2024

	Notes	2024 £	2023 £
Income from			
Charitable activities	5a	3,081,437	2,395,639
Trading activities	5b	5,247,100	4,415,282
Investment Income	5c	112,526	387,362
Other income	5d	13,884	106,687
Total income		**8,454,947**	**7,304,970**
Expenditure on			
Raising funds	6a	-	32,811
Charitable activities	6b	3,961,932	3,420,424
Trading activities	6c	3,944,057	3,380,630
Other expenditure	6d	1,272,340	1,079,759
Total expenditure		**9,178,329**	**7,913,624**
Net (expenditure) before investment gains		**(723,382)**	**(608,654)**
Net gains on investments		-	203,056
Net movement in funds in the year		**(723,382)**	**(405,598)**
Fund balances brought forward at 1 January	15	24,302,449	24,708,047
Fund balances carried forward at 31 December	15	**23,579,067**	**24,302,449**

All the group's activities derived from continuing operations during the above two financial periods. The statement of financial activities includes all gains and losses recognized in the year.

All group income and expenditure were unrestricted during the above two financial periods except for expenditure of £65k for the year ended 31 December 2024 and income of £99k in the 2023 year. The notes on pages 19 to 36 form part of the financial statements.

Consolidated balance sheet as at 31 December 2024

		2024		2023	
		Group	Corporation	Group	Corporation
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	8	22,148,488	21,621,135	18,531,478	18,115,818
Investments	10	-	500,000	1,524	501,524
Total fixed assets		**22,148,488**	**22,121,135**	**18,533,002**	**18,617,342**
Current assets					
Debtors: amounts falling due within one year	11	2,099,159	1,740,298	1,900,866	2,234,451
Cash at bank		2,246,915	1,198,515	7,087,950	5,762,291
Total current assets		**4,346,074**	**2,938,813**	**8,988,816**	**7,996,742**
Creditors: amounts falling due within one year	12	(2,915,495)	(1,569,291)	(3,219,369)	(2,033,493)
Net current assets		**1,430,579**	**1,369,522**	**5,769,447**	**5,963,249**
Net assets		**23,579,067**	**23,490,657**	**24,302,449**	**24,580,591**
Funds					
Fixed asset fund		22,148,488	21,621,135	18,531,478	18,115,819
Property refubishment reserve		-	-	2,340,890	2,340,890
Grant-making reserve		-	-	1,135,617	1,135,617
Non charitable trading reserves		88,410	-	(278,142)	-
General reserves		1,298,915	1,826,268	2,464,352	2,880,011
Total unrestricted funds	15	**23,535,813**	**23,447,403**	**24,194,195**	**24,472,337**
Restricted funds	15	**43,254**	**43,254**	**108,254**	**108,254**
Total funds		**23,579,067**	**23,490,657**	**24,302,449**	**24,580,591**

The financial statements which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated statement of cash flows and the related notes on pages 19 to 36 were approved by the Council on 12 June 2025 and signed on its behalf by

Stephen Barney

Stephen Barney — **Member of Council and Chair of Council**

Hywel Rees-Jones — **Member of Council, Treasurer and Deputy Chair**

Stephanie Maurel — **Secretary**

Consolidated statement of cash flows for the year ended 31 December 2024

		Total Funds	
		2024	2023
		£	£
Net cash (used in)/provided by operating activities	**A**	**(65,735)**	**222,946**
Cash flows from investing activities:			
Dividends, interest and rents from investments		112,526	387,343
Purchase of property, plant and equipment		(4,889,350)	(13,537,494)
Proceeds from sale of investments		1,524	8,296,478
Purchase of investments		-	(1,195,277)
Net cash (used in) investing activities		(4,775,300)	(6,048,950)
Change in cash and cash equivalents in the reporting period		(4,841,035)	(5,825,984)
Cash and cash equivalents at the beginning of the reporting period	**B**	7,087,950	12,913,934
Cash and cash equivalents at the end of the reporting period	**B**	**2,246,915**	**7,087,950**
A. Reconciliation of cash flows from operating activities			
Net (expenditure) for the reporting period		(723,382)	(405,598)
Adjustments for:			
Depreciation charges		1,272,340	573,458
(Gains) on investments		-	(203,056)
Dividends, interest and rents from investments		(112,526)	(387,362)
Loss on sale of fixed assets		-	587,225
(Increase)/decrease in debtors		(198,293)	98,351
(Decrease) in creditors		(303,874)	(40,072)
Net cash (used in)/provided by operating activities		**(65,735)**	**222,946**
B. Analysis of cash and cash equivalents			
Cash at bank		442,416	1,924,943
Cash held with investment managers		1,804,499	5,163,007
Total cash and cash equivalents		**2,246,915**	**7,087,950**

Notes to the financial statements for the year ended 31 December 2024

1. Charity information

The Corporation of the Church House was established by Royal Charter in 1888 and is a registered charity in England and Wales (charity no. 213252).

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities (2019) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", effective 1 January 2019, and the Charities Act 2011. The Corporation constitutes a public benefit entity as defined by FRS 102.

The financial statements consolidate on a line-by-line basis the financial statements of the Corporation and its subsidiary undertaking, Church House Conference Centre Ltd (company no. 02869220). Intergroup transactions are eliminated on consolidation. Church House Conference Centre is a private limited company incorporated in England and Wales.

2.1. Going concern

The Council members have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Council members have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The Corporation commenced a major refurbishment programme in June 2022 to secure the long-term viability of Church House. This programme is expected to be completed by August 2025 and will provide the opportunity to rebalance the tenant portfolio away from National Church Institutions towards commercial tenants. This is expected to increase future rental income.

The directors of Church House Conference Centre Ltd are cautiously optimistic that the company will meet its revenue target for 2025. During 2024 the company has continued to build back its business following the five month closure of the conference venue in 2023 during the first phase of the refurbishment programme. Trading levels have continued to be disrupted to some degree in 2024, but the company is seeing encouraging growth in both retained and new business and the upward trend in sales is expected to continue as investment is made in business development.

The trustees are satisfied that the Corporation is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the Corporation has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

3. Critical accounting estimates and key sources of estimation uncertainty

Preparation of the financial statements may require management to make judgements and estimations in the process of applying the Corporation's accounting policies that have a significant effect on the carrying amount of assets and liabilities in the accounts. The nature of judgement and estimation means that actual outcomes may differ from expectation and may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

No judgements other than those involving estimations have been made by management in the process of applying the Corporation's accounting policies in the preparation of these statements.

Significant areas of estimation in respect of the financial statements to 31 December 2024 are set out below:

- determination of useful economic lives for fixed asset items for the purposes of determining the annual depreciation charge
- determination of the recoverability of outstanding debtors
- estimation of accrued expenditure
- estimation of future income and expenditure flows for the purpose of assessing going concern

4. Principal accounting policies

4. 1. Income

Income is recognised in the period in which the group is legally entitled to the income, where the amount can be measured reliably, and it is probable that the income will be received.

Income comprises rental income, investment income, income generated by the Conference Centre activities and other income including management fees.

4.1.1. Rental income is recognised when it becomes contractually due under the relevant lease or tenancy agreement.

4.1.2. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

4.1.3. Interest on cash balances held with banks and investment managers are included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank or the investment manager.

4.1.4 Income generated by the Conference Centre activities comprises income from room hire, equipment hire and commission on catering provision. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

4.1.5. Other income including management fees and dilapidation receipts is measured at fair value and accounted for on an accruals basis.

4. 2. Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group to make a payment 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.

All expenditure is accounted for on an accruals basis and inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- cost of raising funds includes investment management fees and the operating costs of Church House Conference Centre Limited.
- charitable expenditure represents all costs associated with furthering the charitable purposes of The Corporation. This includes the direct and indirect costs of running Church House and grant-making activities. The allocation of costs to charitable activities, including support costs, is based upon the calculation of the service charges recoverable from The Corporation's tenants.
- other expenditure includes losses on the disposal of tangible fixed assets.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are treated as liabilities. No grants were approved during the year.

4. 3. Taxation

The Corporation is registered as a charity incorporated by Royal Charter and as such is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.

The Corporation's wholly owned subsidiary, Church House Conference Centre Ltd, is liable to corporation tax, but all retained profit earned on its trading operations is gifted each year to the Corporation.

4. 4. Tangible fixed assets

Freehold land is stated at historic cost and is not depreciated as it is considered that its value is not impaired by the passage of time and therefore has an unlimited useful life.

Property refurbishment works which are not completed at the year-end are shown as 'Assets in the course of construction' and are not depreciated until they are brought into use on practical completion, at which point they are transferred to the appropriate asset category.

In accordance with Section 17 of FRS102 (Property, Plant and Equipment), all fixed assets are measured at cost at initial recognition. Each fixed asset is measured at cost less any accumulated depreciation and any accumulated impairment losses. Fixed assets are

reviewed for impairment on an annual basis.

All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge in recognised under Other expenditure in the statement of financial activities.

The depreciation measures are set out as follows:

i. Freehold property assets are depreciated over periods of 10, 15 and 30 years
ii. Plant and machinery are depreciated over periods of 5, 10, 15 and 20 years
iii. Fixture and fittings assets are depreciated over periods of 5, 7 and 10 years
iv. Computer and other equipment is depreciated over periods of 3, 5, 7 and 10 years

4. 5. Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, represent various aspects of Church heritage and, therefore, relate to the objects of the charity.

No value has been attributed to these heritage assets in the balance sheet on the grounds that the trustees consider there is no reliable method of establishing an accurate financial value. The Corporation had commissioned a professional valuation of these paintings for insurance purposes; this had indicated a wide range of potential values that could be attributed to these assets. A triptych painting and a modern art installation were purchased in 2024 at a combined cost of £65k. The painting costing £30k has been accounted for as a capital item.

4. 6. Investments

Realised gains (or losses) on listed investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The investment in the subsidiary undertaking is stated at cost less any provision for permanent diminution in value.

4. 7. Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

4. 8. Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

4. 9. Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement is known or can be estimated reliably. Creditors and provisions are recognised at the amount the group or charity anticipates it will pay to settle the debt.

4. 10. Post-employment benefits

The Corporation participates in the Church of England Pension Builder Scheme (PBS), which is part of the Church Workers Pension Fund (CWPF). The scheme is administered by the Church of England Pensions Board and is a defined benefit pension scheme.

The trustees are satisfied that the scheme provided by the Church of England Pensions Board meets the definition of a multi-employer scheme, whereby participating entities are not under common control. Where an employer has entered into an agreement with a multi-employer scheme that determines how the employer will fund a scheme's deficit, FRS 102 requires that the employer recognizes the liability for the contributions payable in relation to the deficit and the resulting expense in the income and expenditure account.

The assets of the schemes are not attributed to individual entities and a scheme-wide contribution rate is set. The Corporation is therefore exposed to actuarial risks associated with other entities' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The Corporation is therefore required under Section 28 of FRS 102 (Employee Benefits) to account for these schemes as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable in respect of the accounting period. The present value of any expected deficit recovery contributions is recognized as a liability at the balance sheet date. The liability is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Further details of pension scheme arrangements are given in note 13.

4. 11. Leased assets

Rentals payable under operating leases where the benefits and risks of ownership remain substantially with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

The group had no finance leases during the year ended 31 December 2024 or 31 December 2023.

4. 12. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the Corporation's charitable objectives. They comprise free reserves, designated funds and fixed asset funds.

Free reserves represent those funds which are freely available for application towards achieving any charitable purpose that falls within the group and charity's charitable objects. Non-charitable trading funds comprise of the value of cumulative accumulated retained earnings or losses by Church House Conference Centre Limited.

Designated funds are unrestricted funds that have been designated by the trustees to be applied for specific purposes in the future.

Fixed asset funds represent the net book value of the unrestricted tangible fixed assets, and the trustees consider that these assets are essential to the implementation of the Corporation's operational strategy.

Restricted funds represent funds that have been given for specific purposes to be expended in accordance with these purposes.

The designated refurbishment reserve was established in 2018 to ring-fence funds for future refurbishment and improvement works in support of its primary charitable objective of maintaining Church House for the use of the National Church Institutions of the Church of England (NCIs). £10m of funds were designated to this reserve at 31 December 2021 ahead of the refurbishment programme which started in 2022. These funds were fully drawn down during the 2024 year.

The designated grant-making reserve represents the value of funds designated and available for distribution to the NCIs in the form of grants to support the charitable objectives of the Church of England. The trustees approved for this fund to be fully drawn down in 2024 to support the cost of the refurbishment work. It is anticipated that a further allocation of reserves will be made to this fund once general reserves have been adequately replenished by increased revenues in future years following completion of the refurbishment project in 2025.

5. Income

Income from:	2024 £	2023 £
5a. Charitable activities		
Property rental income	1,720,936	1,286,859
Property service charge income	1,360,501	1,108,780
Total	**3,081,437**	**2,395,639**
5b. Trading activities		
Income from taxable trading	5,247,100	4,415,282
Total	**5,247,100**	**4,415,282**
5c. Investment income		
Investment portfolio income	-	290,737
Interest receivable	112,526	96,625
Total	**112,526**	**387,362**
5d. Other income		
Management fees receivable	5,333	6,687
Other income	8,551	100,000
Total	**13,884**	**106,687**
Income Total	**8,454,947**	**7,304,970**

6. Expenditure

Expenditure on:	2024 £	2023 £
6a. Raising funds		
Investment management fees	-	32,811
Total	**-**	**32,811**
6b. Charitable activities		
Staff costs	962,900	964,811
Cleaning services	309,973	290,338
Utilities, insurance and rates	776,593	716,273
Property maintenance works	620,508	462,439
Security & reception services	653,606	385,054
Professional fees	340,502	312,841
Audit fees	55,320	31,658
Other charitable expenditure	242,530	257,010
Total	**3,961,932**	**3,420,424**
6c. Other trading activities		
Taxable trading expenditure	3,944,057	3,380,630
Total	**3,944,057**	**3,380,630**
6d. Other expenditure		
Property depreciation charge	989,477	478,539
Other depreciation charges	282,863	9,710
Loss on disposal of fixed assets	-	585,417
Interest payable	-	6,093
Total	**1,272,340**	**1,079,759**
Total expenditure	**9,178,329**	**7,913,624**

Auditors' remuneration

Auditor fees – parent charity	55,320	16,302
Auditor fees – Church House Westminster	31,324	15,356
Auditors non-audit fees	3,297	780
Total	**89,941**	**32,438**

2024 audit fees include an under-provision for the 2023 year of £34,850, comprising £24,395 in respect of the parent charity and £10,455 in respect of Church House Westminster.

7. Employee information

	2024		2023	
	Group	Corporation	Group	Corporation
	£	£	£	£
Salaries and wages	1,747,985	864,202	1,475,520	782,347
National insurance costs	187,749	98,698	160,037	87,449
Pension costs	-	-	163,241	95,015
Total	**1,935,734**	**962,900**	**1,798,798**	**964,811**

Redundancy, termination payments arising from restructuri	Nil	Nil

The average number of staff employed by the Corporation and its subsidary	**2024**	**2023**
Analysed as follows:		
Corporation administration	8	8
Staff seconded full time to Church House Westminster	19	19
Property maintenance and security	8	6
Totals	35	33

At 31 December the number of employees whose emoluments exceeded £60k was:		
£60,000 - £70,000	2	1
£70,001 - £80,000	2	2
£80,001 - £90,000	1	
£90,001 - £100,000	0	
£100,001 - £110,000	0	
£110,001 - £120,000	0	1
£120,001 - £130,000	1	

Redundancy and termination payments arising from restructuring activities during the year totalled £nil (2023: £17.1k).

No employer pension costs were incurred in 2024 due to a contributions holiday for the entire period.

Key management personnel are set out on page 10 of the Report of the Council. Total employee benefits, including employer pension costs, national insurance contributions and taxable benefits, received in the year by the Corporation's key management personnel amounted to £393,435 (2023: £290,926).

No trustees received any remuneration for services as members of the Council in the current and preceding years.

8. Tangible fixed assets

Group	Freehold land	Freehold property	Fixture & fittings	Plant & machinery	Computer & other equipment	Assets in course of construction	2024
	£	£	£	£	£	£	£
Cost at 1 January 2024	119,845	17,726,066	7,353,155	7,980,895	1,324,766	3,709,183	38,213,910
Additions during the year	-	160,408	157,716	266,887	160,252	4,144,087	4,889,350
Fixed asset re-allocations	-	5,480,695	1,689,972	49,119	53,428	(7,273,214)	-
At 31 December 2024	**119,845**	**23,367,169**	**9,200,843**	**8,296,901**	**1,538,446**	**580,056**	**43,103,260**
Depreciation at 1 January 2024	-	4,222,270	7,190,805	7,116,008	1,153,349	-	19,682,432
Charge for the year	-	855,456	208,554	134,021	74,309	-	1,272,340
At 31 December 2024	**-**	**5,077,726**	**7,399,359**	**7,250,029**	**1,227,658**	**-**	**20,954,772**
Net book value 2023	119,845	13,503,795	162,350	864,888	171,417	3,709,183	18,531,478
Net book value 2024	**119,845**	**18,289,443**	**1,801,484**	**1,046,872**	**310,788**	**580,056**	**22,148,488**

The Corporation	Freehold land	Freehold property	Fixture & fittings	Plant & machinery	Computer & other equipment	Assets in course of construction	2024
	£	£	£	£	£	£	£
Cost at 1 January 2024	119,845	17,726,066	6,739,337	7,980,895	443,318	3,610,629	36,620,090
Additions during the year	-	160,408	109,380	266,887	-	4,136,833	4,673,508
Fixed Asset re-allocations	-	5,480,695	1,667,625	49,119	-	(7,197,439)	-
At 31 December 2024	**119,845**	**23,367,169**	**8,516,342**	**8,296,901**	**443,318**	**550,023**	**41,293,598**
Depreciation at 1 January 2024	-	4,222,270	6,732,261	7,116,008	433,733	-	18,504,272
Charge for the year	-	855,456	176,327	134,021	2,387	-	1,168,191
At 31 December 2024	**-**	**5,077,726**	**6,908,588**	**7,250,029**	**436,120**	**-**	**19,672,463**
Net book value 2023	119,845	13,503,795	7,075	864,888	9,585	3,610,629	18,115,818
Net book value 2024	**119,845**	**18,289,443**	**1,607,754**	**1,046,872**	**7,198**	**550,023**	**21,621,135**

In the opinion of the Council, Church House is worth substantially more than the book value reported in these financial statements.

Completion of phase 1 refurbishment works took effect on 30 September 2024 and the newly refurbished assets were brought into use from this date. The remaining assets in the course of construction amounting to £550k represent the costs incurred to date in respect of phase 2 of the refurbishment programme.

9. Heritage assets

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to the Corporation over many years, represent various aspects of Church heritage and, therefore, relate to the objects of the charity. The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

10. Investments

	2024	2023
	£	£
Group investments		
Quoted securities at market value	-	1,524
As at 31 December	**-**	**1,524**
Movements in the year:		
Cost or valuation at 1 January		6,899,680
Additions		1,195,266
Disposals		(8,296,478)
Net investment gain/(loss) during the year		203,056
Cost or valuation at 31 December	**-**	**1,524**
The Corporation		
Investment in subsidary	500,000	500,000
Listed investments	-	1,524
As at 31 December 2024	**500,000**	**501,524**
Portfolio UK investments	-	1,524
Portfolio overseas investments	-	-
As at 31 December 2024	**-**	**1,524**

The interest in the subsidiary undertaking represents the cost to the Corporation of wholly owning the share capital of Church House Conference Centre Limited. The principal activity of that company is the operation of a conference venue at Church House, and it covenants its taxable profits to the Corporation. A summary of the trading results and balance sheet of Church House Conference Centre Limited is shown in note 14.

All listed investments were fully divested in 2023 to finance the refurbishment works.

11. Debtors

	2024		2023	
	Group	Corporation	Group	Corporation
	£	£	£	£
Trade debtors	606,199	17,181	484,142	11,942
Property debtors	1,071,591	1,071,591	746,211	746,211
Accrued Income	65,048	14,667	310,182	310,182
Prepayments	78,749	604	127,844	21,239
Recoverable VAT	258,122	258,122	224,100	224,100
Other Debtors	19,450	7,641	8,387	8,387
Amounts owed by group undertakings	-	370,492	-	912,390
Total	**2,099,159**	**1,740,298**	**1,900,866**	**2,234,451**

12. Creditors

	2024		2023	
	Group	Corporation	Group	Corporation
	£	£	£	£
12a. Amounts falling due within one year				
Accruals	504,255	266,610	1,213,042	955,347
Trade creditors	902,636	272,559	912,651	532,592
Deferred income	767,148	231,484	463,563	-
Property creditors	303,106	303,106	400,472	400,472
Other creditors	247,149	191,027	81,252	81,252
Taxation and social security	191,201	54,505	63,830	63,830
VAT payable	-	-	84,559	-
Intercompany loan	-	250,000	-	-
Total	**2,915,495**	**1,569,291**	**3,219,369**	**2,033,493**

12b. Analysis of deferred income				
Brought forward at 1 January	463,563	-	371,431	371,431
Deferred during the year	767,148	231,484	463,563	-
Released as income during the year	(463,563)	-	(371,431)	(371,431)
Carried forward at 31 December 2024	**767,148**	**231,484**	**463,563**	**-**

Deferred income represents venue hire deposits held in respect of events taking place in the financial year 2025. Rent and service charge income received in advance of the 2025 year are disclosed as property creditors.

13. Pension liabilities and charges

	2024	2023
	£	£
Summary of pension scheme charges to Statement of financial activities:		
The Church Workers Pension Fund	-	163,241
Total	-	163,241

Church Workers Pension Fund

The Corporation of the Church House participates in the Pension Builder Scheme (PBS) section of the Church Workers Pension Fund (CWPF) for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the employer and other participating employers. The legal structure of the scheme is such that if another employer fails, the Corporation could become liable for paying a share of the failed employer's pension liabilities.

The CWPF has two sections:

1. the Defined Benefits Scheme and
2. the Pension Builder Scheme, which has two subsections.
    a. a deferred annuity section known as Pension Builder Classic, and,
    b. a cash balance section known as Pension Builder 2014.

The **Defined Benefits (DB) Scheme** section provides benefits for lay staff based on final pensionable salaries and has been closed for future accrual since 1 April 2009. The Pensions Board entered into a full buy-in agreement with Aviva from 31 December 2023 to insure all accrued benefits within the scheme. The Corporation has no current staff members in this section (see supplementary disclosure).

The **Pension Builder Classic** provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

The Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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

A valuation of the Defined Benefits and Pension Builder Schemes is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.

For the Defined Benefits section, the valuation showed a surplus of £73.6m. The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the financial statements as at 31 December 2023 or 31 December 2024. The Corporation was advised in December 2023 that its section of the DB scheme was in surplus, and that this surplus could be used to enhance member benefits or be earmarked against employer Pension Builder Classic contributions. The Corporation elected to take a contributions holiday, and no pension contributions have been paid into the scheme for the whole of 2024.

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The next valuations are due as at 31 December 2025.

Supplementary disclosure

Employees appointed prior to 1 April 2009 were eligible for membership of the Defined Benefit Scheme (DBS) section of the Church Workers Pension Fund. The DBS was closed to new members from 1 April 2009 and all new employees since this date have been offered membership of the PBS. On 1 January 2020, pension membership of all current employees appointed prior to 1 April 2009 was transferred from the DBS to the PBS. From this date all current members have accrued future pension benefits under the PBS. The transfer of pension membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019.

The Corporation has 43 deferred members within the Defined Benefit Scheme at the time of writing. From 31 December 2023, the Church of England Pensions Board entered into a full buy-in insurance agreement with Aviva in respect of the Defined Benefit Scheme. This means that all benefits accrued within the DBS are now backed by insurance policies and any future liability arising in respect of a deficit recovery plan will be covered by the insurance contract.

14. Church House Conference Centre Limited

	2024	2023		2024	2023
	£	£		£	£
Profit & loss Account			**Balance sheet**		
Turnover	5,252,265	4,415,282			
Operating costs	(4,901,614)	(4,256,754)	Fixed assets	527,353	415,660
Interest receivable	15,901	19,927	Current assets	2,027,753	1,904,464
Interest payable	-	(6,093)	Current liabilities	(1,966,696)	(2,098,266)
Profit before tax	**366,552**	**172,362**	Long term liabilities	-	
Profits gifted to Corporation		-			
Result for the Year	**366,552**	**172,362**	**Net Assets**	**588,410**	**221,858**

	2024	2023
Inter group transactions	**£**	**£**
Turnover	5,252,265	4,415,282
Less: sales to the Corporation	(5,166)	-
Net turnover	**5,247,100**	**4,415,282**
Operating costs	4,901,614	4,256,754
Less: purchases from the Corporation	-	(11,114)
Less: rent & service charges	(853,409)	(865,010)
to the Corporation		
Net operating costs	**4,048,205**	**3,380,630**

The net assets at 31 December 2024 are represented by £500k of share capital and net retained earnings totalling £88.4k. The company has reported a profit for both the 2023 year (£172.4k) and the 2024 year (£366.6k). However, no profit has been gifted under the deed of covenant to the Corporation in either 2023 or 2024 as the company continues to carry forward accumulated tax losses.

15. Funds

Group	2023	Net income/ (expenditure)	SOFA allocation	Fixed asset allocation	Transfers from/(to) other funds	2024
	£	£	£	£	£	£
Fixed assets reserve	18,531,478	-	-	(1,272,340)	4,889,350	22,148,488
Property refurbishment reserve	2,340,890	-	-	-	(2,340,890)	-
Grant making reserve	1,135,617	-	-	-	(1,135,617)	-
Non charitable trading reserves	(278,142)	366,552	-	-	-	88,410
General reserves	2,464,352	(1,089,933)	35,000	1,272,340	(1,382,844)	1,298,915
Restricted fund	108,254	-	(35,000)	-	(30,000)	43,254
Total	**24,302,449**	**(723,381)**	**-**	**-**	**-**	**23,579,067**

Corporation	2023	Net income/ (expenditure)	SOFA allocation	Fixed asset allocation	Transfers from/(to) other funds	2024
	£	£	£	£	£	£
Fixed assets reserve	18,115,819	-	-	(1,168,191)	4,673,508	21,621,135
Property refurbishment reserve	2,340,890	-	-	-	(2,340,890)	-
Grant making reserve	1,135,617	-	-	-	(1,135,617)	-
General reserves	2,880,011	(1,089,933)	35,000	1,168,191	(1,167,001)	1,826,268
Restricted fund	108,254	-	(35,000)	-	(30,000)	43,254
Total	**24,580,591**	**(1,089,933)**	**-**	**-**	**-**	**23,490,657**

Restricted funds totalling £43,254 (2023: £108,254) are retained for the specific purpose of periodic restoration of the portrait of Archbishop Davidson and for the purpose of purchasing new artwork. Two new artworks were purchased in 2024 at a total cost of £65k and this has been charged against the restricted funds.

16. Analysis of net assets between funds

Group	Fixed asset fund	Designated unrestricted funds	Restricted funds	General reserves	2024
As at 31 December 2024	£	£	£	£	£
Tangible fixed assets	22,148,488	-	-	-	22,148,488
Investments	-	-	-	-	-
Net current assets	-	88,410	43,254	1,298,915	1,430,579
Net assets total	**22,148,488**	**88,410**	**43,254**	**1,298,915**	**23,579,067**

Corporation	Fixed asset fund	Designated unrestricted funds	Restricted funds	General reserves	2024
As at 31 December 2024	£	£	£	£	£
Tangible fixed assets	21,621,135	-	-	-	21,621,135
Investments	-	-	-	500,000	500,000
Net current assets	-	-	43,254	1,326,268	1,369,522
Net assets total	**21,621,135**	-	**43,254**	**1,826,268**	**23,490,657**

17. Related party transactions

All related party transactions between the Corporation and its trading subsidiary, Church House Conference Centre Limited, are disclosed in note 14.

Inter-group loan facility provided to Church House Conference Centre Ltd

The Corporation had provided a £2m loan facility to its subsidiary to support operations during the COVID pandemic. This facility was made available until 31 December 2021. The company drew £1m against this facility during 2020 and 2021. The final £250k of this drawdown was repaid in March 2024.

The Corporation agreed to make available a further £500k loan facility to the company from 1 January 2022. This facility will be in place for 10 years to 31 December 2031. The company has not drawn down any funds against this facility to date.

Any amounts borrowed by the company under this facility accrue interest at 0.5% above the bank base rate until the sums are repaid. Amounts borrowed and interest payable is repayable no later than 31 December 2031, or upon the company giving notice of its intention to exercise the break clause contained within its lease agreement.

Inter-group loan facility provided to The Corporation of the Church House

In March 2024, the subsidiary approved an interest free loan of £250k for the Corporation of the Church House. A further £250k interest free loan was granted in February 2025.

Transactions with trustees

No trustees receive any fees or honoraria for services as members of the Council. Andrew Penny provided pro-bono legal services during the year in respect of the sale of two pieces of religious artwork. The group paid trustee indemnity insurance of £1,727 in 2024 (2023: £1,511).

Trustees can claim travelling and subsistence costs in carrying out their Corporation responsibilities and attending relevant meetings.

Expenses reimbursed to the trustees holding office during the 2024 year amounted to £3,823 (2023: £4,030). This represented reimbursement to 8 trustees (2023: 7). Expenses reimbursed were in respect of travel costs only. There were no other related party transactions during the year.

18. Operating leases

The Corporation and its subsidiary have financial commitments in respect of non-cancellable operating leases. The minimum rentals payable under these leases are as follows:

	Office Equipment	2024	Office Equipment	2023
	£	£	£	£
Payments due:				
Within one year	7,222	**7,222**	7,642	**7,642**
Between one and two years	12,175	**12,175**	13,015	**13,015**
Between three and five years	12,375	**12,375**	9,840	**9,840**
Total	**31,772**	**31,772**	**30,497**	**30,497**

19. Capital commitments

The Group and the Corporation had the following capital commitments at 31 December:

	2024		2023	
	Group	Corporation	Group	Corporation
	£	£	£	£
Authorised and contracted for				
Capital expenditure: refurbishment	3,013,913	3,013,913	600,000	600,000
Authorised but not contracted for				
Capital expenditure: refurbishment	70,015	70,015	3,107,989	3,107,989
Capital expenditure: plant & machinery	-	-	405,500	217,000
Capital expenditure: fixtures & fittings	102,500	12,500	-	-
Capital expenditure: office equipment	138,000	-	-	-
Revenue expendtiture: cyclical maintenance	-	-	116,000	116,000
Total	310,515	82,515	3,629,489	3,440,989

20. Loan facility with Charity Bank

The Corporation entered into a loan facility agreement with Charity Bank Limited (company no. 4330018) in March 2024. Under this agreement, Charity Bank would provide a facility of up to £1m to meet short-term cash flow requirements. The agreement was initially in place for a period of 12 months from 26th March 2024, but the lending period was extended on 12 March 2025 to 31 December 2025. The facility has not been utilised to date.

Under the terms of the agreement, a commitment fee of 0.375% is payable every quarter on the available facility for the period of the agreement, and interest of 2.99% above the Bank of England base rate is payable monthly on the loan sum drawn. The principal loan sum is repayable in full by the Final Repayment Date, which is three years from the date of the first utilisation.

Legal and administrative details

Registered office

The Corporation of the Church House
27, Great Smith Street, London, SW1P 3AZ.
Registered charity number: 213252
Company registration number: 02869220

Principal advisors

External auditor	
Buzzacott Audit LLP	130 Wood Street, London, EC2V 6DL
Bankers	
Coutts & Company	440 Strand, London, WC2R 0QS
Nationwide Building Society	Kings Park Road, Northampton, NN3 6NW
Solicitors	
BDB Pitman LLP	One Bartholomew Close, London, EC1A 7BL
Investment managers	
Cazenove Capital Management Limited	1 London Wall Place, London, EC2Y 5AU
Property development advisors	
Currie & Brown	150 Holborn, London, England, EC1N 2NS
Real estate advisors	
Savills PLC	33 Margaret Street, London, W1G 0JD.

THE CORPORATION OF THE CHURCH HOUSE

England & Wales - Charity number 213252

Accounts

Registered charity number: 213252

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

One hundred and thirty sixth annual report and financial statements

Year ended 31 December 2023

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

27 Great Smith Street, London, SW1P 3AZ
The Council (Trustees), Officers, Senior Staff and Advisors

Reference and administrative information

The Council (Trustees)

Elected members
Stephen Barney, ***Chair of the Council***
Hywel Rees-Jones, ***Treasurer and Deputy Chair of the Council***

Co-opted members
James Bryer
Andrew Penny
Josile Munro

Nominated members
Keith Cawdron
Dr Justine Allain Chapman
David Kemp (Resigned July 2023)
Helen Ainsworth

Officers and senior staff

Treasurer
Hywel Rees-Jones

Secretary/Chief Executive Officer
Stephanie Maurel

Head of Finance
Phoebe Akushie (from 4th September 2023)
Tony Silcock (Interim, till 15th September 2023)

Head of Facilities
Hugh Allcock-Green

Committees

Audit Committee
Stephen East, ***Chair***
Andrew Penny
Kevin Rodrigues
Dilukshan Manoharan

Investment Committee
Hywel Rees-Jones, ***Chair***
T Clark
David Kemp
Andrew Penny

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

27 Great Smith Street, London, SW1P 3AZ
The Council (Trustees), Officers, Senior Staff and Advisors

Professional advisors

Independent auditor
Buzzacott LLP
130 Wood Street, London, EC2V 6DL

Principal bankers
Coutts & Company
440 Strand, London, WC2R 0QS

Nationwide Building Society
Kings Park Road, Northampton, NN3 6NW

Solicitors
BDB Pitman LLP
One Bartholomew Close, London, EC1A 7BL

Investment Managers
Cazenove Capital Management Limited
1 London Wall Place, London, EC2Y 5AU

Church House Conference Centre Limited

Non-Executive Directors
Peter Thackwray OBE, ***Chair***
Mary Burley
Dr Michaela Jordan
Hywel Rees-Jones

Executive Directors
Stephanie Maurel
Adrian Smith (to 11 April 2023)

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Chair's report to the members of the corporation of Church House.

Overview

2023 has been a remarkable year in the history of Church House. Much of our office space has been transformed by the refurbishment project. It has been challenging to carry out these major works whilst continuing to run a successful conference centre business as well as to continue to provide office accommodation for our existing tenants, particularly the National Institutions of the Church of England.

Whilst the project will not be completed until the Autumn of 2024, the end is now in sight with the final stages of work which started in May. The project has cost more than originally forecast primarily due to the process of discovery and the building material cost escalation that followed the Russian invasion of Ukraine. The current expected total cost is £25 million. We expect that the whole project can be funded without any borrowing though contingency funding is being put in place. It is encouraging that over 90% of available space has been pre-let, this helps validate the decision to refurbish the building.

Although the trustees could not recommend any support for national projects towards the common good for 2024, we made a grant for work supporting racial justice of £600K in 2023. We expect to resume grant making to support the mission of the Church of England as soon as we build up distributable reserves. We anticipate that these grants will be at a higher level than had been possible previously.

Financially the outturn for 2023 was remarkably strong, although below budget. The Conference Centre business continued to perform very well; indeed, it had its second-best year financially since lockdown despite being closed for extended periods. It was probably inevitable that rental income would be adversely impacted both by the provision of market standard rent free periods for new tenants, and the lack of income in the spaces that were vacant whilst being refurbished.

We are of course incredibly grateful for the forbearance of everybody who has been involved in, and impacted by, this project which proved to be significantly more complex than expected, both causing rescheduling of conferences and the need to make closures when extremely noisy structural work was required. The nature of the building resulted in numerous surprises which needed to be tackled as the space was stripped out and exposed; some were marvellous, such as an unexpected hidden original ceiling, and others were less so.

Carbon neutrality

As I mentioned in last year's report, we have continued to pursue the goal of carbon neutrality and expect to achieve this in October 2024, which is an exceptional outcome for a grade 2 listed building.

To achieve this goal, we are very grateful for the guidance that we have received from our professional advisors and for the innovative solutions which our architects have found and delivered. In particular, we have used special paint which is carbon absorbing as well as being gentler for the environment. The flooring walls and ceiling are all cork lined. This is made from recycled bottle tops, not virgin cork. The use of cork on the walls acts as an Insulator giving a temperature saving of 3° in comparison to non-insulated walls. We also use lime-based plaster on the walls, which reduces damage to the environment and gives acoustic improvements. The reception desk at the north door is made of recycled wood pulp. The backlit walls in the north door entrance are made from recycled white goods, notably, washing machines.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Conference Centre
The Conference Centre is seeing an increase in bookings. The first quarter of the current year saw a number of significant conferences booked by existing tenants, both large and small. The booking trends for 2024 are positive with confirmed business being significantly higher than for the previous year. The company's investment in leading edge technology continues to ensure the venue's suitability for major conferences. There is a growing trend for evening dinner events.

It was a particular privilege for the Church House team to host a reception event as part of the Coronation of King Charles III, which was attended by over 550 VIPs from all over the world. This involved breakfast before the service at Westminster Abbey and canapés and English wines after the coronation. Our catering partners Searcy's provided outstanding service.

Staff
We have a program to embed organisational values working with an independent organisation to support us with social focus groups, process reviews and organisational design. Staff surveys show very strong buy in to the organisational direction and strong relationships built on trust and openness. We are achieving high scores across the organisation on communication. We have increased investment in staff training. This includes an apprenticeship scheme in management and leadership.

Art
We are reviewing the art which is on display to ensure that it is suitable and able to tell the story of the history of Church House. We will be investing in a new and modern installation in the display space at the top of the main staircase, which we hope will bring out the organisation's values for tenants and guests of all faiths and none. Three new canvasses were also commissioned for the north entrance. These new artworks are being funded by the sale of artwork, which had not been on display for many years.

Building
Several capital investments have been made in the building, not relating to the refurbishment, which include investment in the safety of tenants and guests, whilst retaining the integrity of the building. For example, investment in fire prevention and detection, building management systems to better control heating, a new security system for the building including access gates. We have also achieved the silver, ARocha Echo Church award which enables us to take a holistic view of how we manage our building.

Conclusion
I should like to take this opportunity of, thanking David Kemp for his service as a trustee, and for his wise and good advice as he steps down at the end of his period of being a trustee. The trustees have also welcomed Helen Ainsworth, who brings considerable expertise and is a member nominated by General Synod.
I know that all the trustees will join me in saying what a huge privilege it is to be a part of this new chapter in the life of this iconic building and in saying again how grateful we are for those who have shared this journey as part of their everyday working life. We do not in any way minimise or take for granted the impact that the project has had on you. We hope that by the end of this year we will all be able to say that, despite the disruption, it has all been very worthwhile.

Stephen Barney



Chair of Trustees

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Report of the Council of The Corporation of the Church House

The Council presents its annual report and audited consolidated financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 18 to 22 of the attached financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objects and activities

The primary object of The Corporation, as laid down in the Royal Charter, is to own and maintain a building - Church House - for the use of the National Church Institutions of the Church of England (NCIs). Following amendment of the Royal Charter in February 2018, The Corporation is now also permitted to award grants for the benefit of the NCIs.

The Corporation may manage such business as it thinks fit and expedient to undertake for the promotion of the objects of The Corporation.

The Corporation aims to provide office and meeting space for the NCIs at a cost below the market rent for the area; the annual rent charged in the year represents a substantial saving when compared to the costs of equivalent commercial property. The rent reflects an appropriate annual share of the governance costs and provides funds to be used towards the anticipated costs of future refurbishment and improvement of the building.

The Corporation seeks to generate income from the operation of its wholly owned commercial subsidiary, Church House Conference Centre Limited, which markets the spare capacity when the large meeting rooms in the building (whose listed status precludes radical alteration), are not required for use by the the General Synod. The Conference Centre clients include commercial companies, charities, church organisations, government bodies, trade associations and research organisations. Any taxable profit created by the Conference Centre is usually covenanted directly to The Corporation.

Building on the decision reached by the Council in 2017 to provide financial support to the National Church Institutions through the award of grants and following the necessary amendment to the Royal Charter to permit such activity, the Council, with support from the senior management team and external advisors, introduced a grant-making policy in 2018. Complementing the four grants totalling a combined £7,508,000 awarded between 2018 and 2021, the Council considered an application from the National Church Institutions for a grant to support racial justice and digital development and approved and accrued the award of a grant of £750,000 in 2022.

The Corporation's operational objectives during the year under review have been to maintain the security of the building and to ensure Church House continued to offer a safe and available workspace for the benefit of the National Church Institutions while the refurbishment project continues.

Review of achievements and performance for 2023

In reviewing its aims and objectives and in planning its future activities, we confirm The Corporation has complied with the Charity Commission's general guidance on public benefit: 'Charities and Public Benefit'.

Report of the Council of The Corporation of the Church House (continued)

Operational performance

The National Church Institutions have significantly reduced their footprint within the building, however they still remain the principal tenants of the building. There have been void periods during the year as the refurbishment works have progressed. Where possible, we have moved tenants around the building to accommodate the refurbishment works. This, together with various good will compensations for noise and disturbance to our tenants, has had an impact on our rental income during the year.

All facilities and services were maintained at appropriate levels and operated well throughout the year.

Grant-making policy

The Corporation will from time to time accept grant applications from the National Church Institutions dependent upon the financial performance of The Corporation. However, in view of the ongoing refurbishment project, no grant has been agreed for 2024.

Financial review

The consolidated statement of financial activities for the year is set out on page 15. A summary of the results and of the work of The Corporation is set out below.

The charity's principal sources of income are rent, investment income and covenanted profit from its trading subsidiary, Church House Conference Centre Limited. The group's income during the year was less than expenditure by £608,654 (2022: income exceeded expenditure by £1,203,998) before losses/gains on investments and other recognised gains. No grants were made in the year (2022: grant of £750,000 for safeguarding). After taking into account the net income for 2023 together with recognised investment gains, the group's total funds decreased by £405,598 to £24,302,449 (2022: increased by £248,314 to £24,708,047).

Church House Conference Centre Limited

The Conference Centre is the wholly owned subsidiary of The Corporation and carries out trading activities for the benefit of The Corporation, paying rent and service charge which in 2023 amounted to £865,010 (2022: £842,808).

The trading activity of the Conference Centre has been impacted by the ongoing refurbishment project. Over the course of 2023, the Conference Centre was closed for 5 months because of noisy works. Turnover for the year of £4,099,613 (2022: £4,621,592) represented a 11% decrease on the level generated in 2022. The Conference Centre has not needed any financial support from The Corporation as the covid loan has been paid off in full at the time of this report. For 2023, the profit on ordinary activities for the year was £172,362 (2022: £851,590) before taxation of £Nil (2022: £nil) and transfers under deed of covenant for the current year of £Nil (2022: £Nil). Although the Company reported a profit for the year ended 31 December 2023, no amount is payable to The Corporation under the terms of the Deed of Covenant as there were brought forward tax losses to offset against the profit. A summary of the trading results of the Conference Centre is shown in note 18 to the financial statements.

Investment policy

The Council has adopted a long-term and medium-risk policy to achieve a balance of income and capital growth from its investments. As permitted by The Corporation's Royal Charter, the Council has given its investment managers discretion to manage the portfolio within an agreed risk profile.

Report of the Council of The Corporation of the Church House (continued)

Investment policy (continued)

The purpose of The Corporation's investments is to provide the necessary stability and financial backing to enable periodic improvement and refurbishment of Church House. To achieve this, it is the intention to manage the portfolio in such a way that the value of the investments more than matches inflation over the longer term. Given the investment horizon, it has been decided in consultation with the investment managers that the portfolio should consist substantially of equities both in the UK and overseas.

In 2021 The Council, in conjunction with the Investment Committee, agreed that the investment portfolio should be used to provide the funds required for the refurbishment project at Church House planned for 2022-2023. Consequently, during 2023, the investment managers were instructed to divest the remaining portfolio to provide cash to contribute towards the total anticipated £24.6m cashflow requirement for the project.

It is the Council's policy to take note of the guidance of the Church of England's Ethical Investment Advisory Group.

Investment performance

All listed investments were sold during 2023 to support the refurbishment project.

Reserves

The reserves of The Corporation, predominantly represented by its cash holding, are held to meet the primary charitable objective of The Corporation which is to own and maintain the building called Church House for the use of the National Church Institutions of the Church of England. Of the group's total funds at 31 December 2023 amounting to £24,302,449 (2022: £24,708,047), the free reserves amounted to £2,186,210 (2022: £2,467,170). Free reserves consist of the general reserve and the non-charitable trading fund.

When undertaking the annual review of free reserves, the Council determined that the present level is sufficient to meet operational needs and to provide contingency funds.

Expenditure charged to the refurbishment reserve reduced the balance to £2,340,890 (2022: £6,701,439). The fund will continue to be used to meet the anticipated costs of the two-phase project to refurbish Church House with works which began in June 2022 and due to be completed in late 2024.

No grant was awarded in 2023 (2022: £750,000) to the Archbishops' Council. We have transferred £8,240,000 from the Grant making reserves to fund the refurbishment project (2022: £0).

The balance of the grant-making fund at 31 December 2023 was £1,135,617 (2022: £9,375,617).

Future plans

The Corporation's primary objective remains to plan to run an efficient office building for the National Church Institutions of the Church of England and examine its running costs with a view to saving expenditure wherever possible.

Report of the Council of The Corporation of the Church House (continued)

Future plans (continued)
Following the National Church Institutions decision to reduce their footprint at Church House, the Council commissioned an independent external review of the building. This identified the options available to improve office accommodation for the continued use of the NCIs and for the refurbishment of space that will be vacated with a view to generating increased revenue from future commercial letting. The Council gave careful consideration to the options presented and are confident that the refurbishment will secure the long-term viability of Church House and will, ultimately, provide additional funds that can be used to support the mission of the Church of England through increased grant-making. The Council had approved the initial £16m estimated costs for the project to refurbish Church House but this has subsequently escalated to £24.6m as a result of material cost inflation and extra costs associated with discoveries. The prospective rent achievable for the refurbished building has also increased.

The process of identifying the changes that will have to be implemented at Church House to achieve the aim of operating a carbon zero building by no later than 2030 began in 2020. This work has continued and, where practicable, will be incorporated into the refurbishment works. For changes needed that will not be included as part of the project, the impact of the works will be assessed before a costed plan and timeline is produced.

The Council expects to receive further applications for grants from the National Church Institutions after the refurbishment project has concluded. The suitability of all grant applications for funding will be considered on the basis of the benefits they will deliver across the Church and for the wider public. Once suitability has been established, the appropriate level of any funding will be determined with reference to The Corporation's own financial position and general economic conditions.

Structure, governance, management and external professional advisors

The Corporation of the Church House ("The Corporation") was established in 1888 by Royal Charter (charity registration number 213252) and its principal office is 27 Great Smith Street, London, SW1P 3AZ.During the year The Corporation was governed by a Royal Charter dated 22 November 2002, which was last amended on 8 February 2018. The most recent amendment permits grants to be awarded for the benefit of the National Church Institutions of the Church of England.

It has a wholly owned, commercial trading subsidiary, Church House Conference Centre Limited (company registration number 02869220 (England and Wales)). The company's trading name is Church House Westminster and its principal activity is that of running a conference centre.

The Council of The Corporation comprises of up to nine members. Each member is appointed for an initial term of five years, renewable for a further term of the same length. Following resolutions carried at the 2008 Annual General Meeting and the approval of the Privy Council and the Charity Commission, two members are elected from amongst the members of The Corporation, who are members of the General Synod and other individuals, by the members of The Corporation; three members are nominated by the Appointments Committee of the Church of England and four members are co-opted by the Council. Every member of the Council must be and continue to be a member of the Church of England. There is currently one vacancy for a co-opted member. The names of the members of the Council at 31 December 2023 (and up to the date of this report) are given on page 2.

New Council members are inducted into the workings of The Corporation and its subsidiary, including Council policy and procedures, at an initial meeting with the Secretary and also receive a copy of the Charity Commission guidance on the roles and responsibilities of trustees.

Structure, governance, management and external professional advisors (continued)

Members of the Council, as The Corporation's trustees, are legally responsible for the overall management and control of The Corporation and its subsidiary and the Council meets at least four times a year. The Council appoints the senior staff of The Corporation who, in turn, are responsible for its day to day running. The Council is responsible for the approval of the annual budget and cash flow forecasts and is responsible for the preparation of the financial statements of The Corporation and its subsidiary. It also monitors the financial and operational activities of The Corporation.

The Council has an Audit Committee with an independent Chair, at least one independent member and one member co-opted from the Council. The Committee meets at least twice a year and, inter alia, monitors The Corporation's external audit arrangements and risk management systems. The spring meeting is principally concerned with the annual audit including a confidential meeting with the auditor, while the autumn meeting concentrates on governance, personnel matters and the scrutiny of risk management. The Committee held two meetings during the year under review.
Details of The Corporation's professional advisors are given on page 3. The Corporation maintains a relationship and regular dialogue with its advisors in addition to obtaining expert advice and assurance when required.

Risk management

The Council has identified and reviewed the major risks to which The Corporation and its subsidiary are exposed, in particular those related to their operations and finance with particular reference to the refurbishment of the building and is satisfied that systems are in place to mitigate The Corporation's exposure to those major risks.

The primary risks faced by The Corporation and Church House Conference Centre Limited are those that would significantly disrupt the availability and operation of the building. The Corporation and Conference Centre have comprehensive policies of insurance, reviewed annually, that provide financial compensation for many such occurrences. Above all, The Corporation has a business continuity plan that did, and will, enable it to maintain and recover its operations in the event of significant disruption.

The Corporation's ability to fund improvements to Church House has been tested by the increasing costs of the refurbishment project. Whilst it is expected that the refurbishment can be completed without borrowing it has been considered prudent to put in place an overdraft facility in order to be able to manage any unexpected cash flow challenges.

The Board of Directors of Church House Conference Centre Limited continue to monitor the current financial position, trading conditions and future prospects monthly. The Board meets quarterly, or more frequently if required, and a summary of the Company's trading and financial position is provided for consideration at each Council meeting (see note 18).

Key management personnel

In addition to The Corporation's unremunerated Council members, the Senior Management Team are defined as key personnel.

The Council has delegated responsibility and authority for managing the day-to-day activities of The Corporation and, through the Board of directors of Church House Conference Centre Limited, to the Senior Management Team which consists of the Secretary, Head of Finance and Head of Facilities.

In 2023 the Council agreed a uniform percentage cost-of-living pay award for all staff. No additional bonus or other incentive schemes apply to the Senior Management Team. No member of the Council received any remuneration from either The Corporation or Church House Conference Centre Limited.

Structure, governance, management and external professional advisors (continued)

Fundraising
The Corporation does not actively engage in fundraising activities and does not employ a professional fundraiser or commercial participator. No complaints in respect to fundraising activity were received by The Corporation during the year.

Statement of the Council's responsibilities

The Council is responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the group and the charity and of the income and expenditure of the charity and the group for that year.

In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures 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 the charity will continue in business.

The Council is responsible for keeping accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provision of the Royal Charter. It is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the group and the charity financial information included on the group and the charity's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Council on 25 July 2024

Stephen Barney
Chair

Hywel Rees-Jones
Treasurer and Deputy Chair

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Independent auditor's report to the Council of The Corporation of the Church House

Opinion

We have audited the accounts of The Corporation of the Church House and its subsidiary for the year ended 31 December 2023 which comprise the group and parent charity statement of financial activities, the group and charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2023 and of their 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 Charities Act 2011.

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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Council members' use of the going concern basis of accounting in the preparation of the accounts 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 group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The Council members are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Other information (continued)
We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Chair's report and Report of the Council is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Council

As explained more fully in the Council's responsibilities statement, the members of the Council are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Council members are responsible for assessing the group's and the parent charity'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 Council either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

How the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Auditor's responsibilities for the audit of the accounts (continued)

***How the audit was considered capable of detecting irregularities including fraud** (continued)*

- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) and those relating to health and safety legislation; and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Council members' meetings.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Council members; and
- Enquiring of as to actual and potential litigation and claims.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud *(continued)*
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the Council, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the members of the Council 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 charity and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 2 August 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Consolidated statement of financial activities for the year ended 31 December 2023

		Group	
		2023	2022
Income from:	**Note**	**£**	£
Investments and bank deposits	3	**387,362**	312,855
Other trading activities – Conference Centre	18	**4,099,613**	4,620,357
Charitable activities			
. Rental income and service charge		**2,142,330**	2,415,925
Other			
. Management fees receivable		**6,687**	8,000
.Other income receivable		**100,000**	-
Total income		**6,735,992**	7,357,137
Expenditure on:			
Raising funds			
. Investment management fees		**32,811**	61,222
. Conference Centre costs	18	**3,064,961**	2,889,221
Charitable Activities			
Grants awarded to the National Church Institutions of the Church of England	4	-	750,000
. Corporation operating costs	5	**3,655,364**	2,450,696
Other			
. Interest payable		**6,093**	2,000
. Loss on disposal of tangible fixed assets		**585,417**	-
Total expenditure		**7,344,646**	6,153,139
Net (expenditure)/income before gains/(losses)on investments		**(608,654)**	1,203,998
Net gains/(losses) on investments		**203,056**	(1,048,671)
Net (expenditure)/income		**(405,598)**	155,327
Other recognised gains			
Actuarial Gains on defined benefit pension scheme		-	92,987
Net movement in funds		**(405,598)**	248,314
Reconciliation of funds:			
Fund balances brought forward at 1 January		**24,708,047**	24,459,733
Fund balances carried forward at 31 December		**24,302,449**	24,708,047

All of the groups activities derived from continuing operations during the above two financial periods. The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure of the Group was unrestricted during the above two financial periods with the exception of income of £99,000 for the year ended 31 December 2023 (see note 14). The notes on pages 18 to 34 form part of the financial statements.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Balance sheets as at 31 December 2023

	Note	Group 2023 £	Group 2022 £	Corporation 2023 £	Corporation 2022 £
Fixed Assets					
Tangible assets	10	**18,531,478**	6.154.657	**18,115,819**	5.958.943
Investments	11	**1,524**	7.059.251	**501,524**	7.559.251
Total fixed assets		**18,533,002**	13.213.908	**18,617,343**	13.518.194
Current assets					
Debtors: Due after more than one year	12(a)	-	-	-	1.012.485
Debtors: Due within one year	12(b)	**1,900,866**	1.999.217	**2,234,450**	1.708.081
Cash at bank and in hand		**7,087,950**	12.754.363	**5,762,291**	10.837.878
Total current assets		**8,988,816**	14.753.580	**7,996,741**	13.558.444
Liabilities					
Creditors: Falling due within one year	13	**(3,219,369)**	(3.259.441)	**(2,033,493)**	(1.980.860)
Net current assets		**5,769,447**	11.494.139	**5,963,248**	11.577.584
Total net assets		**24,302,449**	24.708.047	**24,580,591**	25.095.778
The funds of the charity					
Restricted income funds		**108,254**	9.254	**108,254**	9.254
Unrestricted income funds					
. Designated funds					
. Tangible fixed assets fund		**18,531,478**	6.154.567	**18,115,819**	5.422.749
. Refurbishment reserve		**2,340,890**	6.701.439	**2,340,890**	6.924.395
. Grant-making reserve		**1,135,617**	9.375.617	**1,135,617**	9.375.617
. Undesignated funds					
. General reserve		**2,464,352**	2.917.674	**2,880,011**	3.363.764
. Non charitable trading fund		**(278,142)**	(450.504)	-	-
Total charity funds	**14**	**24,302,449**	24.708.047	**24,580,591**	25.095.779

The financial statements which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows and the related notes on pages 18 to 34 were approved by the Council on 25 July 2024 and signed on its behalf by

STEPHEN BARNEY Member of Council and Chair of the Council

HYWEL REES-JONES Member of Council, Treasurer and Deputy Chair

STEPHANIE MAUREL Secretary

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Consolidated statement of cash flows for the year ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	**222,946**	(118,955)
Cash flows from investing activities			
Income from listed investments		**76,105**	192,817
Interest received		**311,258**	120,038
Purchase of tangible fixed assets		**(13,537,494)**	(3,566,123)
Purchase of fixed asset investments		**(1,195,277)**	(1,870,372)
Proceeds from the disposal of fixed asset investments		**8,296,478**	14,963,147
Net cash provided by investing activities		**(6,048,930)**	9,839,507
Change in cash and cash equivalents		**(5,825,984)**	9,720,552
Cash and cash equivalents at 1 January	B	**12,913,934**	3,193,382
Cash and cash equivalents at 31 December	B	**7,087,950**	12,913,934

Notes to the consolidated statement of cash flows for the year to 31 December

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2023 £	2022 £
Net movement in funds	**(405,598)**	248,314
Adjustments for:		
Depreciation of tangible fixed assets	**573,458**	458,317
(Gains)/Losses on investments	**(203,056)**	1,048,671
Loss/ on disposal of tangible fixed assets	**587,225**	-
Fixed asset write-off	**-**	2,052
Investment income	**(387,362)**	(312,855)
Decrease (increase) in debtors	**98,351**	(1,193,168)
(Decrease) in creditors	**(40,070)**	(137,286)
(Decrease) in provisions	**-**	(233,000)
Net cash (used in) operating activities	**222,946**	(118,955)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	**1,924,943**	12,754,363
Cash held by investment managers	**5,163,007**	159,571
Total cash and cash equivalents	**7,087,950**	12,913,934

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2023

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

These financial statements have been prepared for the year to 31 December 2023 with comparative information given for the year ended 31 December 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£) and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Council members and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge.
- determining the recoverability of outstanding debtors.
- estimating accrued expenditure;
- assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

c) Assessment of going concern

The Council members have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Council members have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The Corporation commenced a major refurbishment project in June 2022 to secure the long-term viability of Church House. This project is expected to be completed in the Autumn of 2024 and will see a shift in the tenant portfolio away from National Church Institutions towards commercial tenants. This is expected to increase future rental income.

The Board of Directors of Church House Conference Centre (CHCC) are cautiously optimistic that the Company will meet its revenue target for 2024. During 2023 CHCC built on the strong recovery it saw in its bookings in the previous year. The ongoing refurbishment project necessitated closures of the conference centre for a total of 5 months during 2023. This had a notable impact on its results, however, it is very clear that there is a lively demand for face-to-face events and CHCC is well placed to benefit from it.

Notes to the financial statements for the year ended 31 December 2023

1 Principal accounting policies (continued)

c) Assessment of going concern (continued)
The Council is of the opinion that the overall finances of The Corporation and its subsidiary are a going concern and that the group and the charity will have sufficient resources to meet their liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

d) Consolidated financial statements
The consolidated financial statements include The Corporation and its wholly owned subsidiary undertaking, Church House Conference Centre Limited (company registration number 02869220). Intra-group transactions and balances are eliminated fully on consolidation. No separate statement of financial activities has been presented for The Corporation within these financial statements. The net expenditure for the year to 31 December 2023 for The Corporation only, including the £0 (2021: £750,000) provision for grants payable, £nil of actuarial gains (2022: £0 of actuarial gains) in relation to the provision made for future funding payments in respect of the deficit on the Defined Benefits pension scheme (see note 9), but excluding investment gains, was £840,245 (2022: net expenditure of £201,507).

e) Income recognition
Income is recognised in the period in which the group is legally entitled to the income, where the amount can be measured reliably and it is probable that the income will be received.

Income comprises rental income, investment income, income generated by the Conference Centre activities and other income including dilapidation receipts and management fees.

Rental income is recognised when it becomes contractually due under the relevant lease or tenancy agreement.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on cash balances held with banks and investment managers are included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank or the investment manager.

Income generated by the Conference Centre activities comprises income from room hire, equipment hire and commission on catering provision. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Other income including management fees and dilapidation receipts is measured at fair value and accounted for on an accruals basis.

f) Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group to make a payment 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.

All expenditure is accounted for on an accruals basis and inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

1 Principal accounting policies (continued)

f) Expenditure recognition (continued)

- Cost of raising funds includes investment management fees and the operating costs of Church House Conference Centre Limited.
- Charitable expenditure represents all costs associated with furthering the charitable purposes of The Corporation. This includes the direct and indirect costs of running Church House and grant-making activities. The allocation of costs to charitable activities, including support costs, is based upon the calculation of the service charges recoverable from The Corporation's tenants.
- Other expenditure includes losses on the disposal of tangible fixed assets.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are treated as liabilities. No grants were approved during the year.

g) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Tangible fixed assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The annual rates used for this purpose are:	%
Freehold buildings	3.00 – 10.00
Furniture and fittings	6.50 – 15.00
Telephone and office equipment	10.00 – 33.33
Plant and equipment	5.00 – 20.00

Freehold land is not depreciated. Assets under Construction are not depreciated until they are brought into use, at which point they are transferred to the appropriate asset category.

An impairment review is carried out in respect to a particular class of asset if events, or changes in circumstances, indicate that the carrying amount of any tangible fixed asset may not be recoverable.

h) Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements. At the end of the year, two paintings were sold, raising a total of £100,000 which will be put towards modern artwork installation.

Notes to the financial statements for the year ended 31 December 2023

1 Principal accounting policies (continued)

i) Investments

All listed investments were sold by the end of 2023

Realised gains (or losses) on listed investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The investment in the subsidiary undertaking is stated at cost less any provision for permanent diminution in value.

j) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

k) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

l) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement is known or can be estimated reliably. Creditors and provisions are recognised at the amount the group or charity anticipates it will pay to settle the debt.

m) Fund structure

The tangible fixed assets funds represent the net book value of the charity's tangible fixed assets. Free reserves represent those monies which are freely available for application towards achieving any charitable purpose that falls within the group and charity's charitable objects.

The refurbishment reserve was established in 2018 to ensure that the charity holds a level of net assets that would enable it to undertake future refurbishment and improvement works to support its primary charitable objective of maintaining Church House for the use of the National Church Institutions of the Church of England (NCIs). The Council agreed to increase the balance of this fund to £10m as at 31 December 2021 to provide the necessary funds to meet the anticipated project costs for the major refurbishment works at Church House that commenced in June 2022. During 2023, the refurbishment fund was utilised and at the close of the year, the balance stood at £2,340,890. As we come to the end of the project, any cost in excess of this will be met initially from the general reserve and then by a combination of transfer from other reserves, future income and, if necessary, borrowing.

The grant-making reserve represents the value of net assets designated and available for distribution to the NCIs in the form of grants to support the charitable objectives of the Church of England. The Council expects to receive further grant applications from the NCIs in the short-term. It is anticipated that the level of funds to be transferred to the fund will grow as future commercial letting activity increases and generates additional rental income following completion of the refurbishment project in 2024.

1 Principal accounting policies (continued)

m) Fund structure (continued)
Non-charitable trading funds comprise of the value of cumulative accumulated losses or retained earnings by Church House Conference Centre Limited.

Restricted funds are funds with their use restricted to a specific purpose as described in note 14.

m) Leased assets
Rentals applicable to operating leases where the benefits and risks of ownership remain substantially with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

The group had no finance leases during the year ended 31 December 2023 or 31 December 2022.

n) Pension scheme arrangements
The Corporation participated in the Church of England Defined Benefit Scheme (DBS) and the Church of England Pension Builder Scheme (PBS), both part of the Church Workers Pension Fund. Both schemes are administered by the Church of England Pensions Board and are defined benefit pension schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date onwards, the DBS was closed to new membership applications and all new employees have been offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to the PBS. From this date all active members have accrued future pension benefits under the PBS. The transfer of pension membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019.

Payment of normal contributions in respect of the DBS ceased with the transfer of all active members to the PBS on 1 January 2020. The Corporation is no longer paying deficit recovery contributions in respect of the DBS as, following the recent revaluation, the fund was found to be in surplus.

o) Pension scheme arrangements
The Corporation is unable to identify its share of the underlying assets and liabilities of the schemes on a reasonable and consistent basis. Therefore, in accordance with FRS102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable. The present value of any expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Further details of pension scheme arrangements are given in note 9.

2 Taxation
The Corporation is registered as a charity with the Charity Commission for England and Wales (charity registration number 213252) and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Retained profits of Church House Conference Centre Limited, if any, are subject to corporation tax calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Notes to the financial statements for the year ended 31 December 2023 (continued)

3 Investment income

	2023	2022
	£	£
Income from listed investments	**76,105**	192,817
Bank interest receivable	**311,257**	120,038
	387,362	312,855

4 Grants payable

	2023	2022
	£	£
Grants awarded in the year (Arch Bishops' Council)	-	750,000

As a result of the refurbishment project, it was agreed that no grant will be awarded during 2023.

5 Corporation operating costs

	2023	2022
	£	£
Staff costs (Note 7)	**964,811**	948,504
House expenses and cleaning	**488,385**	395,550
Rates, insurance and heating	**649,971**	294,543
Office and administrative expenses	**256,985**	68,152
Repairs and maintenance	**462,439**	272,328
Marketing	-	(150)
Professional fees	**312,841**	89,623
Depreciation	**488,249**	370,799
Auditor's remuneration	**31,658**	11,322
Donations and presentations	**25**	25
	3,655,364	2,450,696

No support costs have been allocated to The Corporation's secondary charitable objective of grant-making. The additional time resources and costs associated with this activity were minimal.

6 Net movement in funds

The net movement in funds is stated after including the following charges:

	2023	2022
	£	£
Auditor's remuneration		
.. Audit	**31,658**	25,143
..Non-audit services	**780**	2,600
Depreciation	**573,457**	458,317
Loss on disposal of fixed assets	**585,417**	-
Hire of equipment	**125**	9,990

7 Staff costs and remuneration of key management personnel

The average number of persons employed by The Corporation and its subsidiary during the year is analysed below:

	Group		Corporation	
	2023	2022	**2023**	2022
	Number	Number	**Number**	Number
Maintenance and security	**6**	10	**6**	10
Administration	**27**	21	**8**	6
	33	31	**14**	16

Staff costs during the year were as follows:

	Group		Corporation	
	2023	2022	**2023**	2022
	£	£	**£**	£
Wages and salaries	**1,475,520**	1,203,664	**782,347**	811,114
Social security costs	**160,037**	132,591	**87,449**	86,656
Other pension costs	**163,241**	154,363	**95,015**	50,734
	1,798,798	1,490,618	**964,811**	948,504

Included in wages and salaries above is £nil relating to redundancy arrangements, (2022: £17,070). Employee information for the group includes employees who are on full time secondment to the Conference Centre. The cost of these employees is included within the cost of raising funds.
The number of employees earning £60,000 pa or more (excluding employer's pension and national insurance contributions but including taxable benefits) was:

	Group		Corporation	
	2023	2022	**2023**	2022
	Number	Number	**Number**	Number
£60,000 to £69,999	**1**	1	**-**	-
£70,000 to £79,999	**2**	1	**2**	1
£80,000 to £89,999	**-**	1	**-**	1
£90,000 to £99,999	**-**	-	**-**	-
£100,000 to £109,999	**-**	-	**-**	-
£110,000 to £119,999	**1**	1	**1**	1

Retirement benefits under a defined benefit pension scheme are accruing to 4 (2022: 4) employees earning more than £60,000 per annum. Employer pension contributions totalling £40,656 (2022: £45,723) were paid in respect to these employees.

The key management personnel of the group in charge of directing and controlling, running and operating the group on a day-to-day basis comprise the Council and the Senior Management Team of the charity. The total remuneration (including employer's national insurance contributions, taxable benefits and employer's pension contributions) of the key management personnel for the year was £290,926 (2022: £349,698).

Notes to the financial statements for the year ended 31 December 2023 (continued)

8 Staff costs and remuneration of key management personnel (continued)

During the year ended 31 December 2023, expenses of £4,030 (2022: £5,140) were reimbursed to 7 (2021: 5) members of the Council. The expenses related to the costs of travelling to Council meetings. No member of the Council received any remuneration in respect of their services as members of the Council (2022: £Nil).

9 Pensions

Corporation of Church House (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
   a. a deferred annuity section known as Pension Builder Classic, and,
   b. a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

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

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

The scheme is a multiemployer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year 2023: £164,241, (2022: £154,363)

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

9 Pensions (continued)

A valuation of DBS is carried out once every three years. The most recently finalised valuation was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' subpools to the Life Risk Section. This increased the employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation was due at 31 December 2022. At the date of this report, we were awaiting publication of the result.

Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2023. A liability has been recognised at earlier dates.

The movement in the provision is set out below:

	2023	2022
	£	£
Balance sheet liability at 1 January	-	233,000
Deficit contribution paid	-	(142,0013)
Interest cost (recognised in SoFA)	-	2,000
Remaining change to the balance sheet liability*(recognised in SoFA)	-	(93,987)
Balance sheet liability at 31 December	-	-

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

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

	December 2023	December 2022	December 2021
Discount rate	**N/A**	0.00%	1.30%

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

10 Tangible fixed assets

Group	Freehold land and buildings £	Fixtures and fittings £	Telephone and office equipment £	Plant and equipment £	Assets under Construction £	Total £
Cost						
At 1 January	6,030,092	7,203,992	1,238,018	7,980,895	3,359,539	25,812,536
Additions	262,571	149,163	82,014	-	13,043,747	13,537,495
Transfers	12,687,572	-	4,732	-	(12,692,304)	-
Disposals	(1,134,321)	-	-	-	(1,800)	(1,136,121)
at 31 December	**17,845,914**	**7,353,155**	**1,324,764**	**7,980,895**	**3,709,182**	**38,213,910**
Depreciation						
At 1 January	4,416,548	7,162,135	1,087,106	6,992,090	-	19,657,879
Disposals	(548,904)	-	-	-	-	(548,904)
Charge for year	354,622	28,670	66,247	123,918	-	573,457
at 31 December	**4,222,266**	**7,190,805**	**1,153,353**	**7,116,008**	**-**	**19,682,432**
Net book amounts						
At 31 December 2023	**13,623,648**	**162,350**	**171,411**	**864,887**	**3,709,182**	**18,531,478**
At 31 December 2022	1,613,544	41,857	150,912	988,805	3,359,539	6,154,757

The Corporation	Freehold land and buildings £	Fixtures and fittings £	Telephone and office equipment £	Plant and equipment £	Assets under Construction £	Total £
Cost						
At 1 January	6,030,089	6,739,337	443,318	7,980,895	3,330,229	24,523,868
Additions	262,571	-	-	-	12,967,972	13,230,543
Transfers	12,687,572	-	-	-	(12,687,572)	-
Disposals	(1,134,321)	-	-	-	-	(1,134,321)
at 31 December	**17,845,911**	**6,739,337**	**443,318**	**7,980,895**	**3,610,629**	**36,620,090**
Depreciation						
At 1 January	4,416,551	6,727,726	428,558	6,992,090	-	18,564,925
Disposals	(548,903)	-	-	-	-	(548,903)
Charge for year	354,622	4,535	5,174	123,918	-	488,249
at 31 December	**4,222,270**	**6,732,261**	**433,732**	**7,116,008**		**18,504,271**
Net book amounts						
At 31 December 2023	**13,623,641**	**7,076**	**9,586**	**864,887**	**3,610,629**	**18,115,819**
At 31 December 2022	1,613,538	11,611	14,760	988,805	3,330,229	5,958,943

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity. The Corporation commissioned a professional valuation of these paintings for insurance.

10 Tangible fixed assets (continued)

In the opinion of the Council, Church House is worth substantially more than the book value reported in these financial statements.

The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

11 Investments

Group

Cost or valuation	Listed investment £	**Total £**
At 1 January 2023	6,899,680	**6,899,680**
Additions	1,195,266	**1,195,266**
Disposals	(8,296,478)	**(8,296,478)**
Realised gains/loss	203,056	**203,056**
At 31 December 2023	1,524	**1,524**

The Corporation

Cost or valuation	Subsidiary £	Listed investment £	**Total £**
At 1 January 2023	500,000	6,899,680	**7,399,680**
Additions	-	1,195,266	**1,195,266**
Disposals	-	(8,296,478)	**(8,296,478)**
Realised gains	-	203,056	**203,056**
At 31 December 2023	500,000	1,524	**501,524**

The interest in the subsidiary undertaking represents the cost to The Corporation of wholly owning the share capital of Church House Conference Centre Limited. The principal activity of that company is the operation of a conference centre at Church House and it covenants its taxable profits to The Corporation. A summary of the trading results and balance sheet of Church House Conference Centre Limited is shown in note 18.

Listed Investments held at 31st December	**2023 £**	2022 £
UK Bonds	-	261,838
International Bonds	-	617,082
UK Equities	**1,524**	1,852,574
International Equities	-	2,657,809
Private equity and alternatives	-	1,510,377
Total Listed Investments	**1,524**	6,899,680

All listed investments were dealt in on a recognised stock exchange.

Notes to the financial statements for the year ended 31 December 2023 (continued)

12 Debtors

a. Amounts receivable after one year

	Group		Corporation	
	2023	2022	**2023**	2022
	£	£	**£**	£
Owed by subsidiary undertaking	**-**	-	**-**	1,012,486

b. Amounts receivable within one year

	Group		Corporation	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade debtors	**484,142**	769,490	**11,942**	80,487
Owed by subsidiary undertaking	**-**	-	**912,389**	426,140
Rental debtors	**746,211**	651,250	**746,211**	651,250
Other debtors	**8,387**	8,022	**8,387**	8,112
Recoverable VAT	**224,100**	221,478	**224,100**	221,478
Prepayments and accrued income	**438,026**	348,887	**331,421**	320,614
	1,900,866	1,999,127	**2,234,450**	1,708,081

13 Creditors: amounts falling due within one year

	Group		Corporation	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade and expense creditors	**912,651**	567,290	**532,592**	118,284
Taxation and social security costs	**63,830**	39,580	**63,830**	39,580
Other creditors	**81,252**	142,781	**81,252**	72,427
Deposits held	**463,563**	271,242	**-**	-
Grants payable to the NCI's	-	750,000	-	750,000
Accruals	**1,213,042**	1,117,117	**955,347**	629,138
VAT payable	**84,559**	-	**-**	-
Deferred income (see below)	**400,472**	371,431	**400,472**	371,431
	3,219,369	3,259,441	**2,033,493**	1,980,860

	Group		Corporation	
	2023	2022	**2023**	2022
Deferred income:	**£**	£	**£**	£
At 1 January	**371,431**	13,200	**371,431**	13,200
Released in the year	**(371,431)**	(13,200)	**(371,431)**	(13,200)
Deferred in the year	**400,472**	371,431	**400,472**	371,431
At 31 December	**400,472**	371,431	**400,472**	371,431

Deferred income represents rental income and service charge received from tenants in advance of the financial year end but relating to the following financial year commencing 1 January 2024.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2023 (continued)

14 Net funds

Group	At 1 January 2023 £	Net Income (expenditure) for the year £	Net Gains on revaluation of Investments £	Actuarial Gains £	Transfers £	At 31 December 2023 £
Restricted Funds	9.254	99.000	-	-	-	**108,254**
Unrestricted Funds						
Designated funds						
Tangible Fixed Asset Fund	6.154.657	(573.458)	-	-	12.950.279	**18,531,478**
Refurbishment reserve	6.701.439	-	-	-	(4.360.549)	**2,340,890**
Grant Making Reserve	9.375.617	-	-	-	(8.240.000)	**1,135,617**
Undesignated Funds						
General Reserve	2.917.584	(306.558)	203.056	-	(349.730)	**2,464,352**
Non-Charitable Trading Fund	(450.504)	172.362	-	-	-	**(278,142)**
Total	24.708.047	(608.654)	203.056	-	-	**24,302,449**

The Corporation	At 1 January 2023 £	Net Income (expenditure) for the year £	Net Gains on revaluation of Investments £	Actuarial Gains £	Transfers £	At 31 December 2023 £
Restricted Funds	9.254	99.000	-	-	-	**108,254**
Unrestricted Funds						
Designated funds						
Tangible Fixed Asset Fund	5.958.943	(488.249)	-	-	12.645.125	**18,115,819**
Refurbishment reserve	6.701.439	-	-	-	(4.360.549)	**2,340,890**
Grant Making Reserve	9.375.617	-	-	-	(8.240.000)	**1,135,617**
Undesignated Funds						
General Reserve	3.050.526	(328.995)	203.056	-	(44.576)	**2,880,011**
Total	25.095.779	(718.244)	203.056	-	-	**24,580,591**

A proportion of the general reserve is represented by endowment funds which arose from the original appeals for the construction of Church House in 1885. These funds can no longer be separately identified but the Council is of the opinion that they are immaterial.

Restricted funds totalling £108,254 (2022: £9,254) are retained for the specific purpose of maintaining the portrait of Archbishop Davidson including periodic restoration and repair works as required (£9,254) and for the installation of new art works (£99,000).

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2023 (continued)

15 Analysis of net assets between funds

Fund Balance at 31st December 2023 are represented by:

Group	Tangible Fixed Asset fund £	Designated funds and restricted funds £	General Reserve £	**Total Funds £**
Tangible Fixed Assets	18,531,478	-	-	**18,531,478**
Investments	-	-	1,525	**1,525**
Net Current Assets	-	3,306,619	2,462,827	**5,769,446**
Total Net Assets	18,531,478	3,306,619	2,186,209	**24,302,449**

The Corporation	Tangible Fixed Asset fund £	Designated funds and restricted funds £	General Reserve £	**Total Funds £**
Tangible Fixed Assets	18,115,819	-	-	**18,115,819**
Investments	-	-	501,524	**501,524**
Net Current Assets	-	3,584,761	2,378,487	**5,963,248**
Total Net Assets	18,115,819	3,584,761	2,880,011	**24,580,591**

The total realised gains as at 31 December constitutes movements on revaluation and are as follows:

Reconciliation of Movements in unrealised gains	**2023 £**	2022 £
Unrealised gains at 1 January	**1,293,400**	5,216,879
less: disposals in the year	**(1,496,456)**	(3,241,973)
	(203,056)	1,974,906
Realised gains on disposal	**203,056**	-
Net gains/losses arising on revaluation	**-**	(681,506)
Total Unrealised gains at 31 December	**-**	1,293,400

16 Financial commitments

The Corporation and its subsidiary have financial commitments in respect of non-cancellable operating leases. The minimum rentals payable under these leases are as follows:

Equipment	**2023 £**	2022 £
Within one year	**7,642**	5,594
Between one and two years	**13,015**	-
Between three and five years	**9,840**	-
Total	**30,497**	5,594
Hire of Equipment	**4,497**	8,142

16 Financial commitments (continued)

Other financial commitments
The Group and The Corporation had the following financial commitments at 31 December:

	Group		Corporation	
	2023	2022	**2023**	2022
Authorised and contracted for:	**£**	£	**£**	£
Capital expenditure: Buildings	**600,000**	-	**600,000**	-
Capital expenditure: Plant and equipment	-	-	-	-
Revenue expenditure: Cyclical maintenance	-	-	-	-
	600,000	-	**600,000**	-

	Group		Corporation	
	2023	2022	**2023**	2022
Authorised but **not** contracted for:	**£**	£	**£**	£
Capital expenditure: Buildings	**3,107,989**	16,669,771	**3,107,989**	16,669,771
Capital expenditure: Plant and equipment	**405,500**	184,500	**217,000**	-
Capital expenditure: Office equipment	-	-	-	-
Capital expenditure: Fixtures and fittings	-	-	-	-
Revenue expenditure: Cyclical maintenance	**116,000**	160,000	**116,000**	160,000
	3,629,489	17,014,271	**3,440,989**	16,829,771

Included in 2023 authorised but not contracted for financial commitments above is the balance of the estimated project cost for the planned two-phase major refurbishment of Church House.

17 Related party transactions
All related party transactions between The Corporation and its trading subsidiary, Church House Conference Centre Limited, are disclosed in note 18.

Loan facility provided to Church House Conference Centre Limited
The Council agreed to make a £500,000 loan facility available to the Company which became available upon expiry of the former loan facility on 31 December 2021. This will provide the Company with further financial support, should it be needed, during the period to 31 December 2031. The Company had not drawn down any funds from this facility at the date these financial statements were approved by the Council. The Company forecasts that there will be no requirement for the facility to be used in the foreseeable future.

The £1,000,000 drawn against the former facility in 2020 and 2021 was paid by the year end, leaving a balance outstanding of £250,000. This final amount was repaid in March 2024.

17 Related party transactions (continued)

***Loan facility provided to Church House Conference Centre Limited** (continued)*
Any amounts advanced to the Company from the facilities accrue interest at 0.5% above the bank base rate until repaid. The total amount advanced, together with any interest accrued, is repayable no later than 31 December 2031, or upon the Company giving notice of its intention to exercise the break clause contained within its lease agreement.

The Board of Directors of Church House Conference Centre Limited, continue to monitor the current financial position, trading conditions and prospects monthly. The Board meets quarterly, or more frequently if required, and a summary of the Company's trading and financial position is provided for consideration at each Council meeting.

Other related party transactions
There were no other related party transactions during the year that require disclosure (2022 – none).

18 Trading subsidiary – Church House Conference Centre Limited

A. Summary of results of the trading subsidiary

	2023 £	2022 £
Turnover	**4,099,613**	4,621,592
Operating Costs	**(3,941,085)**	(3,767,914)
Operating profit	**158,528**	853,678
Bank Interest Receivable	**19,927**	3,971
Interest Payable	**(6,093)**	(6,055)
Profit on ordinary activities before taxation	**172,362**	851,594
taxation	**-**	-
Profit for the financial year	**172,362**	851,594
Payments under deed of Covenant		
Provision for payments under deed of covenant	**-**	-
	172,362	851,594

B. Inter group transactions

	2023 £	2022 £
Turnover	**4,099,613**	4,621,592
less: sales to The Corporation	**-**	(1,235)
Net Turnover	**4,099,613**	4,620,357
Operating Costs	**3,941,085**	3,767,914
Less: Purchases from the Corporation	**(11,114)**	(35,885)
Less: rent & service charge paid to The Corporation	**(865,010)**	(842,808)
Net Operating Costs	**3,064,961**	2,889,221

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

C. Net assets of trading subsidiary	2023 £	2022 £
Total Assets	**2,320,124**	2,829,485
Total Liabilities	**(2,098,266)**	(2,779,989)
Net Liabilities	**221,858**	49,496

THE CORPORATION OF THE CHURCH HOUSE

England & Wales - Charity number 213252

Accounts

Registered charity number: 213252

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

One hundred and thirty fifth annual report and financial statements

Year ended 31 December 2022

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

27 Great Smith Street, London, SW1P 3AZ
The Council (Trustees), Officers, Senior Staff and Advisors

Reference and administrative information

The Council (Trustees)

Elected members
Stephen Barney, (appointed 21 July 2022), ***Chair of the Council***
Canon Dr Christina Baxter CBE, (until 21 July 2022) ***Chair of the Council***
Hywel Rees-Jones, ***Treasurer and Deputy Chair of the Council***

Co-opted members
James Bryer (appointed 24 February 2022)
Andrew Penny
Josile Munro (appointed 21 July 2022)

Nominated members
Keith Cawdron
Dr Justine Allain Chapman
David Kemp

Officers and senior staff

Treasurer
Hywel Rees-Jones

Secretary/Chief Executive Officer
Stephanie Maurel

Head of Finance and Deputy Chief Executive Officer
Adrian Smith (to 11 April 2023)

Head of Facilities
Hugh Allcock-Green

Committees

Audit Committee
Stephen East, ***Chair***
John Hughesdon (until 24 April 2022)
Andrew Penny

Investment Committee
Hywel Rees-Jones, ***Chair***
T Clark (appointed 24 February 2022)
David Kemp
Andrew Penny

27 Great Smith Street, London, SW1P 3AZ
The Council (Trustees), Officers, Senior Staff and Advisors

Reference and administrative information (continued)

Professional advisors

Independent auditor
Buzzacott LLP
130 Wood Street, London, EC2V 6DL

Principal bankers
Coutts & Company
440 Strand, London, WC2R 0QS

Nationwide Building Society
Kings Park Road, Northampton, NN3 6NW

Solicitors
BDB Pitman LLP
One Bartholomew Close, London, EC1A 7BL

Investment Managers
Cazenove Capital Management Limited
1 London Wall Place, London, EC2Y 5AU

Church House Conference Centre Limited

Non-Executive Directors
Peter Thackwray OBE, ***Chair***
Mary Burley
Dr Michaela Jordan
Hywel Rees-Jones

Executive Directors
Stephanie Maurel
Adrian Smith (to 11 April 2023)

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Chair's report to the members of The Corporation of the Church House

Introduction

2022 has been an important year for The Corporation. The conference business has not only recovered from the impact of the Covid pandemic, but also delivered a record year. The major refurbishment project of the offices, which account for 55% of Church House's floor area, commenced in July of 2022 and is due to be completed in the spring of 2024. As the accounts show, financially the company performed ahead of expectations, largely due to conference revenues, whilst the balance sheet was affected by the capital expenditure in the year of £3.3 million on the refurbishment project. Nevertheless we were able to contribute to the funding of the Church of England in the order of £2 million.

In respect of the conference business it was a privilege to be the venue chosen to host 500 heads of state to lunch after the late Queen's funeral, as well as holding other significant national and international events which reinforce the importance of our facilities as space which is "safe" and which enables important conversations to happen, whether as the venue for General Synod or secular conferences, charity events and tribunals.

The Refurbishment

In considering whether to proceed with the office refurbishment the Trustees accepted the premise of the Allison report that "*action and investment was required to sustain Church House and that there was not a do-nothing option since this would lead to accelerated obsolescence of the building and reputational risk to the Church.*" We were also mindful that the largest tenant, the National Church Institutions (The Church Commissioners, The Pensions Board and The Archbishops Council), required the offices to be refurbished as a condition of lease renewal in 2023 and also that their occupancy would reduce significantly at the same time.

The options evaluated were:

1. house the Church Institutions and lease the vacant space to other tenants,
2. lease to third parties entirely and fund accommodation elsewhere for NCIs
3. sell the building refurbished

The financial return from retaining the building refurbished for income produces a better return than investing the likely sale proceeds elsewhere and indeed will more than meet the normal threshold for commercial property investment.

Within the latest, and now detailed, cost estimates are a premium for carbon neutrality (£750k) and the new South entrance (£1m). Whilst the total cost is a very significant sum at around £20m, it is proportionate to the likely capital value of the building if it were ever to be sold (which is over £120m) as prime real estate in central London. The current trustees are fortunate to be able to protect the future of Church House in this way without taking on significant borrowings at a time when interest rates are relatively high and the general economic environment is uncertain. This is due to the prudence of previous custodians of this important and iconic building.

No project of this nature is without risk. The Trustees have identified areas of material risk

and mitigating actions to minimise them. They include inflationary cost increases, a stock market correction reducing reserves, supply shortages and project delays due to conference and noise constraints.

As the project progresses, we continue to monitor these and any other issues as they arise and take further mitigating actions in conjunction with our advisors as needed.

Due to our reserves position it is possible that the project will be affordable without the need for external finance. However since year end the Trustees have decided to take out a contingency cashflow facility of up to £5m in case of need.

In passing it is worth noting that when the building was built in the 1930s, during a severe recession it was constructed to a remarkably high standard. It was planned to be paid for by public subscription, but this failed and borrowings were taken on, which were subsequently repaid from operating income. We should perhaps take reassurance from the history of this building's construction and the much greater risks taken then than we face today.

It is encouraging that at the time of writing our first significant new tenant, the Methodist Church headquarters staff, has taken up residence and there is strong interest from other commercial organisations. Our letting agents are confident that the letting rates on which we have based our assumptions are achievable.

We are also pleased to be able to provide enhanced retail facilities for Hymns Ancient and Modern, our tenants who operate the bookshop, in what will be the new South entrance, adjacent to a new coffee shop and corporate entrance.

As part of this significant modernisation and change to the way Church House operates and is perceived we have rebranded The Corporation to reflect better the values of the organisation to chime with the notion that it is a *"building of light for the people of the light"* and provide a generous welcome for those of all faiths and none. A working group is also considering how the artwork in the building should speak into this.

Carbon Neutrality

In line with the Church of England's target of carbon neutrality by 2030, the net effect of this investment will be better than carbon neutral. The use of durable cork flooring and sprayed cork wall finishes are two innovative features of our project which reduce our carbon footprint. This is in addition to the more standard ways of contributing to the security of the environment.

Conclusion

I am very conscious of the disruption, despite our best efforts, the main building works have caused to the running of Church House. We are most grateful to the forbearance of tenants and staff and will continue to consult with them to minimise this.

I would like to thank all of The Corporation's staff for their efforts during 2022. In addition to the usual challenges involved in managing the building and running the conference centre they have dealt with a third successive year in which Covid has disrupted normal business operations and embarked upon a major refurbishment project.

We welcomed one new trustee during the new year Josile Munro who brings experience of

church finance from the Diocese of London.

Finally, I should like to pay tribute to Canon Dr Christina Baxter who retired as Chair of the Trustees at the AGM in July 2022 following nine years' service given to The Corporation as a Trustee and then Chair. Under her stewardship The Corporation flourished in many ways, not least in the strengthening of the balance sheet, which is now enabling the major refurbishment of the offices for commercial letting, as well as the development of the conferencing business, in particular. I am also grateful to her for her wise advice during my induction as her successor.

Stephen Barney



Chair
18 May 2023

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Report of the Council of The Corporation of the Church House

The Council presents its annual report and audited consolidated financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 29 of the attached financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objects and activities

The primary object of The Corporation, as laid down in the Royal Charter, is to own and maintain a building - Church House - for the use of the National Church Institutions of the Church of England (NCIs). Following amendment of the Royal Charter in February 2018, The Corporation is now also permitted to award grants for the benefit of the NCIs.

The Corporation may manage such business as it thinks fit and expedient to undertake for the promotion of the objects of The Corporation.

The Corporation aims to provide office and meeting space for the NCIs at a cost below the market rent for the area; the annual rent charged in the year represents a substantial saving when compared to the costs of equivalent commercial property. The rent reflects an appropriate annual share of the governance costs and provides funds to be used towards the anticipated costs of future refurbishment and improvement of the building.

The Corporation seeks to generate income from the operation of its wholly owned commercial subsidiary, Church House Conference Centre Limited, which markets the spare capacity when the large meeting rooms in the building (whose listed status precludes radical alteration), are not required for use by the the General Synod. The Conference Centre clients include commercial companies, charities, church organisations, government bodies, trade associations and research organisations. Any taxable profit created by the Conference Centre is usually covenanted directly to The Corporation.

Building on the decision reached by the Council in 2017 to provide financial support to the National Church Institutions through the award of grants, and following the necessary amendment to the Royal Charter to permit such activity, the Council, with support from the senior management team and external advisors, introduced a grant-making policy in 2018. Complementing the four grants totalling a combined £7,508,000 awarded between 2018 and 2021, the Council considered an application from the National Church Institutions for a grant to support racial justice and digital development and approved the award of a grant for £750,000 for payment in 2023.

The Corporation's operational objectives during the year under review have been to maintain the security of the building and to ensure Church House continued to offer a safe and available workspace for the benefit of the National Church Institutions fulfilling all Government guidance relating to the COVID-19 pandemic. Additionally, the major refurbishment work for the building have begun.

In reviewing its aims and objectives and in planning its future activities we confirm The Corporation has complied with the Charity Commission's general guidance on public benefit: 'Charities and Public Benefit'.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2022

Operational performance

The National Church Institutions remain the principal tenants of the building. All office space at Church House remained open throughout the year, although actual usage was lower as a result of the lockdown in early 2022 and the on-going trend for hybrid working. The early lockdown also resulted in fewer events at and visitors to the conference centre although numbers picked up encouragingly towards the end of the year.

All facilities and services were maintained at appropriate levels and operated well throughout the year.

Grant-making policy

The Corporation will from time to time accept grant applications from the National Church Institutions dependent upon the financial performance of The Corporation.

Financial review

The consolidated statement of financial activities for the year is set out on page 20. A summary of the results and of the work of The Corporation is set out below.

The charity's principal sources of income are rent, investment income and covenanted profit from its trading subsidiary, Church House Conference Centre Limited. The group's income during the year exceeded expenditure by £1,203,998 (2021: expenditure exceeded income by £965,047) before losses/gains on investments and other recognised gains. A grant of £750,000 has been recognised in the year (2021: grant of £1,752,000 for safeguarding) although actual payments will be made throughout 2023. After taking into account the net income for 2022, together with recognised investment losses and actuarial gains, the group's total funds increased by £248,314 to £24,708,047 (2021: increased by £1,040,715 to £24,459,733).

Church House Conference Centre Limited

The Conference Centre is the wholly owned subsidiary of The Corporation and carries out trading activities for the benefit of The Corporation, paying rent and service charge which in 2022 amounted to £842,808 (2021: £909,314).

The impact of the COVID pandemic continued to affect trading conditions during the first part of 2022 although conditions improved significantly later in the year. Turnover for the year of £4,621,592 (2021: £2,276,848) represented a 12% increase on the level generated in 2019 - the last full-year of uninterrupted trading prior to the onset of the pandemic - and together with cost savings enabled the Company to outperform its 2022 budget and report a higher than budgeted profit. The Conference Centre has been able to limit the amount of financial support requested from The Corporation under the terms of the £2m loan facility made available in 2020 to £1m.

For 2022, the profit on ordinary activities for the year was £851,590 (2021: loss £209,152) before taxation of £Nil (2021: £nil) and transfers under deed of covenant for the current year of £Nil (2021: £Nil).

Although the Company reported a profit for the year ended 31 December 2022, no amount is payable

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2022 (continued)

to The Corporation under the terms of the Deed of Covenant as there is a carried forward deficit on the Profit & Loss account. A summary of the trading results of the Conference Centre is shown in note 17 to the financial statements.

Investment policy

The Council has adopted a long-term and medium-risk policy to achieve a balance of income and capital growth from its investments. As permitted by The Corporation's Royal Charter, the Council has given its investment managers discretion to manage the portfolio within an agreed risk profile.

The purpose of The Corporation's investments is to provide the necessary stability and financial backing to enable periodic improvement and refurbishment of Church House. To achieve this, it is the intention to manage the portfolio in such a way that the value of the investments more than matches inflation over the longer term. Given the investment horizon, it has been decided in consultation with the investment managers that the portfolio should consist substantially of equities both in the UK and overseas.

In 2021 The Council, in conjunction with the Investment Committee, agreed that the investment portfolio should be used to provide the funds required for the refurbishment project at Church House planned for 2022-2023. Consequently, during 2022, the investment managers were instructed to seize opportunities to generate £15m cash in relation to the total anticipated £20m cashflow requirement for the project.

It is the Council's policy to take note of the guidance of the Church of England's Ethical Investment Advisory Group.

Investment performance

Performance of the investments is measured against a bespoke benchmark. The benchmark is based on the agreed asset allocation: 55% to relate to the FTSE All Share index, 20% to the FTSE World index (excluding UK), 20% to the FTSE Government All Stocks index and 5% to SONIA (Sterling Overnight Index Average).

The performance of the portfolio was ahead of the benchmark for the year. The Corporation's investments delivered an overall return of -4.8% (2021: plus 10.9%) compared with the bespoke benchmark of -6.0% (2021: plus 13.3%). UK equities returned -0.2% (2021: plus 18.8%) against the FTSE All Share index return of 0.3% (2021: plus 18.3%), overseas equities returning -6.3% (2021: plus 11.3%) against the FTSE World index (excluding UK) return of -7.7% (2021: plus 22.2%). The overall bond allocation returned -15.5% (2021: plus 0.1%) which compares to the FTSE All Stock Gilts index return of -23.8% (2021: minus 5.2%).

2022 was overshadowed by Russia's invasion of Ukraine which sent most equity prices and bond yields down while energy stocks rose. The reintroduction of Covid restrictions in China and fears about inflation and rising interest rates contributed to the volatility.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2022 (continued)

Investment performance (continued)

The Corporation withdrew £15,000,000 (2021: £1,500,000) from the portfolio to fund the refurbishment of Church House. No capital (2021: none) was transferred to Cazenove Capital for investment during the year.

The market value of listed investments at 31 December, excluding cash held with the investment managers, was £6,899,680 (2021: £21,041,126). The two year end positions are not comparable because of the amount of cash realised during the year.

The market value of the portfolio at 31 December includes cumulative unrealised gains over historic cost of £1,293,400 (2021: £5,216,879). The surplus for the year includes a revaluation loss of £1,048,671 which can be analysed into unrealised losses of £681,506 and realised losses of £367,165 (2021: gain £80,971). The realised loss does not imply that investments were sold at a loss to historic cost but instead to the market value on 31 December 2021.

The Council, upon the recommendation of the Investment Committee, previously agreed that the investment managers should hold a higher balance of cash to ensure funds would be available to meet the different profiles of planned capital and grant expenditure under discussion. As outlined above The Corporation will require additional working capital in 2023 to fund the planned refurbishment project at Church House, in addition to other capital and grant expenditure. Consequently, the value of cash held by the investment managers at 31 December 2022 was £9,746,446 (2021: £932,903). This is disclosed as part of the "cash at bank and in hand" figure in the financial statements.

Reserves

The reserves of The Corporation, predominantly represented by its investment portfolio and cash holding, are held to meet the primary charitable objective of The Corporation which is to own and maintain the building called Church House for the use of the National Church Institutions of the Church of England. Of the group's total funds at 31 December 2022 amounting to £24,708,047 (2021: £24,459,733), the free reserves amounted to £2,976,032 (2021: £1,464,906). Free reserves consist of the general reserve. the non-charitable trading fund and, in 2021, the pension reserve.

When undertaking the annual review of free reserves, the Council determined that the present level is sufficient to meet operational needs and to provide contingency funds. The impact of COVID-19 on The Corporation and its subsidiary has lessened during the year and the view in respect to the adequacy of free reserves has not changed.

Expenditure charged to the refurbishment reserve reduced the balance to £6,701,439 (2021: £10,000,000). The fund will continue to be used to meet the anticipated costs of the two-phase project to refurbish Church House with works which began in June 2022 and due to be completed in spring 2024.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2022 (continued)

Reserves (continued)
The grant of £750,000 (2021: £1,752,000) awarded to the Archbishops' Council to support racial justice and digital development has been funded from the designated grant-making fund.

The balance of the grant-making fund at 31 December 2022 was £9,375,617 (2021: £10,125,617).

Future plans

The Corporation's primary objective remains to plan to run an efficient office building for the National Church Institutions of the Church of England and examine its running costs with a view to saving expenditure wherever possible.

Following the National Church Institutions decision to reduce their footprint at Church House, the Council commissioned an independent external review of the building. This identified the options available to improve office accommodation for the continued use of the NCIs and for the refurbishment of space that will be vacated with a view to generating increased revenue from future commercial letting. The Council has given careful consideration to the options presented and are confident this will secure the long-term viability of Church House and will, ultimately, provide additional funds that can be used to support the mission of the Church of England through increased grant-making. The Council had approved the £16m estimated costs for the project to refurbish Church House, but understands at the time of writing that costs may be c£20m.

The process of identifying the changes that will have to be implemented at Church House to achieve the aim of operating a carbon zero building no later than 2030 commenced in 2020. This work has continued and, where practicable, will be incorporated into the planned refurbishment works. For changes needed that will not be included as part of the project, the impact of the works will be assessed, before a costed plan and timeline is produced.

The Council expects to receive further applications for grants from the National Church Institutions. The suitability of all grant applications for funding will be considered on the basis of the benefits they will deliver across the Church and for the wider public. Once suitability has been established, the appropriate level of any funding will be determined with reference to The Corporation's own financial position and general economic conditions.

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors

The Corporation of the Church House ("The Corporation") was established in 1888 by Royal Charter (charity registration number 213252) and its principal office is 27 Great Smith Street, London, SW1P 3AZ.

During the year The Corporation was governed by a Royal Charter dated 22 November 2002, which was last amended on 8 February 2018. The most recent amendment permits grants to be awarded for the benefit of the National Church Institutions of the Church of England.

It has a wholly owned, commercial trading subsidiary, Church House Conference Centre Limited (company registration number 02869220 (England and Wales)). The company's trading name is Church House Westminster and its principal activity is that of running a conference centre.

The Council of The Corporation comprises of up to nine members. Each member is appointed for an initial term of five years, renewable for a further term of the same length. Following resolutions carried at the 2008 Annual General Meeting and the approval of the Privy Council and the Charity Commission, two members are elected from amongst the members of The Corporation, who are members of the General Synod and other individuals, by the members of The Corporation; three members are nominated by the Appointments Committee of the Church of England and four members are co-opted by the Council. Currently there is one vacancy for a co-opted member. Every member of the Council must be and continue to be a member of the Church of England. The names of the members of the Council at 31 December 2022 (and up to the date of this report) are given on page 2.

New Council members are inducted into the workings of The Corporation and its subsidiary, including Council policy and procedures, at an initial meeting with the Secretary and also receive a copy of the Charity Commission guidance on the roles and responsibilities of trustees.

Members of the Council, as The Corporation's trustees, are legally responsible for the overall management and control of The Corporation and its subsidiary and the Council meets at least four times a year. The Council appoints the senior staff of The Corporation who, in turn, are responsible for its day to day running. The Council is responsible for the approval of the annual budget and cash flow forecasts and is responsible for the preparation of the financial statements of The Corporation and its subsidiary. It also monitors the financial and operational activities of The Corporation.

The Council has an Audit Committee with an independent Chair, one independent member and one member co-opted from the Council. The Committee meets at least twice a year and, inter alia, monitors The Corporation's external audit arrangements and risk management systems. The spring meeting is principally concerned with the annual audit including a confidential meeting with the auditor, while the autumn meeting concentrates on governance, personnel matters and the scrutiny of risk management. The Committee held two meetings during the year under review.

Details of The Corporation's professional advisors are given on page 3. The Corporation maintains a relationship and regular dialogue with its advisors in addition to obtaining expert advice and assurance when required.

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors (continued)

Risk management

The Council has identified and reviewed the major risks to which The Corporation and its subsidiary are exposed, in particular those related to their operations and finance with particular reference to the refurbishment of the building and the lessening impact of COVID-19, and is satisfied that systems are in place to mitigate The Corporation's exposure to those major risks.

The primary risks faced by The Corporation and Church House Conference Centre Limited are those that would significantly disrupt the availability and operation of the building. The Corporation and Conference Centre have comprehensive policies of insurance, reviewed annually, that provide financial compensation for many such occurrences although, along with many other businesses, we identified that our insurance cover did not extend to provide cover for the economic impact of the COVID-19 pandemic. Above all, The Corporation has a business continuity plan that did, and will, enable it to maintain and recover its operations in the event of significant disruption.

Any significant reduction in the value of The Corporation's investment portfolio could place at risk The Corporation's ability to fund improvements to Church House. This risk is managed through the setting of an appropriate Investment Policy (see the Investment Policy section of the Report of the Council on page 9 for more information) and continuous review of investment performance by the Investment Committee (see pages 9 and 10 for more information). In January 2022, to mitigate against potential market volatility, the Investment Managers were instructed to commence the sale of holdings to generate the capital to be used to fund the refurbishment project that subsequently commenced in June 2022.

Notwithstanding the potential impact arising from the availability and operation of Church House being significantly disrupted as outlined above, the most significant financial risk to which Church House Conference Centre Limited is exposed is the impact of general economic and wider conditions affecting their existing and potential client base. The Corporation was happy to note that the level of business in 2022 was greater than in 2019, the last full year of trading pre-Covid.

To mitigate the financial impact of COVID-19 The Corporation agreed to provide a further £500,000 loan facility from 1 January 2022 to provide the Company with further financial support, should it be needed, for the period to 31 December 2031. At the time that these financial statements were signed the facility remained undrawn.

The Board of Directors of Church House Conference Centre Limited continue to monitor the current financial position, trading conditions and future prospects monthly. The Board meets quarterly, or more frequently if required, and a summary of the Company's trading and financial position is provided for consideration at each Council meeting (see note 16).

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors (continued)

Key management personnel
In addition to The Corporation's unremunerated Council members, the Senior Management Team are defined as key personnel.

The Council has delegated responsibility and authority for managing the day-to-day activities of The Corporation and, through the Board of directors of Church House Conference Centre Limited, to the Senior Management Team which consists of the Secretary, Head of Finance and Head of Facilities.

In 2022 the Council agreed a uniform percentage cost-of-living pay award for all staff.

No additional bonus or other incentive schemes apply to the Senior Management Team.

No member of the Council received any remuneration from either The Corporation or Church House Conference Centre Limited.

Fundraising
The Corporation does not actively engage in fundraising activities and does not employ a professional fundraiser or commercial participator. No complaints in respect to fundraising activity were received by The Corporation during the year.

Statement of the Council's responsibilities

The Council is responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the group and the charity and of the income and expenditure of the charity and the group for that year.

In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures 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 the charity will continue in business.

Report of the Council of The Corporation of the Church House (continued)

Statement of the Council's responsibilities (continued)

The Council is responsible for keeping accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provision of the Royal Charter. It is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the group and the charity financial information included on the group and the charity's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Council

Stephen Barney
Chair

Hywel Rees-Jones
Treasurer and Deputy Chair

18 May 2023

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Independent auditor's report to the Council of The Corporation of the Church House

Opinion

We have audited the accounts of The Corporation of the Church House and its subsidiary for the year ended 31 December 2022 which comprise the group and parent charity statement of financial activities, the group and charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2022 and of their 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 Charities Act 2011.

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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Council members' use of the going concern basis of accounting in the preparation of the accounts 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 group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The Council members are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Other information (continued)
In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Chair's report and Report of the Council is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Council

As explained more fully in the Council's responsibilities statement, the members of the Council are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Council members are responsible for assessing the group's and the parent charity'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 Council either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) and those relating to health and safety legislation; and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Council members' meetings.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Council members; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Auditor's responsibilities for the audit of the accounts (continued)

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

Use of our report

This report is made solely to the Council, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the members of the Council 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 charity and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date:

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Consolidated statement of financial activities for the year ended 31 December 2022

	Note	2022 £	2021 £
Income from:			
Investments and bank deposits	3	**312,855**	429,346
Other trading activities – Conference Centre	17(b)	**4,620,357**	2,275,613
Charitable activities			
. Rental income and service charge		**2,415,925**	2,764,021
Other			
. Coronavirus Job Retention Scheme Grant		-	85,907
. Management fees receivable		**8,000**	6,667
. Profit on disposal of tangible fixed assets		-	-
Total income		**7,357,137**	5,561,554
Expenditure on:			
Raising funds			
. Investment management fees		**61,222**	112,643
. Conference Centre costs	17(b)	**2,889,221**	1,600,913
. Taxation		-	-
Charitable activities			
. Grants awarded to the National Church Institutions of the Church of England	4	**750,000**	1,752,000
. Corporation operating costs	5	**2,450,696**	3,057,878
Other			
. Interest payable	8(a)	**2,000**	2,000
. Loss on disposal of tangible fixed assets		-	1,167
Total expenditure		**6,153,139**	6,526,601
Net income /(expenditure) before (losses)/gains on investments		**1,203,998**	(965,047)
Net (losses)/gains on investments	10	**(1,048,671)**	2,002,801
Net (expenditure)/income		**155,327**	1,037,754
Other recognised gains			
Actuarial gains on defined benefit pension scheme	8(a)	**92,987**	2,961
Net movement in funds	6	**248,314**	1,040,715
Reconciliation of funds:			
Fund balances brought forward at 1 January	13	**24,459,733**	23,419,018
Fund balances carried forward at 31 December	13	**24,708,047**	24,459,733

All of the group's activities derived from continuing operations during the above two financial periods. The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure of the charity was unrestricted during the above two financial periods. Fund balances at 31 December 2021 and 2022 include restricted funds of £9,254. The notes on pages 23 to 45 form part of the financial statements.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Balance sheets as at 31 December 2022

		Group		The Corporation	
	Note	**2022** £	2021 £	**2022** £	2021 £
Fixed assets					
Tangible assets	9	**6,154,657**	3,048,903	**5,958,943**	2,859,956
Investments	10	**7,059,251**	21,974,029	**7,559,251**	22,474,029
Total fixed assets		**13,213,908**	25,022,932	**13,518,194**	25,333,985
Current assets					
Debtors: due after more than one year	11(a)	**-**	-	**1,012,486**	1,006,431
Debtors: due within one year	11(b)	**1,999,217**	806,049	**1,708.081**	580,268
Cash at bank and in hand		**12,754,363**	2,260,479	**10,837,878**	1,512,182
Total current assets		**14,753,580**	3,066,528	**13,558,445**	3,098,881
Liabilities					
Creditors: amounts falling due within one year	12	**(3,259,441)**	(3,396,727)	**(1,980,860)**	(2,438,039)
Net current assets/(liabilities)		**11,494,139**	(330,199)	**11,577,585**	660,842
Total assets less current liabilities		**24,708,047**	24,692,733	**25,095,779**	25,994,827
Provisions for liabilities and charges	8(a)	**-**	(233,000)	**-**	(233,000)
Total net assets		**24,708,047**	24,459,733	**25,095,779**	25,761,827
The funds of the charity					
Restricted income funds	13	**9,254**	9,254	**9,254**	9,254
Unrestricted income funds	13				
. Designated funds					
. .Tangible fixed assets fund		**5,422,749**	2,859,956	**5,422,749**	2,859,956
. . Refurbishment reserve		**6,924,395**	10,000,000	**6,924,395**	10,000,000
. . Grant-making reserve		**9,375,617**	10,125,617	**9,375,617**	10,125,617
. Undesignated funds					
. . General reserve		**3,426,536**	3,000,000	**3,363,764**	3,000,000
. . Non-charitable trading fund		**(450,504)**	(1,302,094)	**-**	-
. . Pension reserve		**-**	(233,000)	**-**	(233,000)
Total charity funds	14	**24,708,047**	24,459,733	**25,095,779**	25,761,827

The financial statements which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows and the related notes on pages 23 to 45 were approved by the Council on 18 May 2023 and signed on its behalf by

STEPHEN BARNEY — Member of Council and Chair of the Council

HYWEL REES-JONES — Member of Council, Treasurer and Deputy Chair

STEPHANIE MAUREL — Secretary

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Consolidated statement of cash flows for the year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	**(118,955)**	(687,498)
Cash flows from investing activities			
Income from listed investments		**192,817**	428,615
Interest received		**120,038**	731
Purchase of tangible fixed assets		**(3,566,123)**	(177,449)
Purchase of fixed asset investments		**(1,870,372)**	(3,384,228)
Proceeds from the disposal of fixed asset investments		**14,963,147**	3,821,773
Net cash provided by investing activities		**9,839,507**	689,442
Change in cash and cash equivalents		**9,720,552**	1,944
Cash and cash equivalents at 1 January	B	**3,193,382**	3,191,438
Cash and cash equivalents at 31 December	B	**12,913,934**	3,193,382

Notes to the consolidated statement of cash flows for the year to 31 December 2022

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2022 £	2021 £
Net movement in funds (as per consolidated statement of financial activities)	**248,314**	1,040,715
Adjustments for:		
Depreciation of tangible fixed assets	**458,317**	876,823
Gains/(losses) on investments	**1,048,671**	(2,002,801)
Loss/(profit) on disposal of tangible fixed assets	**-**	1,167
Fixed asset write-off	**2,052**	-
Investment income	**(312,855)**	(429,346)
Decrease (increase) in debtors	**(1,193,168)**	256,891
(Decrease) in creditors	**(137,286)**	(287,973)
(Decrease) in provisions	**(233,000)**	(142,974)
Net cash (used in) operating activities	**(118,955)**	(687,498)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	**12,754,363**	2,260,479
Cash held by investment managers	**159,571**	932,903
Total cash and cash equivalents	**12,913,934**	3,193,382

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

These financial statements have been prepared for the year to 31 December 2022 with comparative information given for the year ended 31 December 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£) and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Council members and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the recoverability of outstanding debtors;
- estimating accrued expenditure;
- assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

c) Assessment of going concern

The Council members have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Council members have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The Corporation commenced a major refurbishment project in June 2022 to secure the long-term viability of Church House. This project is expected to be completed in early 2024 and will see a shift in the tenant portfolio away from National Church Institutions towards commercial tenants. This is expected to increase future rental income.

The Board of Directors of Church House Conference Centre are cautiously optimistic that the Company will meet its revenue target for 2023. 2022 saw a rapid increase in the number of bookings as the country emerged from lockdown. The Board believes that it can benefit from the growing demand for face to face events.

The Council is of the opinion that the overall finances of The Corporation and its subsidiary are robust and that the group and the charity will have sufficient resources to meet their liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

d) Consolidated financial statements

The consolidated financial statements include The Corporation and its wholly owned subsidiary undertaking, Church House Conference Centre Limited (company registration number 02869220). Intra-group transactions and balances are eliminated fully on consolidation. No separate statement of financial activities has been presented for The Corporation within these financial statements. The net expenditure for the year to 31 December 2022 for The Corporation only, including the £750,000 (2021: £1,752,000) provision for grants payable, £nil of actuarial gains (2021: £2,961 of actuarial gains) in relation to the provision made for future funding payments in respect of the deficit on the Defined Benefits pension scheme (see note 8a), but excluding investment gains, was £201,507 (2021: net expenditure of £752,934).

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

e) Income recognition

Income is recognised in the period in which the group is legally entitled to the income, where the amount can be measured reliably and it is probable that the income will be received.

Income comprises rental income, investment income, income generated by the Conference Centre activities and other income including Coronavirus Job Retention Scheme grants, dilapidation receipts and management fees.

Rental income is recognised when it becomes contractually due under the relevant lease or tenancy agreement.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on cash balances held with banks and investment managers are included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank or the investment manager.

Income generated by the Conference Centre activities comprises income from room hire, equipment hire and commission on catering provision. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Coronavirus Job Retention scheme grants are credited to income when the charity and group are entitled to the funds and when the amount receivable has become quantifiable. Other income including management fees and dilapidation receipts is measured at fair value and accounted for on an accruals basis.

f) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group to make a payment 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.

All expenditure is accounted for on an accruals basis and inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Cost of raising funds includes investment management fees and the operating costs of Church House Conference Centre Limited.
- Charitable expenditure represents all costs associated with furthering the charitable purposes of The Corporation. This includes the direct and indirect costs of running Church House and grant-making activities. The allocation of costs to charitable activities, including support costs, is based upon the calculation of the service charges recoverable from The Corporation's tenants.
- Other expenditure includes losses on the disposal of tangible fixed assets.

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

f) Expenditure recognition (continued)

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are treated as liabilities.

g) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Tangible fixed assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The annual rates used for this purpose are:	%
Freehold buildings	5.00 – 10.00
Furniture and fittings	6.50 – 15.00
Telephone and office equipment	10.00 – 33.33
Plant and equipment	5.00 – 20.00

Freehold land is not depreciated. Assets under Construction are not depreciated until they are brought into use, at which point they are transferred to the appropriate asset category.

An impairment review is carried out in respect to a particular class of asset if events, or changes in circumstances, indicate that the carrying amount of any tangible fixed asset may not be recoverable.

h) Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

i) Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The group and charity do not trade options, derivatives or other complex financial instruments.

Realised gains (or losses) on listed investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The investment in the subsidiary undertaking is stated at cost less any provision for permanent diminution in value.

j) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

k) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

l) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement is known or can be estimated reliably. Creditors and provisions are recognised at the amount the group or charity anticipates it will pay to settle the debt.

m) Fund structure

The tangible fixed assets funds represent the net book value of the charity's tangible fixed assets.

Free reserves represent those monies which are freely available for application towards achieving any charitable purpose that falls within the group and charity's charitable objects.

The refurbishment reserve was established in 2018 to ensure that the charity holds a level of net assets that would enable it to undertake future refurbishment and improvement works to support its primary charitable objective of maintaining Church House for the use of the National Church Institutions of the Church of England (NCIs). The Council agreed to increase the balance of this fund to £10m as at 31 December 2021 to provide the necessary funds to meet the anticipated project costs for the major refurbishment works at Church House that commenced in June 2022. Any cost in excess of this will be met initially from the general reserve and then by a combination of transfer from other reserves, future income and, if necessary, borrowing

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

m) Fund structure (continued)

The grant-making reserve represents the value of net assets designated and available for distribution to the NCIs in the form of grants to support the charitable objectives of the Church of England. The Council expects to receive further grant applications from the NCIs in the short-term. It is anticipated that the level of funds to be transferred to the fund will grow as future commercial letting activity increases and generates additional rental income following completion of the refurbishment project in 2023.

The pension reserve represents the actuarial deficit on the defined pension scheme. This reduced to £nil in 2022.

Non-charitable trading funds comprise of the value of cumulative accumulated losses or retained earnings by Church House Conference Centre Limited.

Restricted funds are funds with their use restricted to a specific purpose as described in note 13.

n) Leased assets

Rentals applicable to operating leases where the benefits and risks of ownership remain substantially with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

The group had no finance leases during the year ended 31 December 2022 or 31 December 2021.

o) Pension scheme arrangements

The Corporation participated in the Church of England Defined Benefit Scheme (DBS) and the Church of England Pension Builder Scheme (PBS), both part of the Church Workers Pension Fund. Both schemes are administered by the Church of England Pensions Board and are defined benefit pension schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date onwards, the DBS was closed to new membership applications and all new employees have been offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to the PBS. From this date all active members have accrued future pension benefits under the PBS. The transfer of pension membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019.

Payment of normal contributions in respect of the DBS ceased with the transfer of all active members to the PBS on 1 January 2020 however The Corporation continues to pay deficit recovery contributions in respect of the DBS.

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

o) Pension scheme arrangements

The Corporation is unable to identify its share of the underlying assets and liabilities of the schemes on a reasonable and consistent basis. Therefore, in accordance with FRS102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable. The present value of any expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Further details of pension scheme arrangements are given in note 8

2 Taxation

The Corporation is registered as a charity with the Charity Commission for England and Wales (charity registration number 213252) and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Retained profits of Church House Conference Centre Limited, if any, are subject to corporation tax calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

3 Investment income

	2022	2021
	£	£
Income from listed investments	**192,817**	428,615
Bank interest receivable	**120,038**	731
	312,855	429,346

4 Grants payable

	2022	2021
	£	£
Grants awarded in the year		
. Archbishops' Council	**750,000**	1,752,000

Grants awarded during 2022 were unpaid as at 31 December 2022 (note 12) and will be paid by twelve equal monthly instalments during 2023.

Notes to the financial statements for the year ended 31 December 2022 (continued)

5 Corporation operating costs

	2022 £	2021 £
Staff costs (note 7)	**948,504**	823,099
House expenses and cleaning	**395,550**	394,418
Rates, insurance and heating	**294,543**	316,614
Office and administrative expenses	**68,152**	33,843
Repairs and maintenance	**272,328**	651,499
Marketing	**(150)**	(785)
Professional fees	**89,623**	53,745
Depreciation – owned assets	**370,799**	776,359
Auditor's remuneration – The Corporation	**11,322**	9,050
Donations and presentations	**25**	36
	2,450,696	3,057,878

No support costs have been allocated to The Corporation's secondary charitable objective of grant-making. The additional time resources and costs associated with this activity were minimal.

6 Net movement in funds

The net movement in funds is stated after including the following charges:

	2022 £	2021 £
Auditor's remuneration		
. Audit	**25,143**	22,871
. Non-audit services – taxation and advisory services	**2,600**	3,421
Depreciation	**458,317**	876,823
Hire of equipment	**9,990**	9,990

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Staff costs and remuneration of key management personnel

The average number of persons employed by The Corporation and its subsidiary during the year is analysed below:

	Group		The Corporation	
	2022 Number	2021 Number	**2022 Number**	2021 Number
Maintenance and security	**10**	10	**10**	10
Administration	**21**	16	**6**	6
	31	26	**16**	16

Staff costs during the year were as follows:

	Group		The Corporation	
	2022 £	2021 £	**2022 £**	2021 £
Wages and salaries	**1,203,664**	1,096,313	**811,114**	703,763
Social security costs	**132,591**	122,967	**86,656**	77,032
Other pension costs	**154, 363**	145,933	**50,734**	42,304
	1,490,618	1,365,213	**948,504**	823,099

Included in wages and salaries above is £17,070 relating to redundancy arrangements for one (2021: None) employee of which £nil related to non-contractual payments.

Employee information for the group includes employees who are on full time secondment to the Conference Centre. The cost of these employees is included within the cost of raising funds.

The number of employees earning £60,000 pa or more (excluding employer's pension and national insurance contributions but including taxable benefits) was:

	Group		The Corporation	
	2022 Number	2021 Number	**2022 Number**	2021 Number
£60,000 to £69,999	**1**	1		1
£70,000 to £79,999	**1**	1	**1**	1
£80,000 to £89,999	**1**	—	**1**	—
£90,000 to £99,999	**-**	1	**-**	1
£100,000 to £109,999	**-**	—	**-**	—
£110,000 to £119,999	**1**	—	**1**	—

Retirement benefits under a defined benefit pension scheme are accruing to 4 (2021: 3) employees earning more than £60,000 per annum. Employer pension contributions totalling £45,723 (2021: £35,790) were paid in respect to these employees.

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Staff costs and remuneration of key management personnel (continued)

The key management personnel of the group in charge of directing and controlling, running and operating the group on a day to day basis comprise the Council and the Senior Management Team of the charity. The total remuneration (including employer's national insurance contributions, taxable benefits and employer's pension contributions) of the key management personnel for the year was £349,698 (2021: £304,126).

During the year ended 31 December 2022, expenses of £5,140 (2021: £994) were reimbursed to 5 (2021: 5) members of the Council. The expenses related to the costs of travelling to Council meetings. No member of the Council received any remuneration in respect of their services as members of the Council (2021: £Nil).

8 Pensions

The Church Workers Pension Fund (CWPF) has a section known as the Defined Benefit Scheme (DBS) and a section known as Pension Builder Scheme (PBS) (comprising both the deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014). During the year, The Corporation participated in both DBS and PBS schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date onwards, the DBS was closed to new membership applications and all new employees have been offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to the PBS. From this date all active members have accrued future pension benefits under the PBS. The transfer of membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019. The Corporation will continue to pay any required contributions to fund future deficits in the DBS scheme and will continue to liaise with actuaries in respect to scheme valuations.

a) *Defined Benefit Scheme*

The DBS section of the CWPF provides benefits for lay staff based on final pensionable salaries. The Scheme is administered by the Church of England Pensions Board (CEPB), which holds the assets of the schemes separately from those of The Corporation and the other participating employers.

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

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

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Pensions (continued)

a) ***Defined Benefit Scheme***

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the statement of financial activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

A valuation of the DBS is carried out once every three years, the most recent having been completed as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Pool. The overall deficit in the DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £13,400 per year. In addition deficit payments of £142,013 per year were agreed for 2.50 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the these financial statements as at 31 December 2022. A liability has been recognised at earlier dates.

No contributions were made to the scheme in the current or prior year other than for the deficit payments referenced above.

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Pensions (continued)

a) *Defined Benefit Scheme (continued)*

The movement in the provision in relation to the deficit payment plan is set out below:

	2022 £	2021 £
Balance sheet liability at 1 January	**233,000**	**375,974**
Deficit contribution paid	**(142,013)**	**(142,013)**
Charged (credited) to the statement of financial activities		
. Interest cost	**2,000**	**2,000**
. Change to the balance sheet liability	**(92,987)**	**(2,961)**
Balance sheet liability at 31 December	**-**	**233,000**

The balance sheet liability represents the present value of the deficit contributions agreed in the 31 December 2019 valuation and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	31 December 2022 %	31 December 2021 %	31 December 2020 %
Discount rate	0.00	1.30	0.40

Other available information relating to the valuation as at 31 December 2019 is given below:

Financial assumptions:	
Price inflation:	RPI 3.20% pa, CPI 2.40%
Rates of investment return:	
. prior to retirement	3.70% pa
. post retirement	1.85% pa reducing to 1.4%
Pension increases:	
. 5% pa cap	3.10% pa
. 2.5% pa cap	2.10% pa
Future salary increases	CPI plus 0.50% pa
Market value of DBS assets	£426.6m
Market value of Life Risk Pool assets	£235.3m

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Pensions (continued)

a) *Defined Benefit Scheme (continued)*

Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the group benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

b) *Pension Builder Scheme*

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

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

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs are charged to the statement of financial activities in the year contributions are payable.

A valuation of the Scheme is carried out once every three years. The most recent scheme valuation was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a deficit of £4.8m. There is no requirement for deficit funding payments at the current time.

Pension Builder 2014 is valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. The most recent scheme valuation was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a surplus of £5.5m.

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Pensions (continued)

b) *Pension Builder Scheme* *(continued)*

Regular employer contributions vary between 9% and 15.5% of pensionable salary for each member. The exact contribution rate is determined by the age of a member as at 1 April, the Scheme review date, each year.

Although the Scheme is non-contributory, employees can elect to make Additional Voluntary Contributions (AVCs). For each 1% AVC paid by a member, The Corporation pays an additional employer contribution of 1% up to a maximum of 3%.

During the year to 31 December 2021, The Corporation paid employer contributions of £145,933 (2020: £190,690) and this has been included in the pension costs in these financial statements. No pension contributions were prepaid or outstanding at 31 December 2021.

9 Tangible fixed assets

Group	Freehold land and buildings £	Furniture and fittings £	Telephone and office equipment £	Plant and equipment £	Assets under construction £	**Total £**
Cost						
At 1 January 2022	6,030,092	7,203,992	1,163,445	7,819,268	31,668	22,248,465
Additions	-	-	76,625	161,627	3,327,871	3,566,123
Disposals	-	-	(2,052)	-	-	(2,052)
At 31 December 2022	**6,030,092**	**7,203,992**	**1,238,018**	**7,980,895**	**3,359,539**	**25,812,536**
Depreciation						
At 1 January 2022	4,241,218	7,066,145	1,017,649	6,874,550	-	19,199,562
Disposals	-	-	-	-	-	-
Charge for the year	175,330	95,990	69,457	117,540	-	458,317
At 31 December 2022	**4,416,548**	**7,162,135**	**1,087,106**	**6,992,090**	-	**19,657,879**
Net book values						
At 31 December 2022	**1,613,544**	**41,857**	**150,912**	**988,805**	**3,359,539**	**6,154,657**
At 31 December 2021	**1,788,874**	**137,847**	**145,796**	**944,718**	**31,668**	**3,048,903**

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Tangible fixed assets (continued)

The Corporation	Freehold land and buildings £	Furniture and fittings £	Telephone and office equipment £	Plant and equipment £	Assets under Construction £	Total £
Cost						
At 1 January 2022	6,030,089	6,739,337	433,720	7,819,268	31,668	21,054,082
Additions	-	-	9,598	161,627	3,298,561	3,469,786
Disposals	-	-	-	-	-	-
At 31 December 2022	**6,030,089**	**6,739,337**	**443,318**	**7,980,895**	**3,330,229**	**24,523,868**
Depreciation						
At 1 January 2022	4,241,220	6,655,592	422,764	6,874,550	-	18,194,126
Disposals	-	-	-	-	-	-
Charge for the year	175,330	72,134	5,794	117,540	-	370,799
At 31 December 2022	**4,416,551**	**6,727,726**	**428,558**	**6,992,090**	**-**	**18,564,925**
Net book values						
At 31 December 2022	**1,613,538**	**11,612**	**14,758**	**988,804**	**3,330,229**	**5,958,943**
At 31 December 2021	**1,788,869**	**83,745**	**10,955**	**944,718**	**31,668**	**2,859,956**

In the opinion of the Council, Church House is worth substantially more than the book value reported in these financial statements.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

Notes to the financial statements for the year ended 31 December 2022 (continued)

10 Investments

Group	Listed investments £	Cash £	**2022 Total £**	2021 Total £
Cost or valuation				
At 1 January	21,041,126	932,903	**21,974,029**	21,170,261
Additions	1,870,372	-	**1,870,372**	3,384,228
Disposals at opening book value **	(15,330,312)	-	**(15,330,312)**	(3,740,803)
Net unrealised (losses)/gains	(681,506)		**(681,506)**	1,921,831
Net movement in year	-	(773,332)	**(773,332)**	(761,488)
At 31 December	6,899,680	159,571	**7,059,251**	21,974,029

The Corporation	Investment in subsidiary undertaking £	Listed investments £	Cash £	**2022 Total £**	2021 Total £
Cost or valuation					
At 1 January	500,000	21,041,126	932,903	**22,474,029**	21,670,261
Additions	-	1,870,372	-	**1,870,372**	3,384,228
Disposals at opening book value **	-	(15,330,312)	-	**(15,330,312)**	(3,740,803)
Net unrealised (losses)/gains	-	(681,506)	-	**(681,506)**	1,921,831
Net movement in year	-	-	(773,332)	**(773,332)**	(761,488)
At 31 December	500,000	6,899,680	159,571	**7,559,251**	22,474,029

** proceeds £14,963,147; losses £367,165

The interest in the subsidiary undertaking represents the cost to The Corporation of wholly owning the share capital of Church House Conference Centre Limited. The principal activity of that company is the operation of a conference centre at Church House and it covenants its taxable profits to The Corporation. A summary of the trading results and balance sheet of Church House Conference Centre Limited is shown in note 17.

Listed investments held at 31 December 2022 comprised:

Group	**2022 £**	2021 £
UK bonds	**261,838**	264,248
International bonds	**617,082**	1,443,636
UK equities	**1,852,574**	8,515,039
International equities	**2,657,809**	8,360,336
Private equity and alternatives	**1,510,377**	2,457,867
Total listed investments	**6,899,680**	21,041,126
Cash with investment managers	**159,571**	932,903
	7,059,251	21,974,029
Historic cost of listed investments (excluding cash)	**5,606,411**	15,824,247

Notes to the financial statements for the year ended 31 December 2022 (continued)

10 Investments (continued)

At 31 December 2022, the ten largest holdings were:

	2022		2021	
	Value £	**% of investment portfolio**	Value £	% of investment portfolio
Trojan Investment Funds	**540,470**	**7.83**	-	-
Findlay Park American Fund	**476,617**	**6.91**	**958,490**	**4.56**
Vanguard S&P 500 UCITS ETF	**452,196**	**6.55**	**610,542**	**2.90**
CG Portfolio Fund - Capital	**407,866**	**5.91**	-	-
MU Lyxor Core US TIPS	**309,102**	**4.48**	-	-
Robeco BP Global Premium Equities	**275,968**	**4.00**	-	-
UK Govt 0.125% RPI IL 2026	**261,969**	**3.80**	-	-
Neuberger Berman US Large Cap	**240,240**	**3.48**	-	-
Schroder Asia Alpha Plus Fund	**238,386**	**3.45**	-	-
Wellington Global Healthcare	**222,790**	**3.23**	-	-

All listed investments were dealt in on a recognised stock exchange.

11 Debtors

a. Amounts receivable after one year

	Group		The Corporation	
	2022 £	2021 £	**2022 £**	2021 £
Owed by subsidiary undertaking	-	-	**1,012,486**	**1,006,431**

The amount of £1,012,486 (2021: £1,006,431) owed by the subsidiary undertaking, Church House Conference Centre Limited, represents the capital amount advanced under the loan facility (see note 16) at the year-end together with accrued interest receivable. Under the terms of the loan facility, this amount, together with any subsequent advances and additional interest accrued, is payable to the Charity no later than 31 December 2031, or upon the Company giving notice of its intention to exercise the break clause contained within its lease agreement.

b. Amounts receivable within one year

	Group		The Corporation	
	2022 £	2021 £	**2022 £**	2021 £
Trade debtors	**769,490**	560,314	**80,487**	79,154
Owed by subsidiary undertaking	-	-	**426,140**	291,719
Rental debtors	**651,250**	1,240	**651,250**	1,240
Other debtors	**8,022**	3,270	**8,112**	3,270
Recoverable VAT	**221,478**	45,685	**221,478**	45,685
Prepayments and accrued income	**348,887**	195,540	**320,614**	159,200
	1,999,217	806,049	**1,708,081**	580,268

Notes to the financial statements for the year ended 31 December 2022 (continued)

12 Creditors: amounts falling due within one year

	Group		The Corporation	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade and expense creditors	**567,290**	520,029	**118,284**	145,135
Taxation and social security costs	**39,580**	49,054	**39,580**	49,054
Amounts owed to subsidiary undertaking	**-**	-	**-**	-
Other creditors	**142,781**	19,749	**72,427**	19,749
Deposits held	**271,242**	312,959	**-**	-
Grants payable to the National Church Institutions of the Church of England	**750,000**	1,752,000	**750,000**	1,752,000
Accruals	**1,117,117**	631,436	**629,138**	458,901
VAT payable	**-**	98,300	**-**	-
Deferred income (see below)	**371,431**	13,200	**371,431**	13,200
	3,259,441	3,396,727	**1,980,860**	2,438,039

	Group		The Corporation	
	2022	2021	**2022**	2021
Deferred income:	**£**	£	**£**	£
At 1 January	**13,200**	696,901	**13,200**	696,901
Released in the year	**(13,200)**	(696,901)	**(13,200)**	(696,901)
Deferred in the year	**371,431**	13,200	**371,431**	13,200
At 31 December	**371,431**	13,200	**371,431**	13,200

Deferred income represents rental income and service charge received from tenants in advance of the financial year end but relating to the following financial year commencing 1 January 2023.

The reduction in deferred income in 2021 resulted from the remeasurement and reallocation of space at Church House and remodelling of service charges to be paid by tenants. As a consequence, rent and service charge invoices for 2022 quarter one were issued after 1 January 2022.

THE CORPORATION OF THE CHURCH HOUSE

England & Wales - Charity number 213252

Accounts

Registered charity number: 213252

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

One hundred and thirty fourth annual report and financial statements

Year ended 31 December 2021

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

27 Great Smith Street, London, SW1P 3AZ
The Council (Trustees), Officers, Senior Staff and Advisors

Reference and administrative information

The Council (Trustees)

Elected members
Canon Dr Christina Baxter CBE, ***Chair of the Council***
Hywel Rees-Jones, ***Treasurer and Deputy Chair of the Council***

Co-opted members
Stephen Barney (appointed 18 November 2021)
James Bryer (appointed 24 February 2022)
Andrew Penny
Christopher Smith CBE (retired 18 November 2021)

Nominated members
Keith Cawdron
Dr Justine Allain Chapman
David Kemp

Officers and senior staff

Treasurer
Hywel Rees-Jones

Secretary/Chief Executive Officer
Stephanie Maurel

Head of Finance and Deputy Chief Executive Officer
Adrian Smith

Head of Facilities
Hugh Allcock-Green

Committees

Audit Committee
Stephen East, ***Chair***
John Hughesdon
Andrew Penny

Investment Committee
Hywel Rees-Jones, ***Chair***
John Booth (retired 22 July 2021)
T Clark (appointed 24 February 2022)
David Kemp
Andrew Penny

Reference and administrative information (continued)

Professional advisors

Independent auditor
Buzzacott LLP
130 Wood Street, London, EC2V 6DL

Principal bankers
Coutts & Company
440 Strand, London, WC2R 0QS

Nationwide Building Society
Kings Park Road, Northampton, NN3 6NW

Solicitors
BDB Pitman LLP
One Bartholomew Close, London, EC1A 7BL

Investment Managers
Cazenove Capital Management Limited
1 London Wall Place, London, EC2Y 5AU

Church House Conference Centre Limited

Non-Executive Directors
Peter Thackwray OBE, ***Chair***
Mary Burley
Dr Michaela Jordan
Hywel Rees-Jones

Executive Directors
Stephanie Maurel
Adrian Smith

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Chair's report to the members of The Corporation of the Church House

The context in which the Corporation worked in 2021 remained challenging: the impact of the pandemic on both business and working lives continued into 2021 but it also offered an opportunity to look afresh at the Corporation and the Conference Centre as new patterns of life emerged in England and its Churches. Following the appointment of a new CEO in September 2020, there has been a review of all areas of activity. Whilst both the Corporation and the Conference Centre have made steady progress, Trustees, Non-Executive Directors and staff have worked on new five-year strategies for both entities. These focus on the vision, mission, and values of both organisations. Trustees are supporting staff to ensure that all decisions are taken with consideration for the overarching vision of "Positively impacting communities by providing a fitting Westminster hub for the Church of England and supporting its mission".

The Corporation remains in a strong financial position. As expected, the Corporation's operating activities reflecting the Trustees' commitment to a further £1.752m grant to the Archbishops' Council for Safeguarding, resulted in a deficit for the year. The Corporation benefitted from the performance of its investment portfolio in 2021 which returned increased investment income of £428,615 and a net gain in excess of £2m. As a result, after accounting for the £209,152 loss reported by the Conference Centre for the year, total reserves increased by £1,040,715 to £24,459,733.

The Corporation has retained all of its tenants; new leases are in place for the seven commercial tenants and two residential flats. With the downsizing in January 2021 of the space occupied by both the National Church Institutions and the Diocese in Europe, a small amount of space became vacant within Church House. Whilst decisions were being taken regarding the future refurbishment of the building, some of this space was relet on short leases at preferential rates to small charities and start-up organisations supporting their mission by giving them a foothold in London. For example, the charity Suicide and Co, and a start-up vegan ready meal company.

Church House incurred lower routine operating costs for the building in 2021 as a result of continued reduced usage by tenants, Conference Centre clients and other visitors. The building was running at under 10% of pre-pandemic capacity throughout much of 2021. One large piece of work that was completed in the summer of 2021 was the delayed external redecoration of the building. Previously this has been undertaken every five years however, with the pandemic in 2020, this was postponed by twelve months. The whole of the outside of Church House has been inspected, repaired, cleaned, and protected for the next five or so years. Following advice, plans are being considered to change the future pattern of this work to maintain the current five-year timetable for the two flanks most impacted by the weather but leaving a slightly longer period for the other two flanks.

The maintenance of the building has progressed whilst the building has remained quiet. A full Security Review has also taken place along with an independent Health and Safety audit. An audit of the website and IT functions was undertaken by the National Church Institution's (NCIs) internal audit team, along with a review of the Conference Centre processes. This is part of an ongoing programme with a focus on two internal audits per year.

Chair's report to the members of The Corporation of the Church House (continued)

For the future, there are positive challenges. With the announcement by General Synod that Church of England buildings should go carbon neutral by 2030, The Corporation of the Church House has put into place a plan to move as close to this goal as practicable and financially possible given that Church House is a Grade II listed building. This will include reducing consumption of fuel as well as ensuring that fuel used is clean. A small change that has made a large difference is the replacement of all standard urinals with non-flush water-saving urinals; the temperature of the water in the taps has also been reviewed and controlled.

The Conference Centre found 2021 very difficult financially, but the new strategy resulted in a flourishing of the work done by the team. Innovative events were hosted and as well as being shortlisted to be a Nightingale Court, the Conference Centre has accommodated a Covid Testing Centre since March 2020 and held two public tribunals – The Uygur Tribunal and the Iran International People's Tribunal (Aban Tribunal). Both events gave voice to groups normally unheard. The Conference Centre was also the home of the Daniel Morgan Enquiry Conclusions.

Although the Corporation made a £2m loan facility available to the Conference Centre in 2020, only £1m of this had been drawn down by the end of 2021, when the facility expired and was replaced with a new £500,000 facility. The loss reported for the year of £209,152 meant that no covenant was payable to the Corporation, but a £909,314 contribution was made to the Corporation through the payment of rent and service charge.

There was relative stability in the Trustee body, although Chris Smith reached the end of his term as a co-opted trustee at the November meeting. Chris brought significant expertise to the Council and contributed constructively to all our meetings. We thank him for his service to Church House.

Trustees engaged Bridgewater Leadership Advisory to assist with the search for specific expertise to strengthen the Council. As a result, Stephen Barney was appointed to the Council as a co-opted member in November and brings a wealth of commercial experience having Chaired the Leicester Diocesan Board of Finance and overseen the purchase and development of St Martin's House Conference Centre and the nearby Lodge hotel. In order to support the property expertise of the Council, James Bryer was formally co-opted to the Council in February 2022. James comes highly recommended and works in commercial property for HP4 Investment LLP. A vacancy arose for an independent member to join the Investment Committee following the retirement of John Booth in July 2021. We were very fortunate that T Clark, who is Head of Public Equities Investments for the Church Commissioners, took up the role in February 2022 and they have already proffered valuable advice.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Chair's report to the members of The Corporation of the Church House (continued)

2021 can be characterised, at least in part, by a focus on a full governance review. The Corporation is working towards the Charity Governance Code and over the year, all policies and procedures were considered and updated where necessary by the Executive and Trustees. The Terms of Reference for the Council, Board and supporting committees were also reviewed and updated. Trustees held an externally facilitated risk appetite workshop in March 2021 and, working in small groups over the rest of the year, defined the risk appetite of the Council for the key risks that the Corporation faces. This is now a solid framework within which the Executive and Trustees can work.

After the dramatic changes in the environment within which the Corporation operates, it is now ready to face a strong future. Plans are being finalised for the internal refurbishment of Church House, the Conference Centre expects to return to making a profit in 2022 and a £1.752m grant will be paid to the Archbishops' Council to support the mission of the Church of England. The Corporation of the Church House is confident in continuing to work towards achieving its mission and delivering on the strategy in place.

My term of office ceases at the AGM, as I have now reached 75. I owe an immense debt of gratitude to all my fellow Trustees whose wisdom and commitment have been inspirational. It has been a pleasure to work alongside a dedicated and effective staff led most ably by first Chris Palmer and then Stephanie Maurel – whose response to the pandemic has been outstanding. All the staff of the Corporation and the Conference Centre have been unfailingly helpful and resourceful. I would also like to thank all our professional advisors and those who have voluntarily assisted in many different ways. I shall take a keen interest in the future of Church House which will, I believe, continue to offer exceptional accommodation to the NCIs and its other tenants, as well as husbanding a precious resource to enable grants to be made to the Archbishops' Council so as to relieve the financial burden on parishes which are rightly concerned to invest in the mission of God in our land. There is a fine balance to be struck between the simpler following of Jesus to which the Church of England aspires and the wise maximising of net income from a building which can support the wider mission. We have been wrestling with the issues that this poses, and will need to continue to do so for the next decade at least. I wish my successor every blessing as they tackle that conundrum.

Christina Baxter

Canon Dr Christina Baxter CBE
Chair

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Report of the Council of The Corporation of the Church House

The Council presents its annual report and audited consolidated financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 29 of the attached financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objects and activities

The primary object of The Corporation, as laid down in the Royal Charter, is to own and maintain a building - Church House - for the use of the National Church Institutions of the Church of England (NCIs). Following amendment of the Royal Charter in February 2018, The Corporation is now also permitted to award grants for the benefit of the NCIs.

The Corporation may manage such business as it thinks fit and expedient to undertake for the promotion of the objects of The Corporation.

The Corporation aims to provide office and meeting space for the NCIs at a cost below the market rent for the area; the annual rent charged in the year represents a substantial saving when compared to the costs of equivalent commercial property. The rent reflects an appropriate annual share of the governance costs and provides funds to be used towards the anticipated costs of future refurbishment and improvement of the building.

The Corporation seeks to generate income from the operation of its wholly owned commercial subsidiary, Church House Conference Centre Limited, which markets the spare capacity when the large meeting rooms in the building (whose listed status precludes radical alteration), are not required for use by the the General Synod. The Conference Centre clients include commercial companies, charities, church organisations, government bodies, trade associations and research organisations. Any taxable profit created by the Conference Centre is usually covenanted directly to The Corporation.

Building on the decision reached by the Council in 2017 to provide financial support to the National Church Institutions through the award of grants, and following the necessary amendment to the Royal Charter to permit such activity, the Council, with support from the senior management team and external advisors, introduced a grant-making policy in 2018. Complementing the four grants totalling a combined £5,756,000 awarded between 2018 and 2020, the Council considered an application from the National Church Institutions to extend the grant for safeguarding for a fourth year and, ultimately, approved the award of a grant for £1,752,000 for payment in 2022.

The Corporation's operational objectives during the year under review have been to maintain the security of the building and to ensure Church House continued to offer a safe and available workspace for the benefit of the National Church Institutions fulfilling all Government guidance relating to the COVID-19 pandemic. Additionally, the cyclical external redecoration of the building was planned and completed on time and within budget.

In reviewing its aims and objectives and in planning its future activities we confirm The Corporation has complied with the Charity Commission's general guidance on public benefit: 'Charities and Public Benefit'.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2021

Operational performance

The National Church Institutions remain the principal tenants of the building. All office space at Church House remained open throughout the year, although actual usage was, and continues to be, significantly lower as a result of the COVID-19 pandemic. We also welcomed fewer visitors at Church House in 2021 - the events space available for hire and marketed by Church House Conference Centre was closed, or operated for much of the year at reduced capacity, in accordance with the government guidance issued in response to the pandemic.

All facilities and services were maintained at appropriate levels and operated well throughout the year.

Grant-making policy

The Corporation will from time to time accept grant applications from the National Church Institutions dependent upon the financial performance of The Corporation.

Financial review

The consolidated statement of financial activities for the year is set out on page 20. A summary of the results and of the work of The Corporation is set out below.

The charity's principal sources of income are rent, investment income and covenanted profit from its trading subsidiary, Church House Conference Centre Limited. The group's expenditure during the year exceeded income by £965,047 (2020: £2,076,148) before gains on investments and other recognised gains. The level of net expenditure reflects the Council's continued support of the work of the Church of England through the award of a further grant to be used in the area of safeguarding. A grant of £1,752,000 has been recognised in the year (2020: grant of £1,752,000 for safeguarding) although actual payments will be made throughout 2022. After taking into account the net expenditure for 2021, together with recognised gains, the group's total funds increased by £1,040,715 to £24,459,733 (2020: decreased by £1,868,585 to £23,419,018).

Church House Conference Centre Limited

The Conference Centre is the wholly owned subsidiary of The Corporation and carries out trading activities for the benefit of The Corporation, paying rent and service charge which in 2021 amounted to £909,314 (2020: £974,901).

The impact of the COVID pandemic continued to affect trading conditions throughout 2021.Turnover for the year of £2,276,848 (2020: £1,006,676) represented a 45% reduction on the level generated in 2019 - the last full-year of uninterrupted trading prior to the onset of the pandemic - but together with cost savings did enable the Company to outperform its 2021 budget and report a lower than forecast loss. The Conference Centre has been able to limit the amount of financial support requested from The Corporation under the terms of the £2m loan facility made available in 2020 to £1 m.

For 2021, the loss on ordinary activities for the year was £209,152 (2020: loss £1,422,498) before taxation of £Nil (2020: £11,940 accrued recoverable taxation) and transfers under deed of covenant for the current year of £Nil (2020: £Nil).

As the Company reported a taxable loss for the year ended 31 December 2021, no amount is payable to The Corporation under the terms of the Deed of Covenant. A summary of the trading results of the Conference Centre is shown in note 17 to the financial statements.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2021 (continued)

Investment policy

The Council has adopted a long-term and medium-risk policy to achieve a balance of income and capital growth from its investments. As permitted by The Corporation's Royal Charter, the Council has given its investment managers discretion to manage the portfolio within an agreed risk profile.

The purpose of The Corporation's investments is to provide the necessary stability and financial backing to enable periodic improvement and refurbishment of Church House. To achieve this, it is the intention to manage the portfolio in such a way that the value of the investments more than matches inflation over the longer term. Given the investment horizon, it has been decided in consultation with the investment managers that the portfolio should consist substantially of equities both in the UK and overseas.

In 2021 The Council, in conjunction with the Investment Committee, agreed that the investment portfolio should be used to provide the funds required for the refurbishment project at Church House planned for 2022-2023. Consequently, since the year-end, the investment managers have been instructed to seize opportunities to generate £10m cash in relation to the total anticipated £16m cashflow requirement for the project.

It is the Council's policy to take note of the guidance of the Church of England's Ethical Investment Advisory Group.

Investment performance

Performance of the investments is measured against a bespoke benchmark. The benchmark is based on the agreed asset allocation: 55% to relate to the FTSE All Share index, 20% to the FTSE World index (excluding UK), 20% to the FTSE Government All Stocks index and 5% to SONIA (Sterling Overnight Index Average).

The Corporation's investments delivered an overall return of plus 10.9% (2020: plus 0.89%) compared with the bespoke benchmark of plus 13.3% (2020: minus 0.3%). UK equities returned plus 18.8% (2020: minus 8.8%) against the FTSE All Share index return of plus 18.3% (2020: minus 9.9%), overseas equities returning plus 11.3% (2020: plus 20.9%) against the FTSE World index (excluding UK) return of plus 22.2% (2020: plus 14.2%). The overall bond allocation returned plus 0.1% (2020: plus 2.3%) which compares to the FTSE All Stock Gilts index return of minus 5.2% (2020: plus 8.3%). Whilst the performance of the portfolio was marginally behind the benchmark for the year, the Council remains satisfied with the longer-term performance and positioning of the investment portfolio.

The year of 2021 was dominated by three key narratives; The resurgence of Covid concerns with the spread of new variants, central banks' reaction to high inflation figures, and concerns over Chinese growth centring around the growing property sector crisis. Whilst this resulted in heightened volatility during the period, global equity markets proved resilient which was beneficial to the Charity's investment portfolio which has around 77% allocated to this asset class. While the underweight allocation to UK listed equities was a negative compared to the benchmark - the portfolio benefitted from its allocations to the more economically sensitive parts of the equity market combined with a core allocation to US listed equities which had another excellent year of performance.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2021 (continued)

Investment performance (continued)
The Corporation withdrew £1,500,000 (2020: £49,334) from the portfolio to provide additional working capital in the year. No capital (2020: none) was transferred to Cazenove Capital for investment during the year.

The market value of listed investments at 31 December, excluding cash held with the investment managers, was £21,041,126 (2020: £19,475,870), an increase of £1,565,256 (2020: £803,141 decrease) when compared to the position at the end of 2020.

Unrealised gains of £1,921,831 (2020: £407,425 unrealised gains) are reflected in the market value as at 31 December. Realised gains of £80,970 (2020: £405,862 realised losses) resulted from the sale of investments during the year.

The Council, upon the recommendation of the Investment Committee, previously agreed that the investment managers should hold a higher balance of cash to ensure funds would be available to meet the different profiles of planned capital and grant expenditure under discussion. As outlined above The Corporation will require additional working capital in 2022 to fund the planned refurbishment project at Church House, in addition to other capital and grant expenditure. Consequently, the value of cash held by the investment managers at 31 December 2021 was £932,903 (2020: £1,694,391).

Reserves
The free/expendable reserves of The Corporation, predominantly represented by its investment portfolio, are held to meet the primary charitable objective of The Corporation which is to own and maintain the building called Church House for the use of the National Church Institutions of the Church of England. Of the group's total funds at 31 December 2021 amounting to £24,459,733 (2020: £23,419,018), the free reserves amounted to £1,697,906 (2020: £1,907,058). Free reserves consist of the general funds, including the non-charitable trading funds but excluding the pension reserve.

When undertaking the annual review of free reserves, the Council determined that the present level is sufficient to meet operational needs and to provide contingency funds. The impact of COVID-19 on The Corporation and its subsidiary has been considered in detail by the Executive and Council and the view in respect to the adequacy of free reserves has not changed.

The Council approved a transfer to the designated refurbishment fund to increase the balance at 31 December 2021 to £10,000,000 (2020: £6,405,011). The fund will be used to meet the anticipated costs of the two-phase project to refurbish Church House with works commencing in June 2022 and to be completed in early 2023. It has been agreed subsequently to expand the scope of the project and the total estimated cost, including contingency allowances of £2.5m, has increased from £9.6m to £16m. Further transfers will be made to the designated refurbishment fund during 2022 and 2023 to meet the costs of the project.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2021 (continued)

Reserves (continued)
The grant of £1,752,000 (2020: £1,752,000) awarded to the Archbishops' Council to support the work of the Church of England National Safeguarding Team has been funded from the designated grant-making fund. A transfer was made from the grant-making fund of £127,634 (2020: £2,124,354 transfer to the grant-making fund) to contribute funds for the refurbishment fund as described above.

The balance of the grant-making fund at 31 December 2021 was therefore £10,125,617 (2020: £12,005,251).

Future plans

The Corporation's primary objective remains to plan to run an efficient office building for the National Church Institutions of the Church of England and examine its running costs with a view to saving expenditure wherever possible.

Following the National Church Institutions decision to reduce their footprint at Church House, the Council commissioned an independent external review of the building. This identified the options available to improve office accommodation for the continued use of the NCIs and for the refurbishment of space that will be vacated with a view to generating increased revenue from future commercial letting. The Council has given careful consideration to the options presented and are confident this will secure the long-term viability of Church House and will, ultimately, provide additional funds that can be used to support the mission of the Church of England through increased grant-making. The Council has approved the £16m estimated costs for the project to refurbish Church House.

The process of identifying the changes that will have to be implemented at Church House to achieve the aim of operating a carbon zero building no later than 2030 commenced in 2020. This work has continued and, where practicable, will be incorporated into the planned refurbishment works. For changes needed that will not be included as part of the project, the impact of the works will be assessed, before a costed plan and timeline is produced.

The Council expects to receive further applications for grants from the National Church Institutions. The suitability of all grant applications for funding will be considered on the basis of the benefits they will deliver across the Church and for the wider public. Once suitability has been established, the appropriate level of any funding will be determined with reference to The Corporation's own financial position and general economic conditions.

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors

The Corporation of the Church House ("The Corporation") was established in 1888 by Royal Charter (charity registration number 213252) and its principal office is 27 Great Smith Street, London, SW1P 3AZ.

During the year The Corporation was governed by a Royal Charter dated 22 November 2002, which was last amended on 8 February 2018. The most recent amendment permits grants to be awarded for the benefit of the National Church Institutions of the Church of England.

It has a wholly owned, commercial trading subsidiary, Church House Conference Centre Limited (company registration number 02869220 (England and Wales)). The company's trading name is Church House Westminster and its principal activity is that of running a conference centre.

The Council of the Corporation comprises of up to nine members. Each member is appointed for an initial term of five years, renewable for a further term of the same length. Following resolutions carried at the 2008 Annual General Meeting and the approval of the Privy Council and the Charity Commission, two members are elected from amongst the members of The Corporation, who are members of the General Synod and other individuals, by the members of The Corporation; three members are nominated by the Appointments Committee of the Church of England and four members are co-opted by the Council. Currently there is one vacancy for a co-opted member. Every member of the Council must be and continue to be a member of the Church of England. The names of the members of the Council at 31 December 2021 (and up to the date of this report) are given on page 2.

New Council members are inducted into the workings of The Corporation and its subsidiary, including Council policy and procedures, at an initial meeting with the Secretary and also receive a copy of the Charity Commission guidance on the roles and responsibilities of trustees.

Members of the Council, as The Corporation's trustees, are legally responsible for the overall management and control of The Corporation and its subsidiary and the Council meets at least four times a year. The Council appoints the senior staff of The Corporation who, in turn, are responsible for its day to day running. The Council is responsible for the approval of the annual budget and cash flow forecasts and is responsible for the preparation of the financial statements of The Corporation and its subsidiary. It also monitors the financial and operational activities of The Corporation.

The Council has an Audit Committee with an independent Chair, one independent member and one member co-opted from the Council. The Committee meets at least twice a year and, inter alia, monitors The Corporation's external audit arrangements and risk management systems. The spring meeting is principally concerned with the annual audit including a confidential meeting with the auditor, while the autumn meeting concentrates on governance, personnel matters and the scrutiny of risk management. The Committee held two meetings during the year under review.

Details of The Corporation's professional advisors are given on page 3. The Corporation maintains a relationship and regular dialogue with its advisors in addition to obtaining expert advice and assurance when required.

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors (continued)

Risk management

The Council has identified and reviewed the major risks to which The Corporation and its subsidiary are exposed, in particular those related to their operations and finance with particular reference to the ongoing challenges posed by COVID-19, and is satisfied that systems are in place to mitigate The Corporation's exposure to those major risks.

The primary risks faced by The Corporation and Church House Conference Centre Limited are those that would significantly disrupt the availability and operation of the building. The Corporation and Conference Centre have comprehensive policies of insurance, reviewed annually, that provide financial compensation for many such occurrences although, along with many other businesses, we identified that our insurance cover did not extend to provide cover for the economic impact of the COVID-19 pandemic. Above all, The Corporation has a business continuity plan that did, and will, enable it to maintain and recover its operations in the event of significant disruption.

Any significant reduction in the value of The Corporation's investment portfolio could place at risk The Corporation's ability to fund improvements to Church House. This risk is managed through the setting of an appropriate Investment Policy (see the Investment policy section of the Report of the Council on page 9 for more information) and continuous review of investment performance by the Investment Committee (see pages 9 and 10 for more information). In January 2022, to mitigate against potential market volatility, the Investment Managers were instructed to commence the sale of holdings to generate the capital to be used to fund the refurbishment project to be commenced in June 2022.

Notwithstanding the potential impact arising from the availability and operation of Church House being significantly disrupted as outlined above, the most significant financial risk to which Church House Conference Centre Limited is exposed is the impact of general economic and wider conditions affecting their existing and potential client base. Like many others in the hospitality sector, whilst the level of business has increased it has not yet returned to pre-pandemic levels and as such the Company continues to be affected by the longer-term impact of the COVID-19 pandemic.

To mitigate the financial impact of COVID-19 the Corporation agreed to the request from the Board of directors to replace the £500,000 loan facility first made available in February 2011 with an increased facility of £2,000,000. The new facility was put in place in September 2020 and was available to be drawn down, in accordance with agreed terms, until the end of 2021. The Council has agreed to provide a further £500,000 loan facility from 1 January 2022 to provide the Company with further financial support, should it be needed, for the period to 31 December 2031.

The Board of directors of Church House Conference Centre Limited continue to monitor the current financial position, trading conditions and future prospects monthly. The Board meets quarterly, or more frequently if required, and a summary of the Company's trading and financial position is provided for consideration at each Council meeting (see note 16).

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors (continued)

Key management personnel
In addition to The Corporation's unremunerated Council members, the Senior Management Team are defined as key personnel.

The Council has delegated responsibility and authority for managing the day-to-day activities of The Corporation and, through the Board of directors of Church House Conference Centre Limited, to the Senior Management Team which consists of the Secretary, Head of Finance and Head of Facilities.

In 2021 the Council agreed a uniform percentage cost-of-living pay award for all staff.

No additional bonus or other incentive schemes apply to the Senior Management Team.

No member of the Council received any remuneration from either The Corporation or Church House Conference Centre Limited.

Fundraising
The Corporation does not actively engage in fundraising activities and does not employ a professional fundraiser or commercial participator. No complaints in respect to fundraising activity were received by The Corporation during the year.

Statement of the Council's responsibilities

The Council is responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the group and the charity and of the income and expenditure of the charity and the group for that year.

In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures 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 the charity will continue in business.

Report of the Council of The Corporation of the Church House (continued)

Statement of the Council's responsibilities (continued)

The Council is responsible for keeping accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provision of the Royal Charter. It is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the group and the charity financial information included on the group and the charity's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Council

Canon Dr Christina Baxter CBE
Chair

Hywel Rees-Jones
Treasurer and Deputy Chair

19 May 2022

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Independent auditor's report to the Council of The Corporation of the Church House

Opinion

We have audited the accounts of The Corporation of the Church House and its subsidiary for the year ended 31 December 2021 which comprise the group and parent charity statement of financial activities, the group and charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2021 and of their 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 Charities Act 2011.

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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Council members' use of the going concern basis of accounting in the preparation of the accounts 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 group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The Council members are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Other information (continued)
In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Chair's report and Report of the Council is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Council

As explained more fully in the Council's responsibilities statement, the members of the Council are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Council members are responsible for assessing the group's and the parent charity'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 Council either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) and those relating to health and safety legislation; and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Council members' meetings.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Council members; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Auditor's responsibilities for the audit of the accounts (continued)

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

Use of our report

This report is made solely to the Council, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the members of the Council 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 charity and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 13 June 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Consolidated statement of financial activities for the year ended 31 December 2021

	Note	2021 £	2020 £
Income from:			
Investments and bank deposits	3	**429,346**	309,755
Other trading activities – Conference Centre	17(b)	**2,275,613**	1,002,252
Charitable activities			
. Rental income and service charge		**2,764,021**	2,845,519
Donations and legacies		**—**	500
Other			
. Coronavirus Job Retention Scheme Grant		**85,907**	180,293
. Dilapidation receipts		**—**	25,000
. Management fees receivable		**6,667**	6,667
. Profit on disposal of tangible fixed assets		**—**	555
Total income		**5,561,554**	4,370,541
Expenditure on:			
Raising funds			
. Investment management fees		**112,643**	96,384
. Conference Centre costs	17(b)	**1,600,913**	1,556,261
. Taxation		**—**	(11,940)
Charitable activities			
. Grants awarded to the National Church Institutions of the Church of England	4	**1,752,000**	1,752,000
. Corporation operating costs	5	**3,057,878**	3,045,984
Other			
. Interest payable	8(a)	**2,000**	8,000
. Loss on disposal of tangible fixed assets		**1,167**	—
Total expenditure		**6,526,601**	6,446,689
Net expenditure before gains on investments		**(965,047)**	(2,076,148)
Net gains on investments	10	**2,002,801**	1,563
Net income (expenditure)		**1,037,754**	(2,074,585)
Other recognised gains			
Actuarial gains on defined benefit pension scheme	8(a)	**2,961**	206,000
Net movement in funds	6	**1,040,715**	(1,868,585)
Reconciliation of funds:			
Fund balances brought forward at 1 January	13	**23,419,018**	25,287,603
Fund balances carried forward at 31 December	13	**24,459,733**	23,419,018

All of the group's activities derived from continuing operations during the above two financial periods. The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure of the charity was unrestricted during the above two financial periods. Fund balances at 31 December 2020 and 2021 include restricted funds of £9,254. The notes on pages 23 to 45 form part of the financial statements.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Balance sheets as at 31 December 2021

	Note	Group 2021 £	Group 2020 £	The Corporation 2021 £	The Corporation 2020 £
Fixed assets					
Tangible assets	9	**3,048,903**	3,749,444	**2,859,956**	3,468,418
Investments	10	**21,974,029**	21,170,261	**22,474,029**	21,670,261
Total fixed assets		**25,022,932**	24,919,705	**25,333,985**	25,138,679
Current assets					
Debtors: due after more than one year	11(a)	—	—	**1,006,431**	500,628
Debtors: due within one year	11(b)	**806,049**	1,062,940	**580,268**	1,012,315
Cash at bank and in hand		**2,260,479**	1,497,047	**1,512,182**	1,467,488
Total current assets		**3,066,528**	2,559,987	**3,098,881**	2,980,431
Liabilities					
Creditors: amounts falling due within one year	12	**(3,396,727)**	(3,684,700)	**(2,438,039)**	(3,231,176)
Net current (liabilities) assets		**(330,199)**	(1,124,713)	**660,842**	(250,745)
Total assets less current liabilities		**24,692,733**	23,794,992	**25,994,827**	24,887,934
Provisions for liabilities and charges	8(a)	**(233,000)**	(375,974)	**(233,000)**	(375,974)
Total net assets		**24,459,733**	23,419,018	**25,761,827**	24,511,960
The funds of the charity					
Restricted income funds	13	**9,254**	9,254	**9,254**	9,254
Unrestricted income funds	13				
. Tangible fixed assets fund		**2,859,956**	3,468,418	**2,859,956**	3,468,418
. Designated funds					
. . Refurbishment reserve		**10,000,000**	6,405,011	**10,000,000**	6,405,011
. . Grant-making reserve		**10,125,617**	12,005,251	**10,125,617**	12,005,251
. General funds					
. . Free reserves		**3,000,000**	3,000,000	**3,000,000**	3,000,000
. . Pension reserve		**(233,000)**	(375,974)	**(233,000)**	(375,974)
.Non-charitable trading funds		**(1,302,094)**	(1,092,942)	—	—
Total charity funds	14	**24,459,733**	23,419,018	**25,761,827**	24,511,960

The financial statements which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows and the related notes on pages 23 to 45 were approved by the Council on 19 May 2022 and signed on its behalf by

Christina Baxter

CANON DR CHRISTINA BAXTER CBE — Member of Council and Chair of the Council

HYWEL REES-JONES Hywel Rees-Jones — Member of Council, Treasurer and Deputy Chair

STEPHANIE MAUREL — Secretary

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Consolidated statement of cash flows for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	**(687,498)**	(2,131,284)
Cash flows from investing activities			
Income from listed investments		**428,615**	303,924
Interest received		**731**	5,831
Purchase of tangible fixed assets		**(177,449)**	(144,267)
Proceeds from the sale of tangible fixed assets		**—**	555
Purchase of fixed asset investments		**(3,384,228)**	(3,818,739)
Proceeds from the disposal of fixed asset investments		**3,821,773**	4,623,443
Net cash provided by investing activities		**689,442**	970,747
Change in cash and cash equivalents		**1,944**	(1,160,537)
Cash and cash equivalents at 1 January	B	**3,191,438**	4,351,975
Cash and cash equivalents at 31 December	B	**3,193,382**	3,191,438

Notes to the consolidated statement of cash flows for the year to 31 December 2021

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2021 £	2020 £
Net movement in funds (as per consolidated statement of financial activities)	**1,040,715**	(1,868,585)
Adjustments for:		
Depreciation of tangible fixed assets	**876,823**	1,288,603
Gains on investments	**(2,002,801)**	(1,563)
Loss (profit) on disposal of tangible fixed assets	**1,167**	(555)
Investment income	**(429,346)**	(309,755)
Decrease (increase) in debtors	**256,891**	(454,538)
(Decrease) in creditors	**(287,973)**	(444,878)
(Decrease) in provisions	**(142,974)**	(340,013)
Net cash (used in) operating activities	**(687,498)**	(2,131,284)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**2,260,479**	1,497,047
Cash held by investment managers	**932,903**	1,694,391
Total cash and cash equivalents	**3,193,382**	3,191,438

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2021

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

These financial statements have been prepared for the year to 31 December 2021 with comparative information given for the year ended 31 December 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£) and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Council members and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the recoverability of outstanding debtors;
- estimating accrued expenditure;
- assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

c) Assessment of going concern

The Council members have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Council members have made this assessment in respect of a period of one year from the date of approval of these financial statements.

As explained in the Report of the Council, COVID-19 impacted the operations of Church House Conference Centre and activity levels have not yet returned to pre-pandemic levels. The Corporation agreed to support its subsidiary financially and, as explained in note 16, has made loan facilities available to the company. The Corporation continues to monitor the performance of its investment portfolio and will commence a major refurbishment project in June 2022 to secure the long-term viability of Church House and will increase future rental income through increased commercial letting of office space.

The Board of directors of Church House Conference Centre are cautiously optimistic that the Company will meet its revenue target for 2022 and that the Company will report a taxable profit in 2022 which can be grown in subsequent years. The Board has seen strong evidence of pent-up demand from which the venue is well-placed to benefit having developed its offer, particularly in terms of Audio-Visual capabilities, in order to be able to also deliver virtual and hybrid events.

The Council is of the opinion that the overall finances of the Corporation and its subsidiary are robust and, despite the continued challenges that COVID-19 presents, the Council members are of the opinion that the group and the charity will have sufficient resources to meet their liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

d) Consolidated financial statements

The consolidated financial statements include The Corporation and its wholly owned subsidiary undertaking, Church House Conference Centre Limited (company registration number 02869220). Intra-group transactions and balances are eliminated fully on consolidation. No separate statement of financial activities has been presented for The Corporation within these financial statements. The net expenditure for the year to 31 December 2021 for The Corporation only, including the £1,752,000 (2020: £1,752,000) provision for grants payable, £2,961 of actuarial gains (2020: £206,000 of actuarial gains) in relation to the provision made for future funding payments in respect of the deficit on the Defined Benefits pension scheme (see note 8a), but excluding investment gains, was £752,934 (2020: net expenditure of £459,590).

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

e) Income recognition

Income is recognised in the period in which the group is legally entitled to the income, where the amount can be measured reliably and it is probable that the income will be received.

Income comprises rental income, investment income, income generated by the Conference Centre activities and other income including Coronavirus Job Retention Scheme grants, dilapidation receipts and management fees.

Rental income is recognised when it becomes contractually due under the relevant lease or tenancy agreement.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on cash balances held with banks and investment managers are included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank or the investment manager.

Income generated by the Conference Centre activities comprises income from room hire, equipment hire and commission on catering provision. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Coronavirus Job Retention scheme grants are credited to income when the charity and group are entitled to the funds and when the amount receivable has become quantifiable. Other income including management fees and dilapidation receipts is measured at fair value and accounted for on an accruals basis.

f) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group to make a payment 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.

All expenditure is accounted for on an accruals basis and inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Cost of raising funds includes investment management fees and the operating costs of Church House Conference Centre Limited.
- Charitable expenditure represents all costs associated with furthering the charitable purposes of the Corporation. This includes the direct and indirect costs of running Church House and grant-making activities. The allocation of costs to charitable activities, including support costs, is based upon the calculation of the service charges recoverable from The Corporation's tenants.
- Other expenditure includes losses on the disposal of tangible fixed assets.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

f) Expenditure recognition (continued)

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are treated as liabilities.

g) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Tangible fixed assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The annual rates used for this purpose are:	%
Freehold buildings	5.00 – 10.00
Furniture and fittings	6.50 – 15.00
Telephone and office equipment	10.00 – 33.33
Plant and equipment	5.00 – 20.00

Freehold land is not depreciated.

An impairment review is carried out in respect to a particular class of asset if events, or changes in circumstances, indicate that the carrying amount of any tangible fixed asset may not be recoverable.

h) Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

i) Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The group and charity do not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on listed investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The investment in the subsidiary undertaking is stated at cost less any provision for permanent diminution in value.

j) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

k) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

l) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement is known or can be estimated reliably. Creditors and provisions are recognised at the amount the group or charity anticipates it will pay to settle the debt.

m) Fund structure

The tangible fixed assets funds represent the net book value of the charity's tangible fixed assets.

Free reserves represent those monies which are freely available for application towards achieving any charitable purpose that falls within the group and charity's charitable objects.

The refurbishment reserve was established in 2018 to ensure that the charity holds a level of net assets that would enable it to undertake future refurbishment and improvement works to support its primary charitable objective of maintaining Church House for the use of the National Church Institutions of the Church of England (NCIs). The Council agreed to increase the balance of this fund to £10m as at 31 December 2021 to provide the necessary funds to meet the anticipated £9.6m project costs for the major refurbishment works to be undertaken at Church House commencing in June 2022.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

m) Fund structure (continued)

It has been agreed subsequently to expand the scope of the project and the total estimated cost, including contingency allowances of £2.5m, has increased from £9.6m to £16m. Further transfers will be made to the designated refurbishment fund during 2022 and 2023 to meet the costs of the project.

The grant-making reserve represents the value of net assets designated and available for distribution to the NCIs in the form of grants to support the charitable objectives of the Church of England. The Council expects to receive further grant applications from the NCIs in the short-term. It is anticipated that the level of funds to be transferred to the fund will grow as future commercial letting activity increases and generates additional rental income following completion of the refurbishment project in 2023.

The pension reserve represents the actuarial deficit on the defined pension scheme.

Non-charitable trading funds comprise of the value of cumulative accumulated losses or retained earnings by Church House Conference Centre Limited.

Restricted funds are funds with their use restricted to a specific purpose as described in note 13.

n) Leased assets

Rentals applicable to operating leases where the benefits and risks of ownership remain substantially with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

The group had no finance leases during the year ended 31 December 2021 or 31 December 2020.

o) Pension scheme arrangements

The Corporation participated in the Church of England Defined Benefit Scheme (DBS) and the Church of England Pension Builder Scheme (PBS), both part of the Church Workers Pension Fund. Both schemes are administered by the Church of England Pensions Board and are defined benefit pension schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date onwards, the DBS was closed to new membership applications and all new employees have been offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to the PBS. From this date all active members have accrued future pension benefits under the PBS. The transfer of pension membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019.

Payment of normal contributions in respect of the DBS ceased with the transfer of all active members to the PBS on 1 January 2020 however The Corporation continues to pay deficit recovery contributions in respect of the DBS.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

o) Pension scheme arrangements

The Corporation is unable to identify its share of the underlying assets and liabilities of the schemes on a reasonable and consistent basis. Therefore, in accordance with FRS102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable. The present value of any expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Further details of pension scheme arrangements are given in note 8

2 Taxation

The Corporation is registered as a charity with the Charity Commission for England and Wales (charity registration number 213252) and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Retained profits of Church House Conference Centre Limited, if any, are subject to corporation tax calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

3 Investment income

	2021	2020
	£	£
Income from listed investments	**428,615**	303,924
Bank interest receivable	**731**	5,831
	429,346	309,755

4 Grants payable

	2021	2020
	£	£
Grants awarded in the year		
. Archbishops' Council – National Safeguarding Team	**1,752,000**	1,752,000

Grants awarded during 2021 were unpaid as at 31 December 2021 (note 12) and will be paid by twelve equal monthly instalments during 2022.

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Corporation operating costs

	2021 £	2020 £
Staff costs (note 7)	**823,099**	886,351
House expenses and cleaning	**394,418**	364,768
Rates, insurance and heating	**316,614**	254,678
Office and administrative expenses	**33,843**	59,226
Repairs and maintenance	**651,499**	206,115
Marketing	**(785)**	3,558
Professional fees	**53,745**	88,275
Depreciation – owned assets	**776,359**	1,174,188
Auditor's remuneration – The Corporation	**9,050**	8,800
Donations and presentations	**36**	25
	3,057,878	3,045,984

No support costs have been allocated to The Corporation's secondary charitable objective of grant-making. The additional time resources and costs associated with this activity were minimal.

6 Net movement in funds

The net movement in funds is stated after including the following charges:

	2021 £	2020 £
Auditor's remuneration		
. Audit	**22,871**	22,000
. Non-audit services – taxation and advisory services	**3,421**	8,675
Depreciation	**876,823**	1,288,603
Hire of equipment	**9,990**	10,312

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Staff costs and remuneration of key management personnel

The average number of persons employed by The Corporation and its subsidiary during the year is analysed below:

	Group		The Corporation	
	2021 Number	2020 Number	**2021 Number**	2020 Number
Maintenance and security	**10**	11	**10**	11
Administration	**16**	23	**6**	6
	26	34	**16**	17

Staff costs during the year were as follows:

	Group		The Corporation	
	2021 £	2020 £	**2021 £**	2020 £
Wages and salaries	**1,096,313**	1,434,940	**703,763**	753,026
Social security costs	**122,967**	148,136	**77,032**	82,492
Other pension costs	**145,933**	190,690	**42,304**	50,833
	1,365,213	1,773,766	**823,099**	886,351

There were no redundancy payments in 2021. In 2020 wages and salaries included £66,226 relating to redundancy arrangements for 10 employees of which £13,748 related to non-contractual payments.

Employee information for the group includes employees who are on full time secondment to the Conference Centre. The cost of these employees is included within the cost of raising funds.

The number of employees earning £60,000 pa or more (excluding employer's pension and national insurance contributions but including taxable benefits) was:

	Group		The Corporation	
	2021 Number	2020 Number	**2021 Number**	2020 Number
£60,000 to £69,999	**1**	1	**1**	—
£70,000 to £79,999	**1**	3	**1**	3
£80,000 to £89,999	**—**	—	**—**	—
£90,000 to £99,999	**1**	—	**1**	—
£100,000 to £109,999	**—**	—	**—**	—
£110,000 to £119,999	**—**	1	**—**	—

Retirement benefits under a defined benefit pension scheme are accruing to 3 (2020: 5) employees earning more than £60,000 per annum. Employer pension contributions totalling £35,790 (2020: £59,837) were paid in respect to these employees.

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Staff costs and remuneration of key management personnel (continued)

The key management personnel of the group in charge of directing and controlling, running and operating the group on a day to day basis comprise the Council and the Senior Management Team of the charity. The total remuneration (including employer's national insurance contributions, taxable benefits and employer's pension contributions) of the key management personnel for the year was £304,126 (2020: £496,023).

During the year ended 31 December 2021, expenses of £994 (2020: £845) were reimbursed to 5 (2020: 5) members of the Council. The expenses related to the costs of travelling to Council meetings. No member of the Council received any remuneration in respect of their services as members of the Council (2020: £Nil).

8 Pensions

The Church Workers Pension Fund (CWPF) has a section known as the Defined Benefit Scheme (DBS) and a section known as Pension Builder Scheme (PBS) (comprising both the deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014). During the year, The Corporation participated in both DBS and PBS schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date onwards, the DBS was closed to new membership applications and all new employees have been offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to the PBS. From this date all active members have accrued future pension benefits under the PBS. The transfer of membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019. The Corporation will continue to pay any required contributions to fund future deficits in the DBS scheme and will continue to liaise with actuaries in respect to scheme valuations.

a) *Defined Benefit Scheme*

The DBS section of the CWPF provides benefits for lay staff based on final pensionable salaries. The Scheme is administered by the Church of England Pensions Board (CEPB), which holds the assets of the schemes separately from those of The Corporation and the other participating employers.

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

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

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Pensions (continued)

a) ***Defined Benefit Scheme***

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the statement of financial activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

A valuation of the DBS is carried out once every three years, the most recent having been completed as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Pool. The overall deficit in the DBS was £11.3m.

On the basis of the reduced deficit position (see below) reported as part of the triennial funding valuation as at 31 December 2019, the timescale for the deficit to be fully funded was reduced by an estimated 21 months. The Corporation will continue payment of deficit recovery contributions of £142,013 per annum and at the current time it is estimated that the deficit will be fully funded by 30 June 2023. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

No contributions were made to the scheme in the current or prior year other than for the deficit payments referenced above.

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Pensions (continued)

a) *Defined Benefit Scheme (continued)*

The movement in the provision in relation to the deficit payment plan is set out below:

	2021 £	2020 £
Balance sheet liability at 1 January	**375,974**	715,987
Deficit contribution paid	**(142,013)**	(142,013)
Charged (credited) to the statement of financial activities		
. Interest cost	**2,000**	8,000
. Change to the balance sheet liability	**(2,961)**	(206,000)
Balance sheet liability at 31 December	**233,000**	375,974

The significant change in the 2020 balance sheet liability reflects the positive impact resulting from the transfer of members from the DBS to the PBS on 1 January 2020 as outlined above.

The balance sheet liability represents the present value of the deficit contributions agreed in the 31 December 2019 valuation and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	31 December 2021 %	31 December 2020 %	31 December 2019 %
Discount rate	1.30	0.40	1.30

Other available information relating to the valuation as at 31 December 2019 is given below:

Financial assumptions:	
Price inflation:	RPI 3.20% pa, CPI 2.40%
Rates of investment return:	
. prior to retirement	3.70% pa
. post retirement	1.85% pa reducing to 1.4%
Pension increases:	
. 5% pa cap	3.10% pa
. 2.5% pa cap	2.10% pa
Future salary increases	CPI plus 0.50% pa
Market value of DBS assets	£426.6m
Market value of Life Risk Pool assets	£235.3m

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Pensions (continued)

a) *Defined Benefit Scheme (continued)*

Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the group benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

b) *Pension Builder Scheme*

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

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

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs are charged to the statement of financial activities in the year contributions are payable.

A valuation of the Scheme is carried out once every three years. The most recent scheme valuation was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a deficit of £4.8m. There is no requirement for deficit funding payments at the current time.

Pension Builder 2014 is valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. The most recent scheme valuation was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a surplus of £5.5m.

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Pensions (continued)

b) *Pension Builder Scheme (continued)*

Regular employer contributions vary between 9% and 15.5% of pensionable salary for each member. The exact contribution rate is determined by the age of a member as at 1 April, the Scheme review date, each year.

Although the Scheme is non-contributory, employees can elect to make Additional Voluntary Contributions (AVCs). For each 1% AVC paid by a member, The Corporation pays an additional employer contribution of 1% up to a maximum of 3%.

During the year to 31 December 2021, The Corporation paid employer contributions of £145,933 (2020: £190,690) and this has been included in the pension costs in these financial statements. No pension contributions were prepaid or outstanding at 31 December 2021.

9 Tangible fixed assets

Group	Freehold land and buildings £	Furniture and fittings £	Telephone and office equipment £	Plant and equipment £	**Total £**
Cost					
At 1 January 2021	6,021,485	7,203,992	1,151,756	7,697,283	22,074,516
Additions	8,607	—	15,188	153,654	177,449
Disposals	—	—	(3,500)	—	(3,500)
At 31 December 2021	**6,030,092**	**7,203,992**	**1,163,444**	**7,850,937**	**22,248,465**
Depreciation					
At 1 January 2021	4,051,019	6,654,751	942,197	6,677,105	18,325,072
Disposals	—	—	(2,333)	—	(2,333)
Charge for the year	190,199	411,394	77,785	197,445	876,823
At 31 December 2021	**4,241,218**	**7,066,145**	**1,017,649**	**6,874,550**	**19,199,562**
Net book values					
At 31 December 2021	**1,788,874**	**137,847**	**145,795**	**976,387**	**3,048,903**
At 31 December 2020	**1,970,466**	**549,241**	**209,559**	**1,020,178**	**3,749,444**

Notes to the financial statements for the year ended 31 December 2021 (continued)

9 Tangible fixed assets (continued)

The Corporation	Freehold land and buildings £	Furniture and fittings £	Telephone and office equipment £	Plant and equipment £	Total £
Cost					
At 1 January 2021	6,021,482	6,739,337	430,416	7,697,283	20,888,518
Additions	8,607	—	6,803	153,654	169,064
Disposals	—	—	(3,500)	—	(3,500)
At 31 December 2021	**6,030,089**	**6,739,337**	**433,719**	**7,850,937**	**21,054,082**
Depreciation					
At 1 January 2021	4,051,021	6,271,906	420,068	6,677,105	17,420,100
Disposals		—	(2,333)	—	(2,333)
Charge for the year	190,199	383,686	5,029	197,445	776,359
At 31 December 2021	**4,241,220**	**6,655,592**	**422,764**	**6,874,550**	**18,194,126**
Net book values					
At 31 December 2021	**1,788,869**	**83,745**	**10,955**	**976,387**	**2,859,956**
At 31 December 2020	**1,970,461**	**467,431**	**10,348**	**1,020,178**	**3,468,418**

In the opinion of the Council, Church House is worth substantially more than the book value reported in these financial statements.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Investments

Group	Listed investments £	Cash £	**2021 Total £**	2020 Total £
Cost or valuation				
At 1 January	19,475,870	1,694,391	**21,170,261**	21,022,257
Additions	3,384,228	—	**3,384,228**	3,818,739
Disposals at opening book value (proceeds £3,821,773; gains £80,970)	(3,740,803)	—	**(3,740,803)**	(5,029,305)
Net unrealised gains	1,921,831	—	**1,921,831**	407,425
Net movement in year	—	(761,488)	**(761,488)**	951,145
At 31 December	21,041,126	932,903	**21,974,029**	21,170,261

The Corporation	Investment in subsidiary undertaking £	Listed investments £	Cash £	**2021 Total £**	2020 Total £
Cost or valuation					
At 1 January	500,000	19,475,870	1,694,391	**21,670,261**	21,522,257
Additions	—	3,384,228	—	**3,384,228**	3,818,739
Disposals at opening book value (proceeds £3,821,773; gains £80,970)	—	(3,740,803)	—	**(3,740,803)**	(5,029,305)
Net unrealised gains	—	1,921,831	—	**1,921,831**	407,425
Net movement in year	—	—	(761,488)	**(761,488)**	951,145
At 31 December	500,000	21,041,126	932,903	**22,474,029**	21,670,261

The interest in the subsidiary undertaking represents the cost to The Corporation of wholly owning the share capital of Church House Conference Centre Limited. The principal activity of that company is the operation of a conference centre at Church House and it covenants its taxable profits to The Corporation. A summary of the trading results and balance sheet of Church House Conference Centre Limited is shown in note 17.

Listed investments held at 31 December 2021 comprised:

Group	**2021 £**	2020 £
UK bonds	**264,248**	774,827
International bonds	**1,443,636**	1,747,293
UK equities	**8,515,039**	7,780,730
International equities	**8,360,336**	7,073,410
Private equity and alternatives	**2,457,867**	2,099,610
Total listed investments	**21,041,126**	19,475,870
Cash with investment managers	**932,903**	1,694,391
	21,974,029	21,170,261
Historic cost of listed investments (excluding cash)	**15,824,247**	15,182,272

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Investments (continued)

At 31 December 2021, the following individual holdings were deemed material:

	2021		2020	
	Value £	% of investment portfolio	Value £	% of investment portfolio
Merian UK Smaller Companies Fund	**977,233**	**4.64**	853,211	4.38
Findlay Park American Fund	**958,490**	**4.56**	1,047,690	5.38
William Blair US Small Mid Cap	**829,503**	**3.94**	754,867	3.88
TM Tellworth UK Smaller Companies	**789,897**	**3.75**	625,924	3.21
Liontrust Sustainable Future	**701,100**	**3.33**	-	0.00
Schroder Global Recovery Fund	**663,500**	**3.15**	-	0.00
Wellington Global Health Care	**645,380**	**3.07**	623,267	3.20
Egerton Capital Investment Fund	**612,898**	**2.91**	557,208	2.86
Vanguard S&P 500 UCITS ETF	**610,542**	**2.90**	855,750	4.39
Polar Capital Technology Trust Plc	**586,520**	**2.79**	495,575	2.54

All listed investments were dealt in on a recognised stock exchange.

11 Debtors

a. Amounts receivable after one year

	Group		The Corporation	
	2021 £	2020 £	**2021 £**	2020 £
Owed by subsidiary undertaking	—	—	**1,006,431**	500,628

The amount of £1,006,431 (2020: £500,628) owed by the subsidiary undertaking, Church House Conference Centre Limited, represents the capital amount advanced from the loan facility (see note 16) at the year-end together with accrued interest receivable. Under the terms of the loan facility, this amount, together with any subsequent advances and additional interest accrued, is payable to the Charity no later than 31 December 2031, or upon the Company giving notice of its intention to exercise the break clause contained within its lease agreement.

b. Amounts receivable within one year

	Group		The Corporation	
	2021 £	2020 £	**2021 £**	2020 £
Trade debtors	**560,314**	92,822	**79,154**	72,020
Owed by subsidiary undertaking	—	—	**291,719**	—
Rental debtors	**1,240**	823,447	**1,240**	823,447
Other debtors	**3,270**	15,025	**3,270**	15,025
Recoverable VAT	**45,685**	—	**45,685**	—
Prepayments and accrued income	**195,540**	131,646	**159,200**	101,823
	806,049	1,062,940	**580,268**	1,012,315

Notes to the financial statements for the year ended 31 December 2021 (continued)

12 Creditors: amounts falling due within one year

	Group		The Corporation	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade and expense creditors	**520,029**	100,463	**145,135**	81,242
Taxation and social security costs	**49,054**	39,166	**49,054**	39,166
Amounts owed to subsidiary undertaking	**—**	—	**—**	19,825
Other creditors	**19,749**	3,817	**19,749**	3,817
Deposits held	**312,959**	335,288	**—**	—
Grants payable to the National Church Institutions of the Church of England	**1,752,000**	1,752,000	**1,752,000**	1,752,000
Accruals	**631,436**	455,022	**458,901**	406,983
VAT payable	**98,300**	302,043	**—**	231,242
Deferred income (see below)	**13,200**	696,901	**13,200**	696,901
	3,396,727	3,684,700	**2,438,039**	3,231,176

	Group		The Corporation	
	2021	2020	**2021**	2020
Deferred income:	**£**	£	**£**	£
At 1 January 2021	**696,901**	839,101	**696,901**	839,101
Released in the year	**(696,901)**	(839,101)	**(696,901)**	(839,101)
Deferred in the year	**13,200**	696,901	**13,200**	696,901
At 31 December 2021	**13,200**	696,901	**13,200**	696,901

Deferred income represents rental income and service charge received from tenants in advance of the financial year end but relating to the following financial period commencing 1 January 2022.

The reduction in deferred income in 2021 resulted from the remeasurement and reallocation of space at Church House and remodelling of service charges to be paid by tenants. As a consequence, rent and service charge invoices for 2022 quarter one were issued after 1 January 2022.

Notes to the financial statements for the year ended 31 December 2021 (continued)

13 Net funds

Group	At 1 January 2021 £	Net income (expenditure) for the year £	Net gains on revaluation of investments £	Actuarial gains £	Transfers £	At 31 December 2021 £
Restricted funds	9,254	—	—	—	—	**9,254**
Unrestricted income funds						
. Tangible fixed assets fund	3,468,418	(777,526)	—	—	169,064	**2,859,956**
. Designated funds						
. . Refurbishment reserve	6,405,011	(162,261)	—	—	3,757,250	**10,000,000**
. . Grant-making reserve	12,005,251	(1,752,000)	—	—	(127,634)	**10,125,617**
. General funds						
. . Free reserves	3,000,000	1,937,892	2,002,801	—	(3,940,693)	**3,000,000**
. . Pension reserve	(375,974)	(2,000)	—	2,961	142,013	**(233,000)**
. . Non-charitable trading funds	(1,092,942)	(209,152)	—	—	—	**(1,302,094)**
Total	23,419,018	(965,047)	2,002,801	2,961	—	**24,459,733**

The Corporation	At 1 January 2021 £	Net income (expenditure) for the year £	Net gains on revaluation of investments £	Actuarial gains £	Transfers £	At 31 December 2021 £
Restricted funds	9,254	—	—	—	—	**9,254**
Unrestricted income funds						
. Tangible fixed assets fund	3,468,418	(777,526)	—	—	169,064	**2,859,956**
. Designated funds						
. . Refurbishment reserve	6,405,011	(162,261)	—	—	3,757,250	**10,000,000**
. . Grant-making reserve	12,005,251	(1,752,000)	—	—	(127,634)	**10,125,617**
. General funds						
. . Free reserves	3,000,000	1,937,892	2,002,801	—	(3,940,693)	**3,000,000**
. . Pension reserve	(375,974)	(2,000)	—	2,961	142,013	**(233,000)**
Total	24,511,960	(755,895)	2,002,801	2,961	—	**25,761,827**

A proportion of the general funds is represented by endowment funds which arose from the original appeals for the construction of Church House in 1885. These funds can no longer be separately identified but the Council is of the opinion that they are immaterial.

Restricted funds totalling £9,254 (2020: £9,254) are retained for the specific purpose of maintaining the portrait of Archbishop Davidson including periodic restoration and repair works as required.

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Analysis of net assets between funds

Group	Tangible fixed assets fund £	Designated funds and restricted funds £	Free reserves £	Pension reserve £	Non-charitable trading funds £	**Total funds £**
Fund balances at 31 December 2021 are represented by:						
Tangible fixed assets	2,859,956	—	—	—	188,947	**3,048,903**
Investments	—	20,125,617	1,848,412	—	—	**21,974,029**
Net current assets (liabilities)	—	9,254	1,151,588	—	(1,491,041)	**(330,199)**
Provisions for liabilities	—	—	—	(233,000)	—	**(233,000)**
Total net assets	**2,859,956**	**20,134,871**	**3,000,000**	**(233,000)**	**(1,302,094)**	**24,459,733**

The Corporation	Tangible fixed assets fund £	Designated funds and restricted funds £	Free reserves £	Pension reserve £	**Total funds £**
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	2,859,956	—	—	—	**2,859,956**
Investments	—	20,125,617	2,348,412	—	**22,474,029**
Net current assets	—	9,254	651,588	—	**660,842**
Provisions for liabilities	—	—	—	(233,000)	**(233,000)**
Total net assets	**2,859,956**	**20,134,871**	**3,000,000**	**(233,000)**	**25,761,827**

The total unrealised gains as at 31 December 2021 constitutes movements on revaluation and are as follows:

	2021 £	2020 £
Unrealised gains included above:		
On investments	**5,216,879**	**4,096,108**
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January	**4,096,108**	**4,897,418**
Less: in respect to disposals in the year	**(801,060)**	**(1,208,735)**
	3,295,048	**3,688,683**
Net gains arising on revaluation	**1,921,831**	**407,425**
Total unrealised gains at 31 December	**5,216,879**	**4,096,108**

Notes to the financial statements for the year ended 31 December 2021 (continued)

15 Financial commitments

Operating leases

The Corporation and its subsidiary have financial commitments in respect of non-cancellable operating leases. The minimum rentals payable under these leases are as follows:

Equipment	2021 £	2020 £
Within one year	**7,460**	8,142
Between one and two years	**5,594**	9,386
	13,054	17,528

Other financial commitments

The group and The Corporation had the following financial commitments at 31 December of:

	Group		The Corporation	
Authorised and contracted for:	**2021 £**	2020 £	**2021 £**	2020 £
Capital expenditure: Buildings	**125,648**	26,000	**125,648**	26,000
Capital expenditure: Plant and equipment	**—**	129,000	**—**	129,000
Revenue expenditure: Cyclical maintenance	**9,337**	500,000	**9,337**	500,000

	Group		The Corporation	
Authorised but not contracted for:	**2021 £**	2020 £	**2021 £**	2020 £
Capital expenditure: Buildings	**9,614,000**	785,000	**9,614,000**	785,000
Capital expenditure: Plant and equipment	**53,400**	156,000	**53,400**	156,000
Capital expenditure: Office equipment	**4,800**	5,000	**—**	5,000
Capital expenditure: Fixtures and fittings	**129,000**	**—**	**—**	**—**
Revenue expenditure: Cyclical maintenance	**94,500**	64,000	**94,500**	64,000

Included in 2021 authorised but not contracted for financial commitments above is the original £9,600,0000 estimated project cost for the planned two-phase major refurbishment of Church House.

It has been agreed subsequently to expand the scope of the project and the total estimated cost, including contingency allowances of £2,500,000, has increased from £9,600,000 to £16,000,000. It is expected that the main works contract for this project will be signed in early June 2022.

The total £16,000,000 project costs will be self-funded by The Corporation using capital raised from the partial disposal of listed investments held.

Notes to the financial statements for the year ended 31 December 2021 (continued)

16 Related party transactions

All related party transactions between The Corporation and its trading subsidiary, Church House Conference Centre Limited, are disclosed in note 17b.

Loan facility provided to Church House Conference Centre Limited
In 2020, in response to the immediate and forecast financial impact resulting from the COVID-19 pandemic, the Board of directors of the charity's trading subsidiary, Church House Conference Centre Limited, approached the Council to request an extension of the £500,000 loan facility in place at the time. This facility had first been made available in 2011 and, whilst never used, it was subsequently extended to 31 December 2021.

After careful consideration of the Company's current financial position, short-term plans for generation of revenue, measures taken by the directors to reduce costs and different operational and financial scenarios produced to the end of 2021, the Council agreed to replace the existing loan facility with a new £2,000,000 loan facility to be used to provide short-term financial support to the Company for the period to 31 December 2021.

The new loan facility was formally made available to the Company, replacing the previous loan facility, on 26 August 2020.

As at 20 May 2022, the date these financial statements were approved by the Council, consistent with financial projections provided and reflecting the better than anticipated level of revenue, the company had drawn down £1,000,000 from the loan facility. The last draw down of funds from the facility was on 25 February 2021.

The Council has agreed to make a new £500,000 loan facility available to the Company which became available upon expiry of the £2,000,000 loan facility on 31 December 2021. This will provide the Company with further financial support, should it be needed, during the period to 31 December 2031. The Company had not drawn down any funds from this facility at the date these financial statements were approved by the Council. The Company forecasts that there will be no requirement for the facility to be used in the foreseeable future.

Any amounts advanced to the Company from the facilities accrue interest at 0.5% above the bank base rate until repaid. The total amount advanced, together with any interest accrued, is repayable no later than 31 December 2031, or upon the Company giving notice of its intention to exercise the break clause contained within its lease agreement.

The Board of directors of Church House Conference Centre Limited, continue to monitor the current financial position, trading conditions and future prospects monthly. The Board meets quarterly, or more frequently if required, and a summary of the Company's trading and financial position is provided for consideration at each Council meeting.

Other related party transactions
There were no other related party transactions during the year that require disclosure (2020 – none).

Notes to the financial statements for the year ended 31 December 2021 (continued)

17 Trading subsidiary – Church House Conference Centre Limited

	2021 £	2020 £
a) Summary of results of trading subsidiary		
Turnover	**2,276,848**	1,006,676
Operating costs	**(2,514,983)**	(2,543,748)
Operating (loss)	**(238,135)**	(1,537,072)
Coronavirus Job Retention Scheme grants	**34,671**	113,301
Bank interest receivable	**115**	1,346
Interest payable	**(5,803)**	(628)
Profit on disposal of fixed assets	**—**	555
(Loss) on ordinary activities before taxation	**(209,152)**	(1,422,498)
Taxation	**—**	11,940
(Loss) for the financial year	**(209,152)**	(1,410,558)
Payments under deed of covenant		
Provision for payment under deed of covenant	**—**	—
Movement in (accumulated losses) for the year	**(209,152)**	(1,410,558)
b) Inter group transactions		
Turnover	**2,276,848**	1,006,676
Less: sales to The Corporation	**(1,235)**	(4,424)
Net turnover	**2,275,613**	1,002,252
Operating costs	**2,514,983**	2,543,748
Less: sales from The Corporation	**(4,756)**	(12,586)
Less: rent and service charge paid to The Corporation	**(909,314)**	(974,901)
Net operating costs	**1,600,913**	1,556,261
c) Net (liabilities) of trading subsidiary		
Total assets	**1,454,744**	389,856
Total liabilities	**(2,256,838)**	(982,798)
Net (liabilities)	**(802,094)**	(592,942)

THE CORPORATION OF THE CHURCH HOUSE

England & Wales - Charity number 213252

Accounts

Registered charity number: 213252

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

One hundred and thirty third annual report and financial statements

Year ended 31 December 2020

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

27 Great Smith Street, London, SW1P 3AZ
The Council, Officers, Senior Staff and Advisors

Reference and administrative information

The Council

Elected members
Canon Dr Christina Baxter CBE, ***Chair of the Council***
Canon Lucy Docherty (retired 19 November 2020)
Hywel Rees-Jones, ***Treasurer*** (from 19 November 2020)

Co-opted members
Andrew Penny
Hywel Rees-Jones, ***Treasurer*** (to 19 November 2020)
Christopher Smith CBE

Nominated members
Keith Cawdron
Dr Justine Allain Chapman (appointed 1 May 2020)
David Kemp

Officers and senior staff

Treasurer
Hywel Rees-Jones

Secretary/Chief Executive Officer
Stephanie Maurel (appointed 1 September 2020)
Christopher Palmer CBE (retired 30 September 2020)

Head of Finance and Deputy Chief Executive Officer
Adrian Smith

Head of Facilities
Hugh Allcock-Green (appointed 1 December 2020)
Ian Bessant (retired 31 December 2020)

General Manager of the Conference Centre
Robin Parker (until 13 November 2020)

Committees

Audit Committee
Stephen East, ***Chair*** (appointed 23 April 2020)
Keith Robinson, ***Chair*** (retired 23 April 2020)
Canon Lucy Docherty (retired 19 November 2020)
John Hughesdon
Andrew Penny (appointed 19 November 2020)

Investment Committee
Hywel Rees-Jones, ***Chair***
John Booth
David Kemp
Andrew Penny

Reference and administrative information (continued)

Professional advisors

Independent auditor
Buzzacott LLP
130 Wood Street, London, EC2V 6DL

Principal bankers
Coutts & Company
440 Strand, London, WC2R 0QS

Nationwide Building Society
Kings Park Road, Northampton, NN3 6NW

Solicitors
BDB Pitman LLP
One Bartholomew Close, London, EC1A 7BL

Investment Managers
Cazenove Capital Management Limited
1 London Wall Place, London, EC2Y 5AU

Church House Conference Centre Limited

Non-Executive Directors
Peter Thackwray OBE, ***Chair***
Mary Burley
Dr Michaela Jordan
Hywel Rees-Jones

Executive Directors
Stephanie Maurel (appointed 14 September 2020)
Christopher Palmer CBE (retired 14 September 2020)
Robin Parker (until 13 November 2020)
Adrian Smith

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Chair's report to the members of The Corporation of the Church House

2020 will be a year best remembered for the influence COVID-19 has had on the lives people lead and the support that can be offered. Whilst the Corporation has continued to thrive, the restrictions associated with the pandemic have cancelled many national and Conference Centre events planned for 2020.

The Corporation remains in a strong financial position. The pandemic had its impact on the financial markets and the Corporation's investment portfolio fluctuated over 2020. The reserves are satisfactory: they are slightly lower at the end of 2020 compared to the same point in 2019, with the Corporation of Church House reporting a net deficit and only a minimal increase in the value of investments.

One of the restrictions of 2020 was that the 2019 annual audit was severely disrupted. Firstly, the audit had to be paused to comply with pandemic regulations and secondly, there was a delay in signing off the accounts, due to the complexities of the Conference Centre loan. Consequently, the AGM had to be first cancelled and then postponed at short notice. The delay in signing-off the accounts was consequent upon the need for a new lease and the loan arrangement to be finalised. All of this meant that the AGM needed to be postponed to later in the year. The charity's Regulations require the accounts to be placed before the members once a year and whilst ideally this would have been in July, the best that it was possible to organise in the circumstances was November. We thank all members for their patience and willingness to attend the AGM online to keep everyone safe.

The Corporation took advantage of the Government furlough scheme and firstly used the scheme to place members of staff on full time furlough and as the scheme adapted so did our use. Certain staff members remain on part time furlough and where possible staff are rotated on and off the furlough scheme. There has been a minimum of staff present at Church House all the way through 2020 to ensure the security and safety of the building. Church House saw reduced operating costs for the building resulting from the dramatically lower occupancy and usage. As a consequence, corresponding service charge income was also reduced in the year. The building was running at under 5% occupancy for much of the past twelve months. Our particular thanks go to the security, cleaning and maintenance teams for ensuring that Church House remains a workspace that staff can return to when government regulations allow.

The Corporation has a rolling ten-year cyclical maintenance and improvement plan that was impacted by the pandemic and ensuing restrictions. The external walls of Church House were timetabled to be refurbished in the summer of 2020. Despite agreement from our neighbours and the Council on the dates for the scaffolding to be in Dean's Yard and the roads that encircle the building, it was decided not to go ahead for reasons of safety. The plans have now been finalised and the work will be going ahead in the middle six months of 2021.

All the leases for the tenants of Church House came to end in December 2020; I am pleased to say that all our current tenants decided to stay at Church House and have signed new leases with us. The two private flats also had leases that came to an end, this time in February 2021, and both individuals have renewed their lease. There is a small amount of space that is now vacant within the fifth and sixth floors of Church House as the National Church Institutions (NCIs) have handed back space that they no longer require. It is unlikely that this will be re-let in the short term however we are taking the time to reconfigure and include it in the longer-term thinking for the use of the space within Church House. The Conference Centre staff, and Finance team, who were sharing office space on the lower ground floor have moved to the first floor to vacated office space released by the NCIs. This has allowed the senior management team to join the staff in these converted meeting rooms and should facilitate ongoing collaboration between teams.

Chair's report to the members of The Corporation of the Church House (continued)

The new lease signed by the National Church Institutions is of two years in duration. This is to allow time for the major refurbishment project to be explored further. The NCIs are looking to reduce their footprint at Church House and are working on plans for the development of their space within the building. Whilst this hasn't been finalised as yet, a large part of the work will be to consider the Synod announcement for buildings owned or occupied by the Church of England to be carbon neutral by 2030. The new Head of Facilities – Hugh Allcock-Green, who arrived in December 2020 – is leading on the work from the Corporation side to ensure that Church House has a clear roadmap to deliver on this goal. As the landlord, the finalisation of the NCI plans and the receipt of clear costing will likely lead to an accelerated plan of capital works in both scope and cost.

At the November AGM, after a long period of work supported by Professor Reverend Oliver O'Donovan FBA, FRSE, an Ethical Letting Policy was adopted. The Council broadened its study to include all lettings at Church House, not just those of our trading subsidiary. All the newly signed leases include a reference for all tenants to respect the terms of the Ethical Letting Policy now in force including the new NCI lease.

With the covenant from the Conference Centre reduced to zero and a loan in place from the Corporation to the Conference Centre, it was decided by trustees not to invite applications from the Archbishop's Council for any further grants for the immediate future. The third and final year of funding for Safeguarding was confirmed and £1.752m will be paid in 2021 as promised; this was the only grant in place for 2020 and 2021. Whether any grants will be offered to the Church of England via the Archbishop's Council will be considered in the autumn of 2021.

As mentioned in my report last year the Corporation agreed a £2 million loan to the Conference Centre to mitigate the ongoing financial impact of the health pandemic. This was to replace the existing £500,000 loan facility. The new facility was made available in September 2020 and £500,000 was drawn down against it up to the end of December 2020. A lot of work was put into ensuring the financial stability of the Conference Centre by the Board of directors of the Conference Centre, and I thank them especially the Chair Peter Thackwray. The Conference Centre, as the borrower, had to undertake significant work to demonstrate financial viability, affordability and future cashflow etc. As an agreed response to the loan, the Conference Centre developed a business plan which was updated in November of 2020 as the ongoing nature of the crisis was better understood. The plan concentrates on turning the lights on in the tunnel, rather than waiting for the light at the end of the tunnel for trade to pick up.

Our 2020 year promised to be one of the best yet for the Conference Centre. The centre was already ahead of budget for new business by the end of the first quarter and was ready to showcase the best the team could deliver in terms of events, dinners, and ceremonies. The first quarter was not quite over when the difficult decision was taken to halt the events from April onwards. Unfortunately, as expected, the year was very difficult financially for the Conference Centre. The loss reported for the year was £1.41m. This final figure is after the £0.97m contribution made to the Corporation through the payment of rent and service charge.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Chair's report to the members of The Corporation of the Church House (continued)

Whilst most events in 2020 had to be cancelled or postponed some events were able to be held. The team showed creativity and innovation in the clients that were pursued. In November and December 2020, the Conference Centre hosted two live sporting events which were broadcast via BT Sport. The clients were very pleased with the location and there was favourable press about the quality of the location of the events. The Conference Centre, thanks to the team's hard work in the fourth quarter of 2020, in February 2021 opened as an on-demand lateral flow COVID-19 testing centre. Whilst the uncertainty of the pandemic is here for a while longer, the Conference Centre is seizing the opportunity to explore new markets and areas which is having relative success to date. Staff are to be congratulated for the way they embraced the new ways of working with enthusiasm.

The Board of directors meets monthly to review current trading conditions and prospects for the Conference Centre and to consider cashflow models identifying the potential requirement to draw funds from the loan facility. The Council, through the Chair, receives a monthly update of the position from the Board of directors. The good news is that the new business plan developed to see the Conference Centre through the remaining time that the pandemic's impact is strong and is bearing fruit.

In terms of governance, there was a change in leadership of the Audit Committee, the new Chair, Stephen East, picked up the reins of the committee in 2020 and is already adding value. Canon Lucy Docherty reached the end of her term as an elected trustee at last year's Annual General Meeting. Lucy brought significant expertise to the Council, particularly in the areas of management and oversight of risk through her membership of the Audit Committee. She contributed constructively to all our meetings, and she is thanked for her service to Church House. At the last AGM Hywel Rees-Jones joined the Council as an elected member and remains Chair of the Investment Committee and through his Directorship of the Conference Centre, is a strong link to the activities of the Conference Centre.

The Corporation saw several major staff changes in 2020. Chris Palmer took his retirement in September 2020 and was replaced by Stephanie Maurel who picked up the reins in early September. We have been unable to thank Chris for his ten years of service face to face but hope to do so in 2021. We also said goodbye to the Facilities Manager Ian Bessant, who took planned semi-retirement at the end of 2020 after 24 years in the organisation. The pandemic also took its toll on staffing. To fulfil the terms of the Corporation loan, the Conference Centre underwent a restructure which led to the staff being reduced by half. This also meant that the General Manager of the Conference Centre, Robin Parker, was made redundant. For the time being the oversight of the Conference Centre is being managed by Stephanie Maurel.

There has been a dramatic change in the world in which the Corporation operates. The Corporation has weathered the storm well and remains strong and ready to drive forwards through 2021.

Canon Dr Christina Baxter CBE
Chair

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Report of the Council of The Corporation of the Church House

The Council presents its annual report and audited consolidated financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 27 of the attached financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Objects and activities

The primary object of The Corporation, as laid down in the Royal Charter, is to own and maintain a building - Church House - for the use of the National Church Institutions of the Church of England (NCIs). Following amendment of the Royal Charter in February 2018, The Corporation is now also permitted to award grants for the benefit of the NCIs.

The Corporation may manage such business as it thinks fit and expedient to undertake for the promotion of the objects of The Corporation.

The Corporation aims to provide office and meeting space for the NCIs at a cost below the market rent for the area; the annual rent charged in the year represents a substantial saving when compared to the costs of equivalent commercial property. The rent reflects an appropriate annual share of the governance costs and provides funds to be used towards the anticipated costs of future refurbishment and improvement of the building.

The Corporation seeks to generate income from the operation of its wholly owned commercial subsidiary, Church House Conference Centre Limited, which markets the spare capacity when the large meeting rooms in the building (whose listed status precludes radical alteration), are not required for use by the the General Synod. The Conference Centre clients include commercial companies, charities, church organisations, government bodies, trade associations and research organisations. Any taxable profit created by the Conference Centre is usually covenanted directly to The Corporation.

Building on the decision reached by the Council in 2017 to provide financial support to the National Church Institutions through the award of grants, and following the necessary amendment to the Royal Charter to permit such activity, the Council, with support from the senior management team and external advisors, introduced a grant-making policy in 2018. Complementing the three grants totalling a combined £4,004,000 awarded in 2018 and 2019, the Council considered an application from the National Church Institutions to extend the grant for safeguarding for a third and final year and, ultimately, approved the award of a grant for £1,752,000 for payment in 2021.

The Corporation's operational objectives during the year under review have been to maintain the security of the building and to ensure Church House continued to offer a safe and available workspace for the benefit of the National Church Institutions fulfilling all Government guidance relating to the COVID-19 pandemic. Additionally, the second and final phase of the refurbishment of kitchen facilities was planned and completed on time and within budget.

In reviewing its aims and objectives and in planning its future activities we confirm The Corporation has complied with the Charity Commission's general guidance on public benefit: 'Charities and Public Benefit'.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2020

Operational performance
The principal tenants of the building are the National Church Institutions. The office space areas at Church House remained fully let and open throughout the year, although actual occupancy levels were significantly lower as a result of the COVID-19 pandemic. We also welcomed fewer visitors at Church House in 2020 - the events space available for hire and marketed by Church House Conference Centre was closed, or operated for much of the year at reduced capacity, in accordance with the government guidance issued in response to the pandemic.

All facilities and services were maintained at appropriate levels and operated well throughout the year.

Grant-making policy
The Corporation will from time to time accept grant applications from the National Church Institutions dependent upon the financial performance of The Corporation.

Financial review

The consolidated statement of financial activities for the year is set out on page 19. A summary of the results and of the work of The Corporation is set out below.

The charity's principal sources of income are rent, investment income and covenanted profit from its trading subsidiary, Church House Conference Centre Limited. The group's expenditure during the year exceeded income by £2,076,148 (2019: £587,625) before gains on investments and other recognised gains. The level of net expenditure reflects the Council's continued support of the work of the Church of England through the award of a further grant to be used in the area of safeguarding. A grant of £1,752,000 has been recognised in the year (2019: grant of £1,752,000 for safeguarding) although actual payments will be made throughout 2021. After taking into account the net expenditure for 2020, together with recognised gains, the group's total funds decreased by £1,868,585 to £23,419,018 (2019: increased by £1,955,456 to £25,287,603).

Church House Conference Centre Limited
The Conference Centre is the wholly owned subsidiary of The Corporation and carries out trading activities for the benefit of The Corporation, paying rent and service charge which in 2020 amounted to £974,901 (2019: £1,031,005).

The Conference Centre was set for a record year, with revenue up almost 25% at the end of February and a strong forward order book for the remainder of 2020 and into 2021. The impact of the COVID-19 pandemic, however, was dramatic. On 19 March the Conference Centre was forced to close its doors to events and only re-opened, in a limited guise, in September 2020.

For 2020, the loss on ordinary activities for the year was £1,422,498 (2019: profit £48,270) before accrued recoverable taxation of £11,940 (2019: £11,940 payable) and transfers under deed of covenant for the current year of £Nil (2019: £Nil).

As the Company reported a taxable loss for the year ended 31 December 2020, no amount is payable to The Corporation under the terms of the Deed of Covenant.

A summary of the trading results of the Conference Centre is shown in note 17 to the financial statements.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2020 (continued)

Investment policy
The Council has adopted a long-term and medium-risk policy to achieve a balance of income and capital growth from its investments. As permitted by The Corporation's Royal Charter, the Council has given its investment managers discretion to manage the portfolio within an agreed risk profile.

The purpose of The Corporation's investments is to provide the necessary stability and financial backing to enable periodic improvement and refurbishment of Church House. To achieve this, it is the intention to manage the portfolio in such a way that the value of the investments more than matches inflation over the longer term. Given the investment horizon, it has been decided in consultation with the investment managers that the portfolio should consist substantially of equities both in the UK and overseas. Consideration is being given, as part of the regular review of the investment mandate, to amending the investment policy to remove the current requirement for a minimum amount of the portfolio to be held in UK equities and thereby providing the opportunity for some of the sectoral imbalances that exist within the portfolio's equity exposure to be addressed.

It is the Council's policy to take note of the guidance of the Church of England's Ethical Investment Advisory Group.

Investment performance
Performance of the investments is measured against a bespoke benchmark. The benchmark is based on the agreed asset allocation: 55% to relate to the FTSE All Share index, 20% to the FTSE World index (excluding UK), 20% to the FTSE Government All Stocks index and 5% to CPI+2%.

The Corporation's investments delivered an overall return of plus 0.89% (2019: plus 15.82%) compared with the bespoke benchmark of minus 0.29% (2019: plus 16.61%). UK equities returned minus 8.83% (2019: plus 21.10%) against the FTSE All Share index return of minus 9.85% (2019: plus 19.11%), overseas equities returning plus 20.88% (2019: plus 20.47%) against the FTSE World index (excluding UK) return of plus 14.15% (2019: plus 23.10%). UK bonds returned plus 1.01% (2019: plus 4.22%) and international bonds plus 3.90% (2019: plus 4.69%) against the FTSE All Stock Gilts index of plus 8.27% (2019: plus 6.90%).

Overall, 2020 was a turbulent year for markets. After a major market sell-off in the first quarter of the year as the pandemic took hold, significant monetary and fiscal stimulus drove strong returns throughout the rest of the year, culminating in a wave of optimism in November after the announcement of several vaccines and the US election. There were notable differences in returns between sectors and regions, with UK equities in particular lagging international equities (such as the US and Emerging Markets). The performance of the portfolio was marginally ahead of the benchmark for the year, the Council remains satisfied with the longer-term performance and positioning of the investment portfolio.

The Corporation withdrew £49,334 (2019: £1,418,188) from the portfolio to provide additional working capital in the year. No capital (2019: none) was transferred to Cazenove Capital Management Limited for investment during the year. The market value of listed investments at 31 December, excluding cash held with the investment managers, was £19,475,870 (2019: £20,279,011), a decrease of £803,141 (2019: £1,744,565 increase) when compared to the position at the end of 2019.

Report of the Council of The Corporation of the Church House (continued)

Review of achievements and performance for 2019 (continued)

Investment performance (continued)
The Council, upon the recommendation of the Investment Committee, agreed that the investment managers should continue to hold a higher balance of cash to ensure funds would be available to meet the different profiles of planned grant and capital expenditure under discussion. Consequently, the value of cash held by the investment managers at 31 December 2020 was £1,694,391 (2019: £743,246).

Investment markets have continued to recover in 2021 and as at 30 April 2021 the market value of listed investments, excluding cash of £1,697,823 held with the investment managers, was £20,683,905.

Reserves
The free/expendable reserves of The Corporation, predominantly represented by its investment portfolio, are held to meet the primary charitable objective of The Corporation which is to own and maintain the building called Church House for the use of the National Church Institutions of the Church of England. Of the group's total funds at 31 December 2020 amounting to £23,419,018 (2019: £25,287,603), the free reserves amounted to £1,907,058 (2019: £3,317,616). Free reserves consist of the general funds excluding the pension reserve.

When undertaking the annual review of free reserves, the Council determined that the present level is more than sufficient to meet operational needs and to provide contingency funds. The impact of COVID-19 on The Corporation and its subsidiary has been considered in detail by management and Council and the view in respect to the adequacy of free reserves has not changed.

The Council consider the £6.4 million (2019: £6.5 million) balance of the designated fund established in 2018 sufficient to meet future refurbishment/improvement expenditure.

The balance transferred to the grant-making fund in 2020 was £2,124,354 (2019: £4,927,413) from which the grant of £1,752,000 awarded to the Church of England National Safeguarding Team has been funded. The balance of the grant-making fund at 31 December 2020 was therefore £12,005,251 (2019: £11,632,897).

Future plans
The Corporation's primary objective is to plan to run an efficient office building for the National Church Institutions of the Church of England and examine its running costs with a view to saving expenditure wherever possible.

The process of identifying the changes that will have to be implemented at Church House to achieve the aim of operating a carbon zero building no later than 2030 has commenced. The operational impact of the works needed whilst the building remains in use will be assessed before a costed plan and timeline for completion of the project is produced.

The Council expects to receive further applications for grants from the National Church Institutions. The suitability of all grant applications for funding will be considered on the basis of the benefits they will deliver across the Church and for the wider public. Once suitability has been established, the appropriate level of any funding will be determined with reference to The Corporation's own financial position, general economic conditions and, in particular, anticipated future investment performance.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors

The Corporation of the Church House ("The Corporation") was established in 1888 by Royal Charter (charity registration number 213252) and its principal office is 27 Great Smith Street, London, SW1P 3AZ.

During the year The Corporation was governed by a Royal Charter dated 22 November 2002, which was last amended on 8 February 2018. The most recent amendment permits grants to be awarded for the benefit of the National Church Institutions of the Church of England.

It has a wholly owned, commercial trading subsidiary, Church House Conference Centre Limited (company registration number 02869220 (England and Wales)). The company's trading name is Church House Westminster and its principal activity is that of running a conference centre.

The Council of the Corporation comprises of up to nine members. Each member is appointed for an initial term of five years, renewable for a further term of the same length. Following resolutions carried at the 2008 Annual General Meeting and the approval of the Privy Council and the Charity Commission, two members are elected from amongst the members of The Corporation, who are members of the General Synod and other individuals, by the members of The Corporation; three members are nominated by the Appointments Committee of the Church of England and four members are co-opted by the Council. Currently there are two vacancies for co-opted members. Every member of the Council must be and continue to be a member of the Church of England. The names of the members of the Council at 31 December 2020 (and up to the date of this report) are given on page 2.

New Council members are inducted into the workings of The Corporation and its subsidiary, including Council policy and procedures, at an initial meeting with the Secretary and also receive a copy of the Charity Commission guidance on the roles and responsibilities of trustees.

Members of the Council, as The Corporation's trustees, are legally responsible for the overall management and control of The Corporation and its subsidiary and the Council meets at least four times a year. The Council appoints the senior staff of The Corporation who, in turn, are responsible for its day to day running. The Council is responsible for the approval of the annual budget and cash flow forecasts and is responsible for the preparation of the financial statements of The Corporation and its subsidiary. It also monitors the financial and operational activities of The Corporation.

The Council has an Audit Committee with an independent Chairman, one independent member and one member co-opted from the Council. The Committee meets at least twice a year and, inter alia, monitors The Corporation's external audit arrangements and risk management systems. The spring meeting is principally concerned with the annual audit including a confidential meeting with the auditor, while the autumn meeting concentrates on governance, personnel matters and the scrutiny of risk management. The Committee held two meetings during the year under review.

Details of The Corporation's professional advisors are given on page 3. The Corporation maintains a relationship and regular dialogue with its advisors in addition to obtaining expert advice and assurance when required.

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors (continued)

Risk management

The Council has identified and reviewed the major risks to which The Corporation and its subsidiary are exposed, in particular those related to their operations and finance with particular reference to the ongoing challenges posed by COVID-19, and is satisfied that systems are in place to mitigate The Corporation's exposure to those major risks.

The primary risks faced by The Corporation and Church House Conference Centre Limited are those that would significantly disrupt the availability and operation of the building. The Corporation and Conference Centre have comprehensive policies of insurance, reviewed annually, that provide financial compensation for many such occurrences although, along with many other businesses, we identified that our insurance cover did not extend to provide cover for the economic impact of the COVID-19 pandemic. Above all, The Corporation has a business continuity plan that did, and will, enable it to maintain and recover its operations in the event of significant disruption.

Any significant reduction in the value of The Corporation's investment portfolio could place at risk The Corporation's ability to fund future improvements to Church House in the longer-term. This risk is managed through the setting of an appropriate Investment Policy (see the Investment policy section of the Report of the Council on page 9 for more information) and continuous review of investment performance by the Investment Committee (see page 9 for more information).

Notwithstanding the potential impact arising from the availability and operation of Church House being significantly disrupted as outlined above, the most significant financial risk to which Church House Conference Centre Limited is exposed is the impact of general economic and wider conditions affecting their existing and potential client base. Specifically, like many others in the hospitality sector, the Company continues to be significantly impacted as a consequence of the COVID-19 pandemic.

To mitigate the financial impact of COVID-19 the Corporation agreed to the request from the Board of directors to replace the £500,000 loan facility first made available in February 2011 with an increased facility of £2,000,000. The new facility was made available in September 2020 and is available to be drawn down, in accordance with agreed terms, until the end of 2021. The Council has agreed to provide a further £500,000 loan facility from 1 January 2022 to provide the Company with further financial support, should it be needed, for the period to 31 December 2031.

The Board of directors meet monthly to review current trading conditions and future prospects for the Conference Centre and to consider cashflow models identifying the potential requirement to draw funds from the loan facility. The Council, through the Chair, receives a monthly update of the position from the Board of directors (see note 16).

Report of the Council of The Corporation of the Church House (continued)

Structure, governance, management and external professional advisors (continued)

Key management personnel
In addition to The Corporation's unremunerated Council members, the Senior Management Team are defined as key personnel.

The Council has delegated responsibility and authority for managing the day-to-day activities of The Corporation and, through the Board of directors of Church House Conference Centre Limited, to the Senior Management Team which consists of the Secretary, Head of Finance, Head of Facilities and Conference Centre General Manager.

In 2020 the Council agreed a uniform percentage cost-of-living pay award for all staff.

No additional bonus or other incentive schemes apply to the Senior Management Team.

No member of the Council received any remuneration from either The Corporation or Church House Conference Centre Limited.

Fundraising
The Corporation does not actively engage in fundraising activities and does not employ a professional fundraiser or commercial participator. No complaints in respect to fundraising activity were received by The Corporation during the year.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Report of the Council of The Corporation of the Church House (continued)

Statement of the Council's responsibilities

The Council is responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the group and the charity and of the income and expenditure of the charity and the group for that year.

In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures 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 the charity will continue in business.

The Council is responsible for keeping accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provision of the Royal Charter. It is also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the group and the charity financial information included on the group and the charity's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Council

Christina Baxter.

Canon Dr Christina Baxter CBE
Chair

Hywel Rees-Jones

Hywel Rees-Jones
Treasurer

20 May 2021

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Independent auditor's report to the Council of The Corporation of the Church House

Opinion

We have audited the accounts of The Corporation of the Church House and its subsidiary for the year ended 31 December 2020 which comprise the group and parent charity statement of financial activities, the group and charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2020 and of their 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 Charities Act 2011.

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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Council members' use of the going concern basis of accounting in the preparation of the accounts 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 group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The Council members are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Other information (continued)
In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Chair's report and Report of the Council is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Council

As explained more fully in the Council's responsibilities statement, the members of the Council are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Council members are responsible for assessing the group's and the parent charity'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 Council either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Council members' meetings.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Council members; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Independent auditor's report to the Council of The Corporation of the Church House (continued)

Auditor's responsibilities for the audit of the accounts (continued)

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

Use of our report

This report is made solely to the Council, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the members of the Council 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 charity and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

18 June 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Consolidated statement of financial activities for the year ended 31 December 2020

	Note	2020 £	2019 £
Income from:			
Investments and bank deposits	3	**309,755**	541,786
Other trading activities – Conference Centre	17(b)	**1,002,252**	4,141,213
Charitable activities			
. Rental income and service charge		**2,845,519**	2,945,339
Donations and legacies		**500**	—
Other			
. Coronavirus Job Retention Scheme Grant		**180,293**	—
. Dilapidation receipts		**25,000**	—
. Management fees receivable		**6,667**	6,667
. Profit on disposal of tangible fixed assets		**555**	—
Total income		**4,370,541**	7,635,005
Expenditure on:			
Raising funds			
. Investment management fees		**96,384**	100,185
. Conference Centre costs	17(b)	**1,556,261**	3,050,112
. Taxation		**(11,940)**	11,940
Charitable activities			
. Grants awarded to the National Church Institutions of the Church of England	4	**1,752,000**	1,752,000
. Corporation operating costs	5	**3,045,984**	3,287,978
Other			
. Interest payable	8(a)	**8,000**	16,000
. Loss on disposal of tangible fixed assets		—	4,415
Total expenditure		**6,446,689**	8,222,630
Net expenditure before gains on investments		**(2,076,148)**	(587,625)
Net gains on investments	10	**1,563**	2,561,081
Net (expenditure) income		**(2,074,585)**	1,973,456
Other recognised gains (losses)			
Actuarial gains (losses) on defined benefit pension scheme	8(a)	**206,000**	(18,000)
Net movement in funds	6	**(1,868,585)**	1,955,456
Reconciliation of funds:			
Fund balances brought forward at 1 January	13	**25,287,603**	23,332,147
Fund balances carried forward at 31 December	13	**23,419,018**	25,287,603

All of the group's activities derived from continuing operations during the above two financial periods. The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure of the charity was unrestricted during the above two financial periods. Fund balances at 31 December 2019 and 2020 include restricted funds of £9,254. The notes on pages 22 to 43 form part of the financial statements.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Balance sheets as at 31 December 2020

	Note	Group 2020 £	Group 2019 £	The Corporation 2020 £	The Corporation 2019 £
Fixed assets					
Tangible assets	9	**3,749,444**	4,893,780	**3,468,418**	4,506,319
Investments	10	**21,170,261**	21,022,257	**21,670,261**	21,522,257
Total fixed assets		**24,919,705**	25,916,037	**25,138,679**	26,028,576
Current assets					
Debtors: due after more than one year	11(a)	—	—	**500,628**	—
Debtors: due within one year	11(b)	**1,062,940**	608,402	**1,012,315**	155,859
Cash at bank and in hand		**1,497,047**	3,608,729	**1,467,488**	2,591,001
Total current assets		**2,559,987**	4,217,131	**2,980,431**	2,746,860
Liabilities					
Creditors: amounts falling due within one year	12	**(3,684,700)**	(4,129,578)	**(3,231,176)**	(3,089,462)
Net current (liabilities) assets		**(1,124,713)**	87,553	**(250,745)**	(342,602)
Total assets less current liabilities		**23,794,992**	26,003,590	**24,887,934**	25,685,974
Provisions for liabilities and charges	8(a)	**(375,974)**	(715,987)	**(375,974)**	(715,987)
Total net assets		**23,419,018**	25,287,603	**24,511,960**	24,969,987
The funds of the charity					
Restricted income funds	13	**9,254**	9,254	**9,254**	9,254
Unrestricted income funds	13				
. Tangible fixed assets fund		**3,468,418**	4,506,319	**3,468,418**	4,506,319
. Designated funds					
. . Refurbishment reserve		**6,405,011**	6,537,504	**6,405,011**	6,537,504
. . Grant-making reserve		**12,005,251**	11,632,897	**12,005,251**	11,632,897
. General funds					
. . Free reserves		**3,000,000**	3,000,000	**3,000,000**	3,000,000
. . Pension reserve		**(375,974)**	(715,987)	**(375,974)**	(715,987)
.Non-charitable trading funds		**(1,092,942)**	317,616	—	—
Total charity funds	14	**23,419,018**	25,287,603	**24,511,960**	24,969,987

The financial statements which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows and the related notes on pages 22 to 43 were approved by the Council on 20 May 2021 and signed on its behalf by

CANON DR CHRISTINA BAXTER CBE — Member of Council and Chair of the Council Christina Baxter

HYWEL REES-JONES — Member of Council and Treasurer Hywel Rees-Jones

STEPHANIE MAUREL — Secretary

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Consolidated statement of cash flows for the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	**(2,131,284)**	1,269,739
Cash flows from investing activities			
Income from listed investments		**303,924**	525,100
Interest received		**5,831**	16,686
Purchase of tangible fixed assets		**(144,267)**	(589,926)
Proceeds from the sale of tangible fixed assets		**555**	—
Purchase of fixed asset investments		**(3,818,739)**	(3,636,980)
Proceeds from the disposal of fixed asset investments		**4,623,443**	4,453,496
Net cash provided by investing activities		**970,747**	768,376
Change in cash and cash equivalents		**(1,160,537)**	2,038,115
Cash and cash equivalents at 1 January	B	**4,351,975**	2,313,860
Cash and cash equivalents at 31 December	B	**3,191,438**	4,351,975

Notes to the consolidated statement of cash flows for the year to 31 December 2020

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2020 £	2019 £
Net movement in funds (as per consolidated statement of financial activities)	**(1,868,585)**	1,955,456
Adjustments for:		
Depreciation of tangible fixed assets	**1,288,603**	1,502,922
Gains on investments	**(1,563)**	(2,561,081)
(Profit) loss on disposal of tangible fixed assets	**(555)**	4,415
Investment income	**(309,755)**	(541,786)
(Increase) decrease in debtors	**(454,538)**	1,234,348
(Decrease) in creditors	**(444,878)**	(216,522)
(Decrease) in provisions	**(340,013)**	(108,013)
Net cash (used in) provided by operating activities	**(2,131,284)**	1,269,739

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	**1,497,047**	3,608,729
Cash held by investment managers	**1,694,391**	743,246
Total cash and cash equivalents	**3,191,438**	4,351,975

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2020

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

These financial statements have been prepared for the year to 31 December 2020 with comparative information given for the year ended 31 December 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£) and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Council members and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the recoverability of outstanding debtors;
- estimating accrued expenditure;
- assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Principal accounting policies (continued)

c) Assessment of going concern

The Council members have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Council members have made this assessment in respect of a period of one year from the date of approval of these financial statements.

As explained in the Report of the Council, COVID-19 has had a significant impact on the operations of Church House Conference Centre with activity levels dropping dramatically as a result of the imposed lockdown and the continuing crisis. The Corporation has agreed to support its subsidiary financially during this period and, as explained in note 16, has increased the loan facility available to the company. The Corporation itself continues to monitor the value of its investment portfolio in the wake of the pandemic and the Council is conscious that there will again be an effect on investment income in 2021 as world economies recover from the impact of the measures to react to and control the virus.

The Board of directors of Church House Conference Centre are cautiously optimistic that the Company will meet its revenue target for 2021 and that this can be grown in subsequent years. The Board has seen strong evidence of pent-up demand from which the venue is well-placed to benefit having developed its offer, particularly in terms of Audio-Visual capabilities, in order to be able to also deliver virtual and hybrid events.

Whilst The Corporation anticipates reduced investment income in 2021, as detailed in the Report of the Council, rent and service charge income has been secured in the longer-term with all incumbent tenants renewing their leases upon expiry at the end of 2020.

The Council is of the opinion that the overall finances of the Corporation and its subsidiary are robust and, despite the challenges that COVID-19 presents, the Council members are of the opinion that the group and the charity will have sufficient resources to meet their liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

d) Consolidated financial statements

The consolidated financial statements include The Corporation and its wholly owned subsidiary undertaking, Church House Conference Centre Limited (company registration number 02869220). Intra-group transactions and balances are eliminated fully on consolidation. No separate statement of financial activities has been presented for The Corporation within these financial statements. The net expenditure for the year to 31 December 2020 for The Corporation only, including the £1,752,000 (2019: £1,752,000) provision for grants payable, £206,000 of actuarial gains (2019: £18,000 of actuarial losses) in relation to the provision made for future funding payments in respect of the deficit on the Defined Benefits pension scheme as at 31 December 2019 (see note 8a), but excluding investment gains, was £459,590 (2019: net expenditure of £641,955).

1 Principal accounting policies (continued)

e) Income recognition

Income is recognised in the period in which the group is legally entitled to the income, where the amount can be measured reliably and it is probable that the income will be received.

Income comprises rental income, investment income, income generated by the Conference Centre activities and other income including Coronavirus Job Retention Scheme grants, dilapidation receipts and management fees.

Rental income is recognised when it becomes contractually due under the relevant lease or tenancy agreement.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on cash balances held with banks and investment managers are included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank or the investment manager.

Income generated by the Conference Centre activities comprises income from room hire, equipment hire and commission on catering provision. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Coronavirus Job Retention scheme grants are credited to income when the charity and group are entitled to the funds and when the amount receivable has become quantifiable. Other income including management fees and dilapidation receipts is measured at fair value and accounted for on an accruals basis.

f) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group to make a payment 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.

All expenditure is accounted for on an accruals basis and inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Cost of raising funds includes investment management fees and the operating costs of Church House Conference Centre Limited.
- Charitable expenditure represents all costs associated with furthering the charitable purposes of the Corporation. This includes the direct and indirect costs of running Church House and grant-making activities. The allocation of costs to charitable activities, including support costs, is based upon the calculation of the service charges recoverable from The Corporation's tenants.
- Other expenditure includes losses on the disposal of tangible fixed assets.

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Principal accounting policies (continued)

f) Expenditure recognition (continued)

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are treated as liabilities.

g) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Tangible fixed assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

The annual rates used for this purpose are:	%
Freehold buildings	5.00 – 10.00
Furniture and fittings	6.50 – 15.00
Telephone and office equipment	10.00 – 33.33
Plant and equipment	5.00 – 20.00

Freehold land is not depreciated.

An impairment review is carried out in respect to a particular class of asset if events, or changes in circumstances, indicate that the carrying amount of any tangible fixed asset may not be recoverable.

h) Heritage assets

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Principal accounting policies (continued)

i) Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The group and charity do not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on listed investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The investment in the subsidiary undertaking is stated at cost less any provision for permanent diminution in value.

j) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

k) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

l) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement is known or can be estimated reliably. Creditors and provisions are recognised at the amount the group or charity anticipates it will pay to settle the debt.

m) Fund structure

The tangible fixed assets funds represent the net book value of the charity's tangible fixed assets.

Free reserves represent those monies which are freely available for application towards achieving any charitable purpose that falls within the group and charity's charitable objects.

The refurbishment reserve was established in 2018 to ensure that the charity holds a level of net assets that would enable it to undertake future refurbishment and improvement works to support its primary charitable objective of maintaining Church House for the use of the National Church Institutions of the Church of England (NCIs).

The grant-making reserve represents the value of net assets designated and available for distribution to the NCIs in the form of grants to support the charitable objectives of the Church of England.

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Principal accounting policies (continued)

m) Fund structure (continued)

The pension reserve represents the actuarial deficit on the defined pension scheme.

Non-charitable trading funds comprise of the value of cumulative accumulated losses or retained earnings by Church House Conference Centre Limited.

Restricted funds are funds with their use restricted to a specific purpose as described in note 13.

n) Leased assets

Rentals applicable to operating leases where the benefits and risks of ownership remain substantially with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

The group had no finance leases during the year ended 31 December 2020 or 31 December 2019.

o) Pension scheme arrangements

The Corporation participated in the Church of England Defined Benefit Scheme (DBS) and the Church of England Pension Builder Scheme (PBS), both part of the Church Workers Pension Fund. Both schemes are administered by the Church of England Pensions Board and are defined benefit pension schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date onwards, the DBS was closed to new membership applications and all new employees have been offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to the PBS. From this date all active members have accrued future pension benefits under the PBS. The transfer of pension membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019.

Payment of normal contributions in respect of the DBS ceased with the transfer of all active members to the PBS on 1 January 2020 however The Corporation continues to pay deficit recovery contributions in respect of the DBS.

The Corporation is unable to identify its share of the underlying assets and liabilities of the schemes on a reasonable and consistent basis. Therefore, in accordance with FRS102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable. The present value of any expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Further details of pension scheme arrangements are given in note 8.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Taxation

The Corporation is registered as a charity with the Charity Commission for England and Wales (charity registration number 213252) and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Retained profits of Church House Conference Centre Limited, if any, are subject to corporation tax calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

3 Investment income

	2020 £	2019 £
Income from listed investments	**303,924**	525,100
Bank interest receivable	**5,831**	16,686
	309,755	541,786

4 Grants payable

	2020 £	2019 £
Grants awarded in the year		
. Archbishops' Council – National Safeguarding Team	**1,752,000**	1,752,000

Grants awarded during 2020 were unpaid as at 31 December 2020 (note 12) and will be paid by twelve equal monthly instalments during 2021.

5 Corporation operating costs

	2020 £	2019 £
Staff costs (note 7)	**886,351**	899,152
House expenses and cleaning	**364,768**	410,759
Rates, insurance and heating	**254,678**	292,279
Office and administrative expenses	**59,226**	44,362
Repairs and maintenance	**206,115**	241,829
Marketing	**3,558**	1,530
Professional fees	**88,275**	16,366
Depreciation – owned assets	**1,174,188**	1,370,676
Auditor's remuneration – The Corporation	**8,800**	11,000
Donations and presentations	**25**	25
	3,045,984	3,287,978

No support costs have been allocated to The Corporation's secondary charitable objective of grant-making. The additional time resources and costs associated with this activity were minimal.

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 Net movement in funds

The net movement in funds is stated after including the following charges:

	2020 £	2019 £
Auditor's remuneration		
. Audit	**22,000**	22,000
. Non-audit services – taxation and advisory services	**8,675**	2,200
Depreciation	**1,288,603**	1,502,922
Hire of equipment	**10,312**	15,772

7 Staff costs and remuneration of key management personnel

The average number of persons employed by The Corporation and its subsidiary during the year is analysed below:

	Group		The Corporation	
	2020 Number	2019 Number	**2020 Number**	2019 Number
Maintenance and security	**11**	11	**11**	11
Administration	**23**	25	**6**	6
	34	36	**17**	17

Staff costs during the year were as follows:

	Group		The Corporation	
	2020 £	2019 £	**2020 £**	2019 £
Wages and salaries	**1,434,940**	1,442,738	**753,026**	717,612
Social security costs	**148,136**	152,676	**82,492**	77,525
Other pension costs	**190,690**	311,420	**50,833**	104,015
	1,773,766	1,906,834	**886,351**	899,152

Included in wages and salaries above is £66,226 relating to redundancy arrangements for 10 (2019: None) employees of which £13,748 related to non-contractual payments.

Employee information for the group includes employees who are on full time secondment to the Conference Centre. The cost of these employees is included within the cost of raising funds.

Notes to the financial statements for the year ended 31 December 2020 (continued)

7 Staff costs and remuneration of key management personnel (continued)

The number of employees earning £60,000 pa or more (excluding employer's pension and national insurance contributions but including taxable benefits) was:

	Group		The Corporation	
	2020 Number	2019 Number	**2020 Number**	2019 Number
£60,000 to £69,999	**1**	1	—	—
£70,000 to £79,999	**3**	2	**3**	2
£80,000 to £89,999	—	1	—	—
£90,000 to £99,999	—	1	—	—
£100,000 to £109,999	—	—	—	1
£110,000 to £119,999	**1**	—	—	—

Retirement benefits under a defined benefit pension scheme are accruing to 5 (2019: 5) employees earning more than £60,000 per annum. Employer pension contributions totalling £122,143 (2019: £122,143) were paid in respect to these employees.

The key management personnel of the group in charge of directing and controlling, running and operating the group on a day to day basis comprise the Council and the Senior Management Team of the charity. The total remuneration (including employer's national insurance contributions, taxable benefits and employer's pension contributions) of the key management personnel for the year was £496,023 (2019: £476,285).

During the year ended 31 December 2020, expenses of £845 (2019: £1,806) were reimbursed to 5 (2019: 6) members of the Council. The expenses related to the costs of travelling to Council meetings. No member of the Council received any remuneration in respect of their services as members of the Council (2019: £Nil).

8 Pensions

The Church Workers Pension Fund (CWPF) has a section known as the Defined Benefit Scheme (DBS) and a section known as Pension Builder Scheme (PBS) (comprising both the deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014). During the year, The Corporation participated in both DBS and PBS schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date onwards, the DBS was closed to new membership applications and all new employees have been offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to the PBS. From this date all active members have accrued future pension benefits under the PBS. The transfer of membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019. The Corporation will continue to pay any required contributions to fund future deficits in the DBS scheme and will continue to liaise with actuaries in respect to scheme valuations.

Notes to the financial statements for the year ended 31 December 2020 (continued)

8 Pensions (continued)

a) *Defined Benefit Scheme*

The DBS section of the CWPF provides benefits for lay staff based on final pensionable salaries. The Scheme is administered by the Church of England Pensions Board (CEPB), which holds the assets of the schemes separately from those of The Corporation and the other participating employers.

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

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

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the statement of financial activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

A valuation of the DBS is carried out once every three years, the most recent having been completed as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Pool. The overall deficit in the DBS was £11.3m.

Following completion of the previous triennial funding valuation as at 31 December 2016, The Corporation agreed to commence payment of deficit recovery contributions of £142,013 per annum for a period of seven years commencing on 1 April 2018. On the basis of the reduced deficit position (see below) reported as part of the triennial funding valuation as at 31 December 2019, the total deficit funding payable by The Corporation has decreased. At the current time, The Corporation intends to continue payment of deficit recovery contributions of £142,013 per annum and the timescale for the deficit to be fully funded will be reduced by an estimated 19 months.

During the year to 31 December 2020, The Corporation made total contributions of £Nil (2019: £193,219). No pension contributions were prepaid or outstanding at 31 December 2020.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

8 Pensions (continued)

a) *Defined Benefit Scheme* *(continued)*

The movement in the provision in relation to the deficit payment plan is set out below:

	2020 £	2019 £
Balance sheet liability at 1 January	**715,987**	824,000
Deficit contribution paid	**(142,013)**	(142,013)
Charged (credited) to the statement of financial activities		
. Interest cost	**8,000**	16,000
. Change to the balance sheet liability	**(206,000)**	18,000
Balance sheet liability at 31 December	**375,974**	715,987

The change to the balance sheet liability reflects the overall improvement of the position as reported in the valuation as at 31 December 2019 and includes the positive impact resulting from the transfer of members from the DBS to the PBS on 1 January 2020 as outlined above.

The balance sheet liability represents the present value of the deficit contributions agreed in the 31 December 2019 valuation and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	31 December 2020 %	31 December 2019 %	31 December 2018 %
Discount rate	1.12	1.30	2.10

Other available information relating to the valuation as at 31 December 2019 is given below:

Financial assumptions:	
Price inflation:	RPI 3.20% pa, CPI 2.40%
Rates of investment return:	
. prior to retirement	3.70% pa
. post retirement	1.85% pa reducing to 1.4%
Pension increases:	
. 5% pa cap	3.10% pa
. 2.5% pa cap	2.10% pa
Future salary increases	CPI plus 0.50% pa
Market value of DBS assets	£426.6m
Market value of Life Risk Pool assets	£235.3m

Notes to the financial statements for the year ended 31 December 2020 (continued)

8 Pensions (continued)

a) *Defined Benefit Scheme (continued)*
Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the group benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

b) ***Pension Builder Scheme***

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

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

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs are charged to the statement of financial activities in the year contributions are payable.

A valuation of the Scheme is carried out once every three years. The most recent scheme valuation was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a deficit of £4.8m. There is no requirement for deficit funding payments at the current time.

Pension Builder 2014 is valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. The most recent scheme valuation was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a surplus of £5.5m.

8 Pensions (continued)

b) ***Pension Builder Scheme*** *(continued)*

Regular employer contributions vary between 9% and 15.5% of pensionable salary for each member. The exact contribution rate is determined by the age of a member as at 1 April, the Scheme review date, each year.

Although the Scheme is non-contributory, employees can elect to make Additional Voluntary Contributions (AVCs). For each 1% AVC paid by a member, The Corporation pays an additional employer contribution of 1% up to a maximum of 3%.

During the year to 31 December 2020, The Corporation paid employer contributions of £190,690 (2019: £118,363) and this has been included in the pension costs in these financial statements. No pension contributions were prepaid or outstanding at 31 December 2020.

9 Tangible fixed assets

Group	Freehold land and buildings £	Furniture and fittings £	Telephone and office equipment £	Plant and equipment £	**Total £**
Cost					
At 1 January 2020	5,965,026	7,203,992	1,151,548	7,621,249	21,941,815
Additions	56,459	—	11,774	76,034	144,267
Disposals	—	—	(11,566)	—	(11,566)
At 31 December 2020	**6,021,485**	**7,203,992**	**1,151,756**	**7,697,283**	**22,074,516**
Depreciation					
At 1 January 2020	3,535,056	6,232,427	862,545	6,418,007	17,048,035
Disposals	—	—	(11,566)	—	(11,566)
Charge for the year	515,963	422,324	91,218	259,098	1,288,603
At 31 December 2020	**4,051,019**	**6,654,751**	**942,197**	**6,677,105**	**18,325,072**
Net book values					
At 31 December 2020	**1,970,466**	**549,241**	**209,559**	**1,020,178**	**3,749,444**
At 31 December 2019	**2,429,970**	**971,565**	**289,003**	**1,203,242**	**4,893,780**

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Tangible fixed assets (continued)

The Corporation	Freehold land and buildings £	Furniture and fittings £	Telephone and office equipment £	Plant and equipment £	Total £
Cost					
At 1 January 2020	5,965,023	6,739,337	426,622	7,621,249	20,752,231
Additions	56,459	—	3,794	76,034	136,287
At 31 December 2020	**6,021,482**	**6,739,337**	**430,416**	**7,697,283**	**20,888,518**
Depreciation					
At 1 January 2020	3,535,058	5,880,508	412,339	6,418,007	16,245,912
Charge for the year	515,963	391,398	7,729	259,098	1,174,188
At 31 December 2020	**4,051,021**	**6,271,906**	**420,068**	**6,677,105**	**17,420,100**
Net book values					
At 31 December 2020	**1,970,461**	**467,431**	**10,348**	**1,020,178**	**3,468,418**
At 31 December 2019	**2,429,965**	**858,829**	**14,283**	**1,203,242**	**4,506,319**

In the opinion of the Council, Church House is worth substantially more than the book value reported in these financial statements.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

10 Investments

Group	Listed investments £	Cash £	**2020 Total £**	2019 Total £
Cost or valuation				
At 1 January	20,279,011	743,246	**21,022,257**	19,461,356
Additions	3,818,739	—	3,818,739	3,636,980
Disposals at opening book value (proceeds £4,623,443; losses £405,862)	(5,029,305)	—	(5,029,305)	(4,316,976)
Net unrealised gains	407,425	—	407,425	2,424,561
Net movement in year	—	951,145	951,145	(183,664)
At 31 December	19,475,870	1,694,391	**21,170,261**	21,022,257

The Corporation	Investment in subsidiary undertaking £	Listed investments £	Cash £	**2020 Total £**	2019 Total £
Cost or valuation					
At 1 January	500,000	20,279,011	743,246	**21,522,257**	19,961,356
Additions	—	3,818,739	—	3,818,739	3,636,980
Disposals at opening book value (proceeds £4,623,443; losses £405,862)	—	(5,029,305)	—	(5,029,305)	(4,316,976)
Net unrealised gains	—	407,425	—	407,425	2,424,561
Net movement in year	—	—	951,145	951,145	(183,664)
At 31 December	500,000	19,475,870	1,694,391	**21,670,261**	21,522,257

The interest in the subsidiary undertaking represents the cost to The Corporation of wholly owning the share capital of Church House Conference Centre Limited. The principal activity of that company is the operation of a conference centre at Church House and it covenants its taxable profits to The Corporation. A summary of the trading results and balance sheet of Church House Conference Centre Limited is shown in note 17.

Listed investments held at 31 December 2020 comprised:

Group	**2020 £**	2019 £
UK bonds	**774,827**	1,080,785
International bonds	**1,747,293**	1,989,926
UK equities	**7,780,730**	9,370,821
International equities	**7,073,410**	6,158,487
Private equity and alternatives	**2,099,610**	1,678,992
Total listed investments	**19,475,870**	20,279,011
Cash with investment managers	**1,694,391**	743,246
	21,170,261	21,022,257
Historic cost of listed investments (excluding cash)	**15,182,272**	15,381,593

Notes to the financial statements for the year ended 31 December 2020 (continued)

10 Investments (continued)

At 31 December 2020, the following individual holdings were deemed material:

	2020		2019	
	Value £	% of investment portfolio	Value £	% of investment portfolio
Findlay Park American Fund	**1,047,690**	**5.38**	1,175,206	5.80
BlackRock European Dynamic Fund	**855,750**	**4.39**	511,560	2.52
Merian UK Smaller Companies Fund	**853,211**	**4.38**	795,230	3.92
William Blair US Small Mid Cap	**754,867**	**3.88**	633,838	3.13
TM Tellworth UK Smaller Companies	**625,924**	**3.21**	—	—
Wellington Global Health Care	**623,267**	**3.20**	218,990	1.08
Egerton Capital Investment Fund	**557,208**	**2.86**	504,622	2.49
Fidelity Emerging Markets Fund	**525,207**	**2.70**	424,403	2.09
Trojan Investment Funds	**500,448**	**2.57**	467,408	2.30
Polar Capital Technology Trust Plc	**495,575**	**2.54**	379,133	1.87

All listed investments were dealt in on a recognised stock exchange.

11 Debtors

a. Amounts receivable after one year

	Group		The Corporation	
	2020 £	2019 £	**2020** £	2019 £
Amounts owed by subsidiary undertaking	—	—	**500,628**	—

The amount of £500,628 (2019: £Nil) owed by the subsidiary undertaking, Church House Conference Centre Limited, represents the capital amount advanced from the loan facility (see note 16) at the year-end together with accrued interest receivable. Under the terms of the loan facility, this amount, together with any subsequent advances and additional interest accrued, is payable to the Charity no later than 31 December 2031, or upon the Company giving notice of its intention to exercise the break clause contained within its lease agreement.

b. Amounts receivable within one year

	Group		The Corporation	
	2020 £	2019 £	**2020** £	2019 £
Trade debtors	**92,822**	447,851	**72,020**	43,560
Rental debtors	**823,447**	20,137	**823,447**	20,137
Other debtors	**15,025**	22,023	**15,025**	18,477
Prepayments and accrued income	**131,646**	118,391	**101,823**	73,685
	1,062,940	608,402	**1,012,315**	155,859

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Creditors: amounts falling due within one year

	Group		The Corporation	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade and expense creditors	**100,463**	609,257	**81,242**	109,716
Taxation and social security costs	**39,166**	52,159	**39,166**	52,159
Amounts owed to subsidiary undertaking	**—**	—	**19,825**	25,606
Other creditors	**3,817**	16,524	**3,817**	16,524
Deposits held	**335,288**	421,321	**—**	—
Grants payable to the National Church Institutions of the Church of England	**1,752,000**	1,752,000	**1,752,000**	1,752,000
Accruals	**455,022**	258,187	**406,983**	191,739
VAT payable	**302,043**	181,029	**231,242**	102,617
Deferred income (see below)	**696,901**	839,101	**696,901**	839,101
	3,684,700	4,129,578	**3,231,176**	3,089,462

	Group		The Corporation	
	2020	2019	**2020**	2019
Deferred income:	**£**	£	**£**	£
At 1 January 2020	**839,101**	738,034	**839,101**	738,034
Released in the year	**(839,101)**	(738,034)	**(839,101)**	(738,034)
Deferred in the year	**696,901**	839,101	**696,901**	839,101
At 31 December 2020	**696,901**	839,101	**696,901**	839,101

Deferred income represents rental income and service charge received from tenants in advance of the financial year end but relating to the period commencing 1 January 2021.

The reduction in deferred income in 2020 resulted from the completion of some lease renewals being delayed until shortly before the year end. As a consequence, some tenants were unable to arrange for quarterly payments to be processed in advance of 1 January 2021.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2020 (continued)

13 Net funds

Group	At 1 January 2020 £	Net income (expenditure) for the year £	Net gains on revaluation of investments £	Actuarial gains £	Transfers £	**At 31 December 2020 £**
Restricted funds	9,254	—	—	—	—	**9,254**
Unrestricted income funds						
. Tangible fixed assets fund	4,506,319	(1,174,188)	—	—	136,287	**3,468,418**
. Designated funds						
. . Refurbishment reserve	6,537,504	—	—	—	(132,493)	**6,405,011**
. . Grant-making reserve	11,632,897	(1,752,000)	—	—	2,124,354	**12,005,251**
. General funds						
. . Free reserves	3,000,000	2,268,598	1,563	—	(2,270,161)	**3,000,000**
. . Pension reserve	(715,987)	(8,000)	—	206,000	142,013	**(375,974)**
. . Non-charitable trading funds	317,616	(1,410,558)	—	—	—	**(1,092,942)**
Total	25,287,603	(2,076,148)	1,563	206,000	—	**23,419,018**

The Corporation	At 1 January 2020 £	Net income (expenditure) for the year £	Net gains on revaluation of investments £	Actuarial gains £	Transfers £	**At 31 December 2020 £**
Restricted funds	9,254	—	—	—	—	**9,254**
Unrestricted income funds						
. Tangible fixed assets fund	4,506,319	(1,174,188)	—	—	136,287	**3,468,418**
. Designated funds						
. . Refurbishment reserve	6,537,504	—	—	—	(132,493)	**6,405,011**
. . Grant-making reserve	11,632,897	(1,752,000)	—	—	2,124,354	**12,005,251**
. General funds						
. . Free reserves	3,000,000	2,268,598	1,563	—	(2,270,161)	**3,000,000**
. . Pension reserve	(715,987)	(8,000)	—	206,000	142,013	**(375,974)**
Total	24,969,987	(665,590)	1,563	206,000	—	**24,511,960**

A proportion of the general funds is represented by endowment funds which arose from the original appeals for the construction of Church House in 1885. These funds can no longer be separately identified but the Council is of the opinion that they are immaterial.

Restricted funds totalling £9,254 (2019: £9,254) are retained for the specific purpose of maintaining the portrait of Archbishop Davidson including periodic restoration and repair works as required.

THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2020 (continued)

14 Analysis of net assets between funds

Group	Tangible fixed assets fund £	Designated funds and restricted funds £	Free reserves £	Pension reserve £	Non-charitable trading funds £	**Total funds £**
Fund balances at 31 December 2020 are represented by:						
Tangible fixed assets	3,468,418	—	—	—	281,026	**3,749,444**
Investments	—	18,410,262	2,759,999	—	—	**21,170,261**
Net current assets (liabilities)	—	9,254	240,001	—	(1,373,968)	**(1,124,713)**
Provisions for liabilities	—	—	—	(375,974)	—	**(375,974)**
Total net assets	**3,468,418**	**18,419,516**	**3,000,000**	**(375,974)**	**(1,092,942)**	**23,419,018**

The Corporation	Tangible fixed assets fund £	Designated funds and restricted funds £	Free reserves £	Pension reserve £	**Total funds £**
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	3,468,418	—	—	—	**3,468,418**
Investments	—	18,410,262	3,259,999	—	**21,670,261**
Net current assets (liabilities)	—	9,254	(259,999)	—	**(250,745)**
Provisions for liabilities	—	—	—	(375,974)	**(375,974)**
Total net assets	**3,468,418**	**18,419,516**	**3,000,000**	**(375,974)**	**24,511,960**

The total unrealised gains as at 31 December 2020 constitutes movements on revaluation and are as follows:

	2020 £	2019 £
Unrealised gains included above:		
On investments	**4,096,108**	4,897,418
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January	**4,897,418**	3,273,114
Less: in respect to disposals in the year	**(1,208,735)**	(800,257)
	3,688,683	2,472,857
Net gains arising on revaluation	**407,425**	2,424,561
Total unrealised gains at 31 December	**4,096,108**	4,897,418

15 Financial commitments

Operating leases

The Corporation and its subsidiary have financial commitments in respect of non-cancellable operating leases. The minimum rentals payable under these leases are as follows:

Equipment	2020 £	2019 £
Within one year	**8,142**	8,142
Between one and two years	**9,386**	15,602
Between three and five years	—	1,926
	17,528	25,670

Other financial commitments

The group and The Corporation had the following financial commitments at 31 December of:

	Group		The Corporation	
Authorised and contracted for:	**2020 £**	2019 £	**2020 £**	2019 £
Capital expenditure: Buildings	**26,000**	42,000	**26,000**	42,000
Capital expenditure: Plant and equipment	**129,000**	29,000	**129,000**	29,000
Revenue expenditure: Cyclical maintenance	**500,000**	8,000	**500,000**	—

	Group		The Corporation	
Authorised but not contracted for:	**2020 £**	2019 £	**2020 £**	2019 £
Capital expenditure: Buildings	**785,000**	1,000,000	**785,000**	1,000,000
Capital expenditure: Plant and equipment	**156,000**	279,000	**156,000**	279,000
Capital expenditure: Office equipment	**5,000**	53,000	**5,000**	16,500
Capital expenditure: Fixtures and fittings	—	41,500	—	—
Revenue expenditure: Cyclical maintenance	**64,000**	577,000	**64,000**	577,000

Notes to the financial statements for the year ended 31 December 2020 (continued)

16 Related party transactions

All related party transactions between The Corporation and its trading subsidiary, Church House Conference Centre Limited, are disclosed in note 17b.

Loan facility provided to Church House Conference Centre Limited
In response to the immediate and forecast financial impact resulting from the COVID-19 pandemic, the Board of directors of the charity's trading subsidiary, Church House Conference Centre Limited, approached the Council to request an extension of the £500,000 loan facility. This facility had first been made available in 2011 and, whilst never used, it was subsequently extended to 31 December 2021.

After careful consideration of the Company's current financial position, short-term plans for generation of revenue, measures taken by the directors to reduce costs and different operational and financial scenarios produced to the end of 2021, the Council agreed to replace the existing loan facility with a new £2,000,000 loan facility to be used to provide short-term financial support to the Company for the period to 31 December 2021.

The new loan facility was formally made available to the Company, replacing the previous loan facility, on 26 August 2020.

As at 20 May 2021, the date these financial statements were approved by the Council, consistent with financial projections provided, the company had drawn down £1,000,000 from the loan facility.

Any amounts advanced to the Company from the facility accrue interest at 0.5% above the bank base rate until repaid. The total amount advanced, together with any interest accrued, is repayable no later than 31 December 2031, or upon the Company giving notice of its intention to exercise the break clause contained within its lease agreement.

The Board of directors of Church House Conference Centre Limited, through the Chair, provide the Council with a summary of their monthly meetings where current trading conditions, future prospects and the potential requirement to draw further funds from the loan facility are reviewed.

The Council has agreed to make a further £500,000 loan facility available to the Company upon expiry of the £2,000,000 loan facility on 31 December 2021. This will provide the Company with further financial support, should it be needed, during the period to 31 December 2031.

Other related party transactions
There were no other related party transactions during the year that require disclosure (2019 – none).

Notes to the financial statements for the year ended 31 December 2020 (continued)

17 Trading subsidiary – Church House Conference Centre Limited

	2020 £	2019 £
a) Summary of results of trading subsidiary		
Turnover	**1,006,676**	4,149,830
Operating costs	**(2,543,748)**	(4,102,886)
Operating (loss) profit	**(1,537,072)**	46,944
Coronavirus Job Retention Scheme grants	**113,301**	—
Bank interest receivable	**1,346**	4,940
Interest payable	**(628)**	—
Profit (loss) on disposal of fixed assets	**555**	(3,614)
(Loss) profit on ordinary activities before taxation	**(1,422,498)**	48,270
Taxation	**11,940**	(11,940)
(Loss) profit for the financial year	**(1,410,558)**	36,330
Payments under deed of covenant		
Provision for payment under deed of covenant	—	—
Under provision for payment under deed of covenant in prior year	—	—
Movement in (accumulated losses) retained earnings for the year	**(1,410,558)**	36,330
b) Inter group transactions		
Turnover	**1,006,676**	**4,149,830**
Less: sales to The Corporation	**(4,424)**	**(8,617)**
Net turnover	**1,002,252**	**4,141,213**
Operating costs	**2,543,748**	**4,102,886**
Less: sales from The Corporation	**(12,586)**	**(21,769)**
Less: rent and service charge paid to The Corporation	**(974,901)**	**(1,031,005)**
Net operating costs	**1,556,261**	**3,050,112**
c) Net assets of trading subsidiary		
Total assets	**389,856**	**1,883,338**
Total liabilities	**(982,798)**	**(1,065,722)**
Net (liabilities) assets	**(592,942)**	**817,616**