

**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 15<sup>th</sup> 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'.

# **THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY**

## **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.



# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

## 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.

# **THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY**

## **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.

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

## **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.

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

## 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.

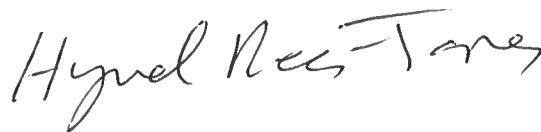
The Council is responsible for keeping accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with 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.

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

## 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;

# 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)

#### *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.

# 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)

#### *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](http://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: 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
	Note	£	£
<b><u>Income from:</u></b>			
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	-
<b>Total income</b>		<b>6,735,992</b>	<b>7,357,137</b>
<b><u>Expenditure on:</u></b>			
<b>Raising funds</b>			
. Investment management fees		32,811	61,222
. Conference Centre costs	18	3,064,961	2,889,221
<b>Charitable Activities</b>			
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
<b>Other</b>			
. Interest payable		6,093	2,000
. Loss on disposal of tangible fixed assets		585,417	-
<b>Total expenditure</b>		<b>7,344,646</b>	<b>6,153,139</b>
Net (expenditure)/income before gains/(losses) on investments		<b>(608,654)</b>	<b>1,203,998</b>
Net gains/(losses) on investments		<b>203,056</b>	<b>(1,048,671)</b>
<b>Net (expenditure)/income</b>		<b>(405,598)</b>	<b>155,327</b>
<b>Other recognised gains</b>			
Actuarial Gains on defined benefit pension scheme		-	92,987
<b>Net movement in funds</b>		<b>(405,598)</b>	<b>248,314</b>
<b>Reconciliation of funds:</b>			
Fund balances brought forward at 1 January		<b>24,708,047</b>	<b>24,459,733</b>
<b>Fund balances carried forward at 31 December</b>		<b>24,302,449</b>	<b>24,708,047</b>

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

		Group		Corporation	
		2023	2022	2023	2022
	Note	£	£	£	£
<b>Fixed Assets</b>					
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
<b>Total fixed assets</b>		<b>18,533,002</b>	<b>13,213,908</b>	<b>18,617,343</b>	<b>13,518,194</b>
<b>Current assets</b>					
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
<b>Total current assets</b>		<b>8,988,816</b>	<b>14,753,580</b>	<b>7,996,741</b>	<b>13,558,444</b>
<b>Liabilities</b>					
Creditors: Falling due within one year	13	(3,219,369)	(3,259,441)	(2,033,493)	(1,980,860)
<b>Net current assets</b>		<b>5,769,447</b>	<b>11,494,139</b>	<b>5,963,248</b>	<b>11,577,584</b>
<b>Total net assets</b>					
		<b>24,302,449</b>	<b>24,708,047</b>	<b>24,580,591</b>	<b>25,095,778</b>
<b>The funds of the charity</b>					
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)	-	-
<b>Total charity funds</b>	<b>14</b>	<b>24,302,449</b>	<b>24,708,047</b>	<b>24,580,591</b>	<b>25,095,779</b>

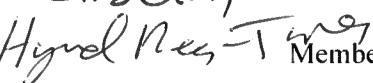
The financial statements which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows and the related notes on pages 18 to 34 were approved by the Council on 25 July 2024 and signed on its behalf by

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)
<b>Cash flows from investing activities</b>			
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
<b>Adjustments for:</b>		
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)
<b>Net cash (used in) operating activities</b>	<b>222,946</b>	<b>(118,955)</b>

### 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
<b>Total cash and cash equivalents</b>	<b>7,087,950</b>	<b>12,913,934</b>

# 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.

# 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 (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:

# 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 (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.

# 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 (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.

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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

### 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.



# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

## 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
	<u>387,362</u>	<u>312,855</u>

### 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
	<u>3,655,364</u>	<u>2,450,696</u>

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

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

## Notes to the financial statements for the year ended 31 December 2023 (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		Corporation	
	2023	2022	2023	2022
	Number	Number	Number	Number
Maintenance and security	6	10	6	10
Administration	27	21	8	6
	<b>33</b>	<b>31</b>	<b>14</b>	<b>16</b>

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
	<b>1,798,798</b>	<b>1,490,618</b>	<b>964,811</b>	<b>948,504</b>

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).

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

## 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.

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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

### 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.

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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

### 10 Tangible fixed assets

<b>Group</b>	Freehold land and buildings £	Fixtures and fittings £	Telephone and office equipment £	Plant and equipment £	Assets under Construction £	Total £
<b>Cost</b>						
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)
<b>at 31 December</b>	<b>17,845,914</b>	<b>7,353,155</b>	<b>1,324,764</b>	<b>7,980,895</b>	<b>3,709,182</b>	<b>38,213,910</b>
<b>Depreciation</b>						
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
<b>at 31 December</b>	<b>4,222,266</b>	<b>7,190,805</b>	<b>1,153,353</b>	<b>7,116,008</b>	<b>-</b>	<b>19,682,432</b>
<b>Net book amounts</b>						
<b>At 31 December 2023</b>	<b>13,623,648</b>	<b>162,350</b>	<b>171,411</b>	<b>864,887</b>	<b>3,709,182</b>	<b>18,531,478</b>
At 31 December 2022	1,613,544	41,857	150,912	988,805	3,359,539	6,154,757

<b>The Corporation</b>	Freehold land and buildings £	Fixtures and fittings £	Telephone and office equipment £	Plant and equipment £	Assets under Construction £	Total £
<b>Cost</b>						
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)
<b>at 31 December</b>	<b>17,845,911</b>	<b>6,739,337</b>	<b>443,318</b>	<b>7,980,895</b>	<b>3,610,629</b>	<b>36,620,090</b>
<b>Depreciation</b>						
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
<b>at 31 December</b>	<b>4,222,270</b>	<b>6,732,261</b>	<b>433,732</b>	<b>7,116,008</b>	<b>-</b>	<b>18,504,271</b>
<b>Net book amounts</b>						
<b>At 31 December 2023</b>	<b>13,623,641</b>	<b>7,076</b>	<b>9,586</b>	<b>864,887</b>	<b>3,610,629</b>	<b>18,115,819</b>
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.

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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

### 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

	Listed investment £	Total £
Cost or valuation		
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
<b>At 31 December 2023</b>	<b>1,524</b>	<b>1,524</b>

#### The Corporation

	Subsidiary £	Listed investment £	Total £
Cost or valuation			
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
<b>At 31 December 2023</b>	<b>500,000</b>	<b>1,524</b>	<b>501,524</b>

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.

	2023 £	2022 £
<b>Listed Investments held at 31st December</b>		
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
<b>Total Listed Investments</b>	<b>1,524</b>	<b>6,899,680</b>

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

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

## 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
	<b>1,900,866</b>	<b>1,999,127</b>	<b>2,234,450</b>	<b>1,708,081</b>

### 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
	<b>3,219,369</b>	<b>3,259,441</b>	<b>2,033,493</b>	<b>1,980,860</b>

	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	<b>400,472</b>	<b>371,431</b>	<b>400,472</b>	<b>371,431</b>

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

<b>Group</b>	<b>At 1 January 2023 £</b>	<b>Net Income (expenditure) for the year £</b>	<b>Net Gains on revaluation of Investments £</b>	<b>Actuarial Gains £</b>	<b>Transfers £</b>	<b>At 31 December 2023 £</b>
Restricted Funds	9,254	99,000	-	-	-	108,254
<b>Unrestricted Funds</b>						
<b><u>Designated funds</u></b>						
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
<b><u>Undesignated Funds</u></b>						
General Reserve	2,917,584	(306,558)	203,056	-	(349,730)	2,464,352
Non-Charitable Trading Fund	(450,504)	172,362	-	-	-	(278,142)
<b>Total</b>	<b>24,708,047</b>	<b>(608,654)</b>	<b>203,056</b>	<b>-</b>	<b>-</b>	<b>24,302,449</b>

<b>The Corporation</b>	<b>At 1 January 2023 £</b>	<b>Net Income (expenditure) for the year £</b>	<b>Net Gains on revaluation of Investments £</b>	<b>Actuarial Gains £</b>	<b>Transfers £</b>	<b>At 31 December 2023 £</b>
Restricted Funds	9,254	99,000	-	-	-	108,254
<b>Unrestricted Funds</b>						
<b><u>Designated funds</u></b>						
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
<b><u>Undesignated Funds</u></b>						
General Reserve	3,050,526	(328,995)	203,056	-	(44,576)	2,880,011
<b>Total</b>	<b>25,095,779</b>	<b>(718,244)</b>	<b>203,056</b>	<b>-</b>	<b>-</b>	<b>24,580,591</b>

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:

<b>Group</b>	<b>Tangible Fixed Asset fund £</b>	<b>Designated funds and restricted funds £</b>	<b>General Reserve £</b>	<b>Total Funds £</b>
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
<b>Total Net Assets</b>	<b>18,531,478</b>	<b>3,306,619</b>	<b>2,186,209</b>	<b>24,302,449</b>

<b>The Corporation</b>	<b>Tangible Fixed Asset fund £</b>	<b>Designated funds and restricted funds £</b>	<b>General Reserve £</b>	<b>Total Funds £</b>
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
<b>Total Net Assets</b>	<b>18,115,819</b>	<b>3,584,761</b>	<b>2,880,011</b>	<b>24,580,591</b>

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

	<b>2023 £</b>	<b>2022 £</b>
<b>Reconciliation of Movements in unrealised gains</b>		
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)
<b>Total Unrealised gains at 31 December</b>	<b>-</b>	<b>1,293,400</b>

### 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:

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

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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

### 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	-	-	-	-
	<b>600,000</b>	<b>-</b>	<b>600,000</b>	<b>-</b>

	Group		Corporation	
	2023	2022	2023	2022
	£	£	£	£
Authorised but <b>not</b> 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
	<b>3,629,489</b>	<b>17,014,271</b>	<b>3,440,989</b>	<b>16,829,771</b>

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.

# THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

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

### 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
<b>Payments under deed of Covenant</b>		
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

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