

THE INCORPORATED CATHOLIC TRUTH SOCIETY

England & Wales · Charity number 218951

Details

Other names THE C T S, THE CTS

Status Registered

Legal form Charitable company

Company number [00057374](#)

Registered 1963-06-18

Register [View on the Charity Commission register](#)

Contact

Address Cabrini Community Campus
Forest Hill Road
Honor Oak
London
SE23 3LE

Phone 02076400042

Email P.Finaldi@ctsbooks.org

Website www.ctsbooks.org

Activities

Objects: TO SPREAD INFORMATION ABOUT CATHOLIC TRUTH AND TO MAKE BETTER KNOWN THE FAITH, PRACTICE AND HISTORY OF THE CATHOLIC CHURCH.

Activities: The apostolate of the Catholic Truth Society is to publish and distribute books and religious items to promote understanding of the Catholic faith, to as wide an audience as possible. The apostolate relies on the income produced from sales of its goods and from donations from the Catholic and wider Christian community.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Religious Activities, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND FOREIGN
- Australia
- Ireland
- Isle Of Man
- Italy
- Malta
- New Zealand
- Northern Ireland
- Poland
- Scotland
- South Africa
- St Kitts And Nevis
- St Lucia
- Trinidad And Tobago
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£4,982,020	£3,029,817	£3,235,765	12
2023-12-31	£1,141,752	£1,143,812	£1,403,562	11
2022-12-31	£1,721,906	£1,012,411	£1,522,622	11
2021-12-31	£1,021,443	£945,066	£718,127	10
2020-12-31	£858,633	£1,024,038	£386,750	11

Trustees

Name	Role	Appointed
Rt Rev Paul Hendricks	Chair	2003-09-22
CARRIE ANN GATES		2015-09-21
Dominic Joseph Mattos		2025-10-13
Dr William Peter O'Neil		2016-06-27
JO-ANNE ROWNEY		2025-09-22
Jenniffer GEARHEART-TANG		2025-09-22
LUKE PARSONS QC		2006-09-26
Rev ANDREW CHARLES PINSENT		2017-03-27
Rev David John Elliott Fr		2020-01-21

THE INCORPORATED CATHOLIC TRUTH SOCIETY

England & Wales - Charity number 218951

Accounts

**The
Incorporated
Catholic
Truth
Society**

Registered as "Incorporated Catholic Truth Society (The)"

**Annual Report and Financial
Statements**

31 December 2024

Company Limited by Guarantee
Registration Number
00057374 (England and Wales)

Charity Registration Number
218951

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Reference and administrative details

Trustee management board	Rt Rev. P Hendricks (Chairman) Rev. David Elliott Mrs C A Gates Dr W O'Neill Mr L Parsons QC Rev. Dr A Pinsent
CEO, Publisher and Company Secretary	Mr Pierpaolo Finaldi
Registered office	40-46 Harleyford Road Vauxhall London SE11 5AY
Company registration number	00057374 (England and Wales)
Charity registration number	218951
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Principal bankers	The Royal Bank of Scotland plc 24 Grosvenor Place London SW1X 7HN
Solicitors	Fox Williams LLP, Solicitors 10 Finsbury Square London EC2A 1AF

The trustees present their report together with the financial statements of The Incorporated Catholic Truth Society (the 'Society', 'Charity' or 'CTS') for the year ended 31 December 2024.

The report has been prepared in accordance with the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies on pages 19 to 23 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Our mission, aims and activities

Our mission

The Mission of the Society is to carry out its apostolate of Catholic publishing and distribution for the benefit of the Catholic and wider Christian community, and of a wider body of general enquirers. The Mission of the Society is also to disseminate Catholic publications at reasonable prices. The Society receives financial and spiritual support from the Catholic community to carry out its work. In pursuit of its charitable aims during 2024, the Society sought to develop its publications, to distribute them widely and actively to contribute to the life of the Church. The Society made efforts to care for its resources, including staff, suppliers, customers and supporters.

Our objectives

The Charity's main objects, as set out in its Memorandum and Articles of Association are:

- ◆ To spread information about Catholic truth and to make better known the faith, practice and history of the Catholic Church.
- ◆ To assist the uneducated poor and others to a better knowledge of the Catholic religion, and with that object, and generally, to promote the circulation of and to disseminate books and publications inculcating and advancing Catholic truth and teaching.
- ◆ To promote information on religious, historical and controversial subjects by conference, public and private meetings, lectures, discussions, books, correspondence with public bodies and individuals or otherwise.

Our mission, aims and activities (continued)

Activities and relevant policies

These objects are achieved through the principal activity of the Society, which is the publishing and disseminating of low-priced doctrinal, scriptural and educational works, assisting all Catholics to a better knowledge of their religion, spreading amongst non-Catholics information about the faith, and assisting the circulation of Catholic books and other audio, audio visual and electronic media.

Each of these activities has the principal aim of spreading knowledge of the Christian faith as widely as is possible within the United Kingdom, and increasingly to other English speaking constituencies as well. They serve the practising Catholic community, parishes, families, colleges and schools, as well as the wider groupings of general enquirers of other faiths and none. Such materials as these raise interest in the Catholic faith, the Society's apostolate and gain new supporters, enabling the Society to continue its charitable work.

In setting the Society's objectives and planning its activities, the trustees have given consideration to the Charity Commission's guidance on public benefit.

Achievements and performance

Publishing

A total of 199,000 books and booklets were distributed by the Society to parishes and individual and trade customers alike (an increase of 37,000 on 2023).

CTS issued 15 new liturgical volumes, three editions of the four volume lectionary and three editions of the Book of the Gospels. Related texts included the Sunday Missal and four different editions and, ESV Gospels in A6 and Larger format editions as well as the Book of Psalms and Canticles in the Abbey edition and 5 explanatory and preparatory texts for the new lectionary. Over 30 new volumes surrounding the New Lectionary – have been produced and a further 3 are planned for 2025.

We also continued a lively list of 18 other catechetical, devotional and hagiographical books including 7 books on prayer preparing for the Jubilee year of 2025. Five new Vatican Documents were also produced including Pope Francis's fourth Encyclical letter *Dilexit Nos*.

In addition, CTS commissioned and produced its first music settings of the Responsorial Psalms for Organ and Voice.

We also raised money to provide Chapel Edition sets of the Lectionaries to 132 prisons in England and Wales and 18 in Scotland.

CTS published 19 episodes of the Into the Truth Podcast with Catholic recorded at the studio space in the Vauxhall offices and on location at conferences. We have increased our subscriptions by 1225 and have had over 64,000 views in total. Our Most popular episode with Sr Miriam Heidland garnered over 20,000 views in two months.

Achievements and performance (continued)

Organisation

Staffing levels have increased by 1 during the year.

Fundraising

CTS received £103,500 (2023 – £165,056) in voluntary income including several small legacies. Micro-donations and top up donations and the Advent Appeal were slightly up on 2023, with a total of £71,079 in 2024 (2023 – £63,821).

Financial report for the year

Results for the year

Total income for the year amounted to £4,982,020 (2023 – £1,141,752). Publishing sales during 2024 amounted to £4,805,711 (2023 – £957,074). Also included within income are legacies receivable amounting to £32,421 (2023 – £101,235). Total income from donations and legacies for the year was £103,500 (2023 – £165,056).

Total expenditure amounted to £3,029,817 (2023 – £1,143,812). The surplus for the year, before actuarial movements on the defined benefit pension scheme liability, was £1,952,203 (2023 – a deficit of £2,060). Actuarial losses of £120,000 (2023 – £117,000) have been recognised to cap the notional surplus in the charity's defined benefit pension scheme at £nil. Following this cap, the overall surplus for the year was £1,832,203 (2023 – a deficit of £119,060).

Reserves policy

An important feature of the Society's work and charitable aims is that in pursuing its religious publishing, distribution and retailing it must engage directly in trading activities, which involve not insignificant elements of risk. The Society uses what trading income and non-trading income it receives to further its charitable activities.

Planning permission for the latest redevelopment plans for St Anne's Settlement has been rejected by the Secretary of State meaning that any plans for demolition are on permanent hold. Given the uncertain timeline for redevelopment if any, the Trustees decided in their April board meeting to reduce the designated funds for relocation to £nil. As at 31 December 2024, the fund remained at £nil (2023 – £75,000).

The Society's reserves policy aims to strike a balance between having sufficient funds to pursue vigorously its charitable objective of publishing and distributing good Catholic resources on the one hand, and the need to maintain some kind of provision against unforeseen misfortune, on the other. The trustees are of the opinion that the size of such a buffer should be approximately equal to at least three months' unrestricted cash expenditure.

Financial report for the year (continued)

Financial position

The balance sheet shows total funds of £3,235,765 (2023 – £1,403,562).

Funds restricted to specific purposes amounted to £7,720 (2023 – £10,714).

General funds of the Charity at 31 December 2024 were £3,228,045 (2023 – £1,317,848). At 31 December 2024 the Charity had 'free reserves' of £3,221,387 (2023 – £1,305,895) being the unrestricted general funds after deducting the net book value of tangible fixed assets i.e. £6,658 (2023 – £11,953).

Whilst the level of free reserves exceeds three months' unrestricted cash expenditure, the trustees are conscious of the need for future investment in the development of new online infrastructure and the provision of more content through a broader range of media as well as a renewal of the rack program in parishes across the country (see future plans below). The increased free reserves at 31 December 2024, resulting principally from the 2024 Lectionary project will enable such investment. Therefore, the trustees believe that the charity's free reserves as at 31 December 2024 are adequate but not excessive. The trustees will remain vigilant, especially during the current period of uncertain markets and international trade, managing cash flow, reserves and expenditure on print and other capital projects to mitigate the impact of the reduction in orders.

Plans for the future

There is still much work to do following up on the lectionary – The Daily and Weekly Missals will be published in 2025 – up to a third of the CTS backlist will need to be updated in due course to reflect the new ESV text. In addition the CTS New Catholic Bible will need to be updated both in terms of translation and notes. The work in 2024 has also created a backlog of minor Liturgical books that will need to be produced.

CTS Press, a new scholarly imprint of the CTS will be launched in 2025 to showcase the very best in Catholic academic work taking place in the UK. Books will be of a high academic standard but accessible to a general readership. An impressive editorial board has been assembled who will oversee standards and peer review.

CTS will continue to expand its offering in the audio sector and will be producing more multimedia content in the form of podcasts aimed at the those wishing to deepen their Faith and those at the beginning of their journey.

A three year plan will begin to be implemented which will target improving CTS' presence on Social Media in Parishes, Catholic Networks and Schools. Enhancing customer experiences through improved website, sales pipeline and feedback mechanisms. Optimising products and marketing and launching a subscription service for ministries. This will be monitored and reviewed by Trustees.

Governance, structure and management

Governance

The company, which is limited by guarantee (Company Registration No. 00057374 (England and Wales)), is registered for charitable purposes with the Charity Commission (Charity Registration No. 218951).

The trustees are the directors of the Society for the purposes of company law.

The Trustee Management Board is currently made up of the Chairman and five members and meets quarterly to review the activities of the Society; the meetings are also attended by the CEO and Publisher. The trustees review up to date management accounts and business plans. They regularly receive a management report from the CEO and Publisher on progress in key areas of the Society's apostolate, principally publishing, distribution and fundraising. Progress is monitored against an annual plan containing key objectives, activities and targets. The trustees periodically review staffing, training, the Society's risk register, pension provisions and liabilities, as well as major strategic projects requiring significant investment or otherwise central to the apostolate.

A sub-committee if required meets on an ad hoc basis and reviews salary proposals made by the CEO and Publisher each year. The process is informed by the Society's own salary review policy, performance management process and comparative data from the voluntary and private sectors.

Each trustee has responsibility for monitoring the Charity's activities in specific areas and the skills mix of the members is reviewed regularly to ensure that the trustees have all the necessary skills and experience required to support the management team and the Charity's best development.

New trustees are appointed by the existing trustees after a formal recruitment process, supplemented by consultation with their advisers and the Catholic community. Thereafter, a candidate is invited to attend up to two trustees' meetings to gain knowledge of the Society's work and the level of commitment and expertise it requires. Following this, the trustees may confirm the appointment, which is initially for a term of three years. Members may be reappointed for further terms. Trustees bring their own considerable professional experience and relevant skill sets for the benefit of the Society. Information on trustee responsibilities, made available for example by the Charity Commission, is circulated from time to time to the trustees.

The following trustees were in office during the year ended 31 December 2024:

Trustee

Rt Rev. Paul Hendricks (Chairman)

Rev. David Elliott

Mrs Carrie Ann Gates

Dr William O'Neill

Mr Luke Parsons KC

Rev. Dr Andrew Pinsent

Governance, structure and management (continued)

Governance (continued)

The following officers were in office during the year ended 31 December 2024:

Company secretary

Mr Pierpaolo Finaldi

No trustee received any remuneration in respect of their services as a trustee during the year (2023 – £nil). Two trustees received reimbursement of out-of-pocket expenses of £58 (2023 – £23). One trustee received commission of £1,403 (2023 – £1,290) in respect of sales of books during the year which were written for CTS prior to his becoming a trustee.

No trustee had any other beneficial interest in any contract with the Charity during the year.

Brief biographical details of each of the trustees who served during the year are given below.

Rt Rev. Paul Hendricks (Chairman), MA (Oxon), PhL is a Roman Catholic Bishop, a former Seminary Bursar, and former Parish Priest with several years' experience of overseeing parish finances.

Rev. David Elliott is a priest of the Ordinariate of Our Lady of Walsingham, Priest for the Reading Ordinariate Mission and the Head of Theology at The Oratory School.

Carrie Ann Gates (Treasurer), is a finance manager specialising in insurance accounting with many years' experience in financial and management controls, planning and reporting. She is very active in a local Catholic parish and an enthusiastic member of Girlguiding as a multi-sectional leader and county advisor.

Dr William O'Neill was educated in Manchester and Loughborough. He is a graduate of a number of Universities and has a PhD in Software Engineering. He has worked for large multinationals, public and charity sectors leading IT and business change programmes, most recently as Chief Technology Officer for the National Childbirth Trust.

Luke Parsons KC is a barrister specialising in Commercial Law.

Rev. Andrew Pinsent is a Research Fellow of Harris Manchester College, Research Director of the Ian Ramsey Centre for Science and Religion at Oxford University. A philosopher, theologian, priest, former businessman and former high energy physicist at CERN, he is a contributor via the media and his work in schools to public engagement with science, faith and the big questions of life.

Governance, structure and management (continued)

Trustees' responsibilities statement

The Charity's trustees (who are also directors for the purposes of company law) are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- ◆ make judgements 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 Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Governance, structure and management (continued)

Trustees' responsibilities statement (continued)

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Liability of the members

The liability of the members is limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, members are each required to contribute an amount not exceeding £1.

Organisational structure

The CEO and Publisher has responsibility for the day-to-day management of the Society's business and reports to the trustees formally every quarter.

Key management personnel

The Society's staff operate in dedicated teams responsible across the principal functions of the Society's apostolate; they meet regularly with their managers to ensure that key targets and objectives are being met.

The trustees monitor the Charity's activities in operational areas and constant regard is had to the skills mix to ensure that the trustees have all the necessary skills required to contribute to the Charity's development.

The key management personnel of the Society, responsible for directing and controlling, running and operating the Charity on a day-to-day basis, comprise the trustees together with the CEO and Publisher. The Trustees do not receive remuneration for their services as trustees.

The trustees set the remuneration of and determine any annual salary awards for the CEO and Publisher. Reference is made to remuneration for similar roles in the charity and private sectors, the level of responsibilities and skills attaching to the role, and the role itself in relation to other similar and different roles within the organisation. Regard may also be had to the annual job role performance review and to the particular standards, expectations and outcomes for the role. Finally, the overall financial performance of the Society is also considered in setting remuneration.

Employees

The Incorporated Catholic Truth Society strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Governance, structure and management (continued)

Employees (continued)

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Incorporated Catholic Truth Society is committed to a programme of action to make this policy effective and brings it to the attention of all employees.

Risk management

The trustees continue to assess the major risks to which the Charity is exposed, in particular those relating to the specific operational areas and finances.

The current areas under review are:

- ♦ **Head office relocation** – The trustees and the CEO and Publisher will continue to work with St Anne's Settlement, the Society's landlord to maintain an adequate workspace or if necessary to ensure a smooth and cost efficient relocation.
- ♦ **Cost rises and supply chain problems** have reduced and paper prices have stabilised, but this remains a risk in the current volatile economic climate. CTS will continue to search out competitive print solutions and diversify into non-printed books.
- ♦ **System and website updates** will involve a significant investment of the CTS's reserves and has the potential to be a risk to the Society if mistakes are made. CTS will be carefully monitoring the best options available on the market to offer an excellent user experience and marketing data.

The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and that where necessary they are adapted or strengthened, and by examining the operational and business risks faced by the Charity, they have established effective systems to mitigate those risks.

The report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Signed on behalf of the trustees:

Carrie Ann Bates
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Trustee

Approved on: 7th July 2025

Independent auditor's report to the members of Incorporated Catholic Truth Society (The)

Opinion

We have audited the financial statements of Incorporated Catholic Truth Society (The) (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Conclusions relating to going concern (continued)

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

Matters on which we are required to report by exception (continued)

- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures in respect to the remuneration of trustees specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Trustees' responsibilities

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006), those that relate to data protection (General Data Protection Regulation) and those in relation to copyright, specifically the Copyright, Designs and Patents Act 1988, as amended by the Copyright and Related Rights Regulations 2003.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to 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; and
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether the judgements and the assumptions made in determining accounting estimates for the probability of receipt of legacies, the provision for slow moving stock and the actuarial valuation of the defined benefit pension scheme liability were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management 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.

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of this report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, or the opinions we have formed.

Buzzacott Audit LLP

Alison Pyle (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 July 2025

Statement of financial activities (including and income and expenditure account) Year to 31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Unrestricted funds £	Restricted funds £	Total 2023 £
Income from:							
Donations and legacies	1	93,505	9,995	103,500	162,786	2,270	165,056
Interest receivable		72,809	—	72,809	19,622	—	19,622
Charitable activities							
. Publication sales	2	4,805,711	—	4,805,711	957,074	—	957,074
Total income		4,972,025	9,995	4,982,020	1,139,482	2,270	1,141,752
Expenditure on:							
Raising funds	3	5,830	—	5,830	5,016	—	5,016
Charitable activities							
. Publication and dissemination of Catholic publications	4	3,010,998	12,989	3,023,987	1,136,101	2,695	1,138,796
Total expenditure		3,016,828	12,989	3,029,817	1,141,117	2,695	1,143,812
Net income (expenditure)		1,955,197	(2,994)	1,952,203	(1,635)	(425)	(2,060)
Actuarial (losses) gains on defined benefit pension scheme							
	17	(120,000)	—	(120,000)	(117,000)	—	(117,000)
Net movement in funds	6	1,835,197	(2,994)	1,832,203	(118,635)	(425)	(119,060)
Reconciliation of funds:							
Total funds brought forward at 1 January 2024		1,392,848	10,714	1,403,562	1,511,483	11,139	1,522,622
Total funds carried forward at 31 December 2024		3,228,045	7,720	3,235,765	1,392,848	10,714	1,403,562

There were no recognised gains and losses other than those set out in the statement of financial activities above.

All the Charity's activities derived from continuing operations during each of the above two financial years.

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	9		6,658		11,953
Current assets					
Stocks	10	471,031		236,074	
Debtors	11	283,317		259,446	
Short term deposits		311,740		—	
Cash at bank and in hand		3,107,932		1,078,777	
		4,174,020		1,574,297	
Creditors: amounts falling due within one year	12	(944,913)		(182,688)	
Net current assets			3,229,107		1,391,609
Total net assets excluding pension liability			3,235,765		1,403,562
Pension liability	17		—		—
Total net assets including pension liability			3,235,765		1,403,562
The funds of the Charity					
Restricted funds	13		7,720		10,714
Unrestricted funds					
. Designated funds	14		—		75,000
. General funds		3,228,045		1,317,848	
. Pension reserve	17	—		—	
			3,228,045		1,317,848
			3,235,765		1,403,562

Approved by the trustees
and signed on their behalf by:

Carrie Ann Gates

Carrie Ann Gates

.....

Trustee

Approved on: 7th July 2025

Incorporated Catholic Truth Society (The)

Company Registration Number: 00057374 (England and Wales)

Statement of cash flows Year to 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	2,263,856	65,842
Cash flows from investing activities:			
Interest received		72,809	19,622
Purchase of short term deposits		(311,740)	—
Purchase of tangible fixed assets		(4,848)	(4,268)
Net cash provided by (used in) investing activities		(243,779)	15,354
Change in cash and cash equivalents in the year		2,020,077	81,196
Cash and cash equivalents at 1 January 2024	B	1,078,777	997,581
Cash and cash equivalents at 31 December 2024	B	3,098,854	1,078,777

Notes to the statement of cash flows for the year to 31 December 2024.

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

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	1,832,203	(119,060)
Adjustments for:		
Depreciation charge	10,143	8,903
Actuarial losses on pension scheme	120,000	117,000
Pension cost less contributions payable	(104,000)	(101,000)
Pension finance (income) charge	(16,000)	(16,000)
Interest receivable	(72,809)	(19,622)
(Increase) decrease in stocks	(234,957)	4,192
(Increase) decrease in debtors	(23,871)	166,106
Increase in creditors	753,147	25,323
Net cash provided by operating activities	2,263,856	65,842

B Analysis of changes in cash and cash equivalents

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	1,078,777	2,029,155	3,107,932
Bank overdraft facility	—	(9,078)	(9,078)
	1,078,777	2,020,077	3,098,854

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

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

Basis of accounting

These financial statements have been prepared for the year to 31 December 2024 with comparative information given in respect to the year ended 31 December 2023.

The financial statements have been prepared under the historical cost convention with items initially 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities FRS 102 SORP 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect to:

- ◆ assessing the probability of receiving legacies of which the Charity has been notified;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ assessing the appropriateness of any provision for slow moving or obsolete stock;
- ◆ assessing the appropriateness of any provision needed against doubtful and bad debts;
- ◆ assessing the appropriateness of the underlying assumptions of the actuarial valuation of the pension scheme; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

With respect to the next reporting period, the actuarial valuation of the pension scheme remains the most significant area of uncertainty that may affect the carrying value of assets held by the Charity.

Assessment of going concern

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

Given the current level of free reserves relative to annual expenditure and anticipated costs for the ongoing lectionary programme, the trustees are of the opinion that the Charity has planned carefully in order to meet its liabilities as they fall due and are of the opinion that the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the Charity is entitled to receipt, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, legacies, interest receivable, income from the sale of publications and occasional miscellaneous income.

Donations are recognised when the Charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity.

Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Income recognition (continued)

Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid of payable by the bank.

Income from publication sales is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually at the point of sale. This includes sales of publications to schools and parishes who benefit from reduced prices.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity 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. 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:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the Charity. This includes staff costs and direct costs associated with generating donated income and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include staff costs, direct and support costs including governance costs.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Staff costs are allocated between expenditure on raising funds and expenditure on charitable activity based on the percentage of time spent on these activities by the employees of the Charity.

Allocation of support and governance costs (continued)

Support and governance costs are allocated to expenditure on charitable activities as it is considered that any apportionment to expenditure on raising funds would be immaterial.

Tangible fixed assets

All assets costing in excess of £500 and with an estimated useful life exceeding one year are capitalised in these financial statements.

Depreciation is provided at the following annual rates on a straight line basis in order to write off each asset over its estimated useful life:

- ♦ Computers and office equipment 33 $\frac{1}{3}$ % on cost

Stocks

Stocks of books and pamphlets for resale are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stock.

Debtors

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

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. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

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 can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The general funds comprise those monies which may be used towards meeting the charitable objectives of the Charity and may be applied at the discretion of the trustees.

The pension reserve represents any net liability on the Charity's defined benefit pension scheme.

Fund structure (continued)

The designated funds are monies set aside out of general funds for specific purposes by the trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Leased assets

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

Pension costs

Contributions to defined contribution pension schemes and to employees' personal pension plans are charged to the statement of financial activities in the year in which they are payable.

The Charity operates a defined benefit pension scheme which is closed to new members and no existing employees are members. The scheme is funded by contributions from the employer. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

Where charity's defined benefit pension scheme's obligation is less than the fair value of plan assets at the balance sheet date, resulting in a surplus on the scheme, the charity does not recognise an asset on the balance unless there is an indication that it is able to recover this surplus through either reduced contribution in the future or through refunds from the plan.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2024 £	Unrestricted funds £	Restricted funds £	Total 2023 £
Donations	61,084	9,995	71,079	61,551	2,270	63,821
Legacies	32,421	—	32,421	101,235	—	101,235
	93,505	9,995	103,500	162,786	2,270	165,056

2 Income from: Publication sales

The publication sales are attributable the publishing and/or distribution of pamphlets, books and other media. An analysis of publication sales for the year is given below:

	Total 2024 £	Total 2023 £
United Kingdom	4,539,005	768,798
Overseas	266,706	188,276
	4,805,711	957,074

3 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	Total 2024 £	Unrestricted funds £	Restricted funds £	Total 2023 £
Staff costs (note 7)	1,926	—	1,926	1,908	—	1,908
Communications	3,904	—	3,904	3,108	—	3,108
	5,830	—	5,830	5,016	—	5,016

4 Expenditure on: Publication and dissemination of Catholic publications

	Unrestricted funds £	Restricted funds £	Total 2024 £	Unrestricted funds £	Restricted funds £	Total 2023 £
Publishing						
Cost of publication sales	1,734,793	11,676	1,746,469	317,941	—	317,941
Cost of despatch, shipping, and storage	372,872	1,313	374,185	138,855	—	138,855
Advertising and marketing costs	51,343	—	51,343	25,964	2,695	28,659
Staff and related costs (note 7)	622,672	—	622,672	496,156	—	496,156
Premises costs	46,201	—	46,201	34,719	—	34,719
Communications	7,412	—	7,412	6,186	—	6,186
Computer costs	59,643	—	59,643	51,342	—	51,342
Depreciation	10,143	—	10,143	8,903	—	8,903
Banking and other costs	58,561	—	58,561	20,334	—	20,334
Governance costs (note 5)	47,358	—	47,358	35,701	—	35,701
	3,010,998	12,989	3,023,987	1,136,101	2,695	1,138,796

5 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2024 £	Unrestricted funds £	Restricted funds £	Total 2023 £
Professional fees	12,488	—	12,488	6,351	—	6,351
Auditor's remuneration	34,870	—	34,870	29,350	—	29,350
	47,358	—	47,358	35,701	—	35,701

6 Net movement in funds

This is stated after charging:

	Total 2024 £	Total 2023 £
Staff costs (note 7)	624,598	498,064
Auditor's remuneration		
· Current year audit fee	29,000	25,000
· Under-provision in respect of prior period	1,500	1,350
· Pension scheme audit fee	4,370	3,000
Depreciation	10,143	8,903
Operating lease rentals	12,930	11,550

7 Employee and key management remuneration

	Total 2024 £	Total 2023 £
Staff costs during the year were as follows:		
Wages and salaries	551,365	428,097
Social security costs	48,747	34,099
Other pension costs	22,741	33,887
Other staff costs	1,745	1,981
	624,598	498,064
Staff costs per function were as follows:		
Costs of generating voluntary income	1,926	1,908
Publishing	622,672	496,156
	624,598	498,064

One employee earned between £110,001 and £120,000 (including taxable benefits but excluding employer's pension contributions) during the year (2023 – one employee earned between £90,001 and £100,000). Contributions of £4,883 (2023 – £4,827) were made to the personal pension schemes of higher paid members of staff during the year.

The average number of employees, analysed by function, was:

	Average headcount	
	2024	2023
Publishing	12	11

7 Employee and key management remuneration (continued)

Key management personnel

Key management personnel comprise the trustees and the CEO and Publisher. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year was £134,765 (2023 – £113,436).

Trustees' remuneration

No trustee received any remuneration in respect of their services as a trustee during the year (2023 – £nil). Two trustees received reimbursement of out-of-pocket expenses of £58 (2023 – £23). One trustee received royalty commissions of £1,403 during the year (2023 – £1,290) in respect of books which he wrote for CTS prior to his appointment as a trustee.

8 Taxation

The Incorporated Catholic Truth Society is a registered charity 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.

9 Tangible fixed assets

	Computers and office equipment £
Cost	
At 1 January 2024	95,052
Additions	4,848
At 31 December 2024	99,900
Depreciation	
At 1 January 2024	83,099
Charge for year	10,143
At 31 December 2024	93,242
Net book values	
At 31 December 2024	6,658
At 31 December 2023	11,953

10 Stocks

	2024 £	2023 £
Publications for sale	471,031	236,074

11 Debtors

	2024 £	2023 £
Publication sales	215,329	55,097
Other debtors	45,070	12,965
Legacies receivable	877	163,287
Prepayments and other accrued income	22,041	28,097
	283,317	259,446

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Expense creditors	234,904	33,222
Taxation and social security costs	28,618	9,810
Royalties	543,000	66,000
Accruals and deferred income	129,313	73,656
Bank overdraft	9,078	—
	944,913	182,688

13 Restricted funds

	At 1 January 2024 £	Income £	Expenditure £	Transfers £	At 31 December 2024 £
Prisoners' appeal	5,714	993	(5,489)	—	1,218
Family of Disciples fund	5,000	—	—	—	5,000
Prisoners' Lectionaries fund	—	7,500	(7,500)	—	—
Hospital appeal	—	1,502	—	—	1,502
Total restricted funds	10,714	9,995	(12,989)	—	7,720

	At 1 January 2023 £	Income £	Expenditure £	Transfers £	At 31 December 2023 £
Prisoners' appeal	6,139	2,270	(2,695)	—	5,714
Family of Disciples fund	5,000	—	—	—	5,000
Total restricted funds	11,139	2,270	(2,695)	—	10,714

Since 2008, the Charity has on occasions made appeals to make some of its publications available to deserving or less fortunate groups. The Charity continues to consider such appeals desirable and helpful.

Prisoners' appeal

An appeal was launched during 2015 to make available Catholic resources in prisons and completed during the year ended 31 December 2016. During the year ending 31 December 2024, CTS has utilised these funds to provide prisons with lectionaries.

13 Restricted funds (continued)***Family of Disciples fund***

CTS has commissioned a new First Confession and First Holy Communion preparation programme, the working title for which is *Family of Disciples*. publication is anticipated in 2024. This resource will be market-leading as it is being written on a family-led catechesis model and be the first of its kind in the UK. Family-led catechesis means that whilst the sacramental preparation will be coordinated in the parish, and there will be monthly or bi-weekly meetings that the parents and children attend together, the main catechesis is carried out by the parents for their own children, with the support and guidance of parish priest and catechists.

Expenses that will be incurred include payment for two authors (one for the parents' and coordinators' guides; one for the children's book), illustration costs for the children's book (anticipated to be commissioned directly from a single illustrator), rights and permissions costs for use of fine art and other illustrations, editorial costs, production costs for digital/video content, production costs for books and marketing costs.

Hospital Appeal

A small fund has been set up and donations collected from donors to provide lectionaries to Hospital chaplains who request books for chapels.

14 Designated funds

	At 1 January 2024 £	New designations £	Utilised/ released £	At 31 December 2024 £
Relocation fund	75,000	—	(75,000)	—
	At 1 January 2023 £	New designations £	Utilised/ released £	At 31 December 2023 £
Relocation fund	75,000	—	—	75,000

The **Relocation Fund** represents funds set aside towards a possible relocation of the Charity's office premises.

Following the year end, the Trustees decided in their April board meeting to reduce the Designated funds for the relocation to £nil. This decision was made because vacant possession of the CTS premises will not be required until at least Quarter 2 of 2025 on account of Lambeth Council's rejection of planning permission for the redevelopment of St Anne's Settlement. As at 31 December 2024, the fund remained at £nil (2023 – £75,000).

15 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2024 £
Fund balances at 31 December 2024 are represented by:				
Tangible fixed assets	6,658	—	—	6,658
Net current assets	3,221,387	—	7,720	3,229,107
Total net assets excluding pension liability	3,228,045	—	7,720	3,235,765

	General funds £	Designated funds £	Restricted funds £	Total 2023 £
<i>Fund balances at 31 December 2023 were represented by:</i>				
<i>Tangible fixed assets</i>	<i>11,953</i>	<i>—</i>	<i>—</i>	<i>11,953</i>
<i>Net current assets</i>	<i>1,305,895</i>	<i>75,000</i>	<i>10,714</i>	<i>1,391,609</i>
<i>Total net assets excluding pension liability</i>	<i>1,317,848</i>	<i>75,000</i>	<i>10,714</i>	<i>1,403,562</i>

16 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, members are each required to contribute an amount not exceeding £1.

17 Pension commitments

The Charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held independently from the Charity's finances. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

The scheme's assets consist of a unitised with profits policy with Phoenix Life Group, an investment bond, annuity policies held in the name of the trustees and a bank account.

The value of the scheme's assets (excluding the value of annuity policies held in the name of the trustees) as at 31 December 2024 was £863,000 (2023 – £712,000).

The Charity's contributions to the scheme were £104,000 for the year (2023 – £101,000). The scheme is closed to new members and no existing employees are members.

Present values of scheme liabilities, fair value of assets and deficit

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of scheme assets	863	712	840	779	852	1,281
Present value of scheme liabilities	(413)	(444)	(574)	(975)	(1,393)	(1,653)
Surplus (deficit) in scheme	450	268	266	(196)	(541)	(372)

17 Pension commitments (continued)***Present values of scheme liabilities, fair value of assets and deficit (continued)***

Although the charity's defined benefit pension scheme's obligation is less than the fair value of plan assets at the balance sheet date, resulting in a surplus on the scheme, the charity has no indication that it is able to recover this surplus through either reduced contribution in the future or through refunds from the plan. As such, no asset has been recognised on the balance sheet with respect to the scheme.

Movement in surplus during the year

	2024 £'000	2023 £'000
Surplus at 1 January 2024	268	266
Contributions	104	101
Net gain on scheme	16	16
Actuarial (losses) gains	62	(115)
Surplus at 31 December 2024	450	268

Reconciliation of opening and closing balances of the fair value of scheme assets

	2024 £'000	2023 £'000
Fair value of assets at start of period	712	840
Expected return on scheme assets	37	38
Actuarial (losses) gains	10	(31)
Benefits paid	-	(236)
Contributions by the Society	104	101
Fair value of assets at end of period	863	712

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2024 £'000	2023 £'000
Present value of liabilities at start of period	444	574
Interest cost	21	22
Actuarial gains (loss)	(52)	84
Benefits paid	-	(236)
Present value of liabilities at end of period	413	444

The estimated value of the employer contributions for the year ending 31 December 2025 is £nil (2024 – £101,000).

Actuarial assumptions

A full actuarial valuation was carried out at 30 June 2023 and updated to 31 December 2024 by a qualified independent actuary. The major assumptions used by the actuary were:

	2024	2023	2022	2021	2020	2019
Discount rate	5.60%	4.80%	4.90%	1.80%	1.40%	2.10%
Rate of increase in pensions in payment for pensionable service from 6 April 1997	3.70%	3.60%	3.70%	3.70%	3.60%	3.60%
Inflation assumption (RPI)	3.20%	3.10%	3.20%	3.30%	2.90%	3.00%

17 Pension commitments (continued)

Actuarial assumptions (continued)

The mortality assumptions adopted at 31 December 2024 imply the following life expectancies in years:

	Current pensioners	Retiring in 20 years
Males	20.1	21.4
Females	22.1	23.6

The assets in the scheme and the expected rate of return

	Value at 31 December 2024 £'000	Value at 31 December 2023 £'000	Value at 31 December 2022 £'000	Value at 31 December 2021 £'000
Assets				
Equities	144	135	124	138
Bonds	33	28	26	22
Unitised with profits	111	97	344	378
Cash	575	452	346	241
Total market value of assets	863	712	840	779
Actuarial value of liabilities	(413)	(444)	(574)	(975)
Surplus (deficit)	450	268	266	(196)

No long term expected rate of return has been provided as for accounting periods beginning on or after 1 January 2015. The expected return and interest cost have been replaced with a single net interest cost.

Information in respect to statement of financial activities

Analysis of net return on pension scheme

	2024 £'000	2023 £'000
Net interest cost and net return	16	16

Amounts recognised as other gains and losses

	2024 £'000	2023 £'000
Actual return less expected return on pension scheme assets	10	(31)
Change in financial and demographic assumptions underlying the scheme assets	52	(84)
Adjustment recognised in actuarial gains and losses to cap scheme surplus*	(182)	(2)
Actuarial (losses) gains recognised	(120)	(117)

*As noted above, the surplus in the scheme is irrecoverable. As such, recognition of the surplus on the balance sheet has been restricted to £nil. The adjustment of £182,000 (2023 – £2,000) has been offset against the overall actuarial gain of £62,000 (2023 – loss of £115,000) for the year.

18 Related party transactions

Aside from the transactions disclosed in note 7, the trustees made aggregate donations of £nil to the charity during 2024 (2023 – £240).

During the year a close family member of Key Management was paid £2,745 (2023 - £nil) for services to the organisation. There were no other related party transactions requiring disclosure in the year (2023 – none).

19 Leasing commitments

Operating leases

At 31 December 2024 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2024	2023
	£	£
Operating lease payments which expire:		
Within one year	11,550	11,550

	Furniture and Equipment	
	2024	2023
	£	£
Operating lease payments which expire:		
Within one year	1,380	875

The operating lease liabilities are subject to the terms of the agreements relating to the relevant land and buildings and other assets.

THE INCORPORATED CATHOLIC TRUTH SOCIETY

England & Wales - Charity number 218951

Accounts

**The
Incorporated
Catholic
Truth
Society**

Registered as "Incorporated Catholic Truth Society (The)"

**Annual Report and Financial
Statements**

31 December 2023

Company Limited by Guarantee
Registration Number
00057374 (England and Wales)

Charity Registration Number
218951

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Reference and administrative details

Trustee management board	Rt Rev. P Hendricks (Chairman) Rev. David Elliott Mrs C A Gates Mrs K Nash (resigned 12 June 2023) Dr W O'Neill Mr L Parsons QC Rev. Dr A Pinsent
CEO, Publisher and Company Secretary	Mr Pierpaolo Finaldi
Registered office	40-46 Harleyford Road Vauxhall London SE11 5AY
Company registration number	00057374 (England and Wales)
Charity registration number	218951
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	The Royal Bank of Scotland plc 24 Grosvenor Place London SW1X 7HN
Solicitors	Fox Williams LLP, Solicitors 10 Finsbury Square London EC2A 1AF

Report of the trustees 31 December 2023

The trustees present their report together with the financial statements of The Incorporated Catholic Truth Society (the 'Society', 'Charity' or 'CTS') for the year ended 31 December 2023.

The report has been prepared in accordance with the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies on pages 19 to 23 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Our mission, aims and activities

Our mission

The Mission of the Society is to carry out its apostolate of Catholic publishing and distribution for the benefit of the Catholic and wider Christian community, and of a wider body of general enquirers. The Mission of the Society is also to disseminate Catholic publications at reasonable prices. The Society receives financial and spiritual support from the Catholic community to carry out its work. In pursuit of its charitable aims during 2022, the Society sought to develop its publications, to distribute them widely and actively to contribute to the life of the Church. The Society made efforts to care for its resources, including staff, suppliers, customers and supporters.

Our objectives

The Charity's main objects, as set out in its Memorandum and Articles of Association are:

- ◆ To spread information about Catholic truth and to make better known the faith, practice and history of the Catholic Church.
- ◆ To assist the uneducated poor and others to a better knowledge of the Catholic religion, and with that object, and generally, to promote the circulation of and to disseminate books and publications inculcating and advancing Catholic truth and teaching.
- ◆ To promote information on religious, historical and controversial subjects by conference, public and private meetings, lectures, discussions, books, correspondence with public bodies and individuals or otherwise.

Our mission, aims and activities (continued)

Activities and relevant policies

These objects are achieved through the principal activity of the Society, which is the publishing and disseminating of low-priced doctrinal, scriptural and educational works, assisting all Catholics to a better knowledge of their religion, spreading amongst non-Catholics information about the faith, and assisting the circulation of Catholic books and other audio, audio visual and electronic media.

Each of these activities has the principal aim of spreading knowledge of the Christian faith as widely as is possible within the United Kingdom, and increasingly to other English speaking constituencies as well. They serve the practising Catholic community, parishes, families, colleges and schools, as well as the wider groupings of general enquirers of other faiths and none. Such materials as these raise interest in the Catholic faith, the Society's apostolate and gain new supporters, enabling the Society to continue its charitable work.

In setting the Society's objectives and planning its activities, the trustees have given consideration to the Charity Commission's guidance on public benefit.

Achievements and performance

Publishing

A total of 162,000 books and booklets were distributed by the Society to parishes and individual and trade customers alike (an increase of 12,000 on 2022).

CTS issued 18 new publications in 2023: eight A6 booklets, two intermediate format book, six new Vatican Documents, a People's Missal and a calendar.

We published the first biography of the Ulma family in English and launched it with prominent representatives of the Polish community at the Brompton Oratory in September. Our biography of Carlo Acutis did very well and CTS contributed to the renovation of his shrine in London and participated in the visit of the Saint's mother to London.

Our Lenten publications did very well, with a Stations of the Cross in association with the St Vincent de Paul Society sold over 3,500 copies.

After careful research and technical preparation, CTS launched a further 15 Print on Demand titles through the Lightning Source Platform. This allows us to keep important but slow-moving titles in the catalogue without tying up valuable resources in slow moving stock.

CTS continued to produce new audio books and prepared a studio space at its Vauxhall offices and launched a new podcast – Into the Truth – interviewing some of the UK's most innovative and interesting Catholic voices.

Achievements and performance (continued)

Organisation

Staffing levels have remained level during the year.

Fundraising

CTS received £165,056 (2022 – £798,626) in voluntary income including several small legacies. Micro-donations and top up donations and the Advent Appeal were slightly down on 2022, anecdotally due to the financial squeeze on our donor demographic with a total of £63,821 in 2023 (2022 – £67,220).

Financial report for the year

Results for the year

Total income for the year amounted to £1,141,752 (2022 – £1,721,906). Publishing sales during 2023 amounted to £957,074 (2022 – £912,648). Also included within income are legacies receivable amounting to £101,235 (2022 – £731,406). Total income from donations and legacies for the year was £165,056 (2022 – £798,626).

Total expenditure amounted to £1,143,812 (2022 – £1,012,411). The deficit for the year, before actuarial movements on the defined benefit pension scheme liability, was £2,060 (2022 – a surplus of £709,495). Actuarial losses of £117,000 (2022 – gains of £95,000) have been recognised to cap the notional surplus in the charity's defined benefit pension scheme at £nil. Following this cap, the overall deficit for the year was £119,060 (2022 – a surplus of £804,495).

Reserves policy

An important feature of the Society's work and charitable aims is that in pursuing its religious publishing, distribution and retailing it must engage directly in trading activities, which involve not insignificant elements of risk. The Society uses what trading income and non-trading income it receives to further its charitable activities.

Planning permission for the latest redevelopment plans for St Anne's Settlement has been rejected by the Planning Department of Lambeth Council meaning that vacant possession will not be required until at least Quarter 2 of 2025. CTS will look to relocate in good time with an option in place to return to the building at St Anne's when it has been completed. Following the year end and as a result of the delays following the refusal of planning permission, the Trustees decided in their April board meeting to reduce the designated funds for the relocation to £nil. As at 31 December 2023, the fund remained at £75,000 (2022 – £75,000).

The Society's reserves policy aims to strike a balance between having sufficient funds to pursue vigorously its charitable objective of publishing and distributing good Catholic resources on the one hand, and the need to maintain some kind of provision against unforeseen misfortune, on the other. The trustees are of the opinion that the size of such a buffer should be approximately equal to at least three months' unrestricted cash expenditure.

Financial report for the year (continued)

Financial position

The balance sheet shows total funds of £1,403,562 (2022 – £1,522,622).

Funds restricted to specific purposes amounted to £10,714 (2022 – £11,139).

Funds totalling £75,000 (2022 – £75,000) have been designated, or set aside, by the trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 14 to the financial statements. As noted above, the trustees have made the decision to release these funds following the year end date.

General funds of the Charity at 31 December 2023 were £1,317,848 (2022 – £1,436,483). Offset against general funds is a pension reserve of £nil (2022 – £nil). At 31 December 2023 the Charity had 'free reserves' of £1,305,895 (2022 – £1,419,895) being the unrestricted general funds after deducting the net book value of tangible fixed assets i.e. £11,953 (2022 – £16,588).

Whilst the level of free reserves exceeds three months' unrestricted cash expenditure, the trustees are conscious of the need for up-front investment for the Revised Lectionary project in 2023 and 2024 (see future plans below). The increased free reserves at 31 December 2022, resulting principally from the 2022 legacy income, will enable such investment without the need to obtain short term finance from third parties. Therefore, the trustees believe that the charity's free reserves as at 31 December 2023 are adequate but not excessive. The trustees will remain vigilant, especially during the current period of high inflation, managing cash flow, reserves and expenditure on print and other capital projects to mitigate the impact of the reduction in orders.

Plans for the future

The Bishops Conference of England and Wales and of Scotland officially announced the appointment of CTS as publishers of the Revised Lectionary in early 2021 and work has begun in earnest on the project with a firm completion date of Advent 2024. This is an even larger project than the 2011 Missal and is an exciting challenge for the Society and its staff. This is involving CTS in considerable preparatory work and investment of time in 2023/24, but presents a great opportunity to provide significant volumes of high quality new publications to the Catholic community in England and Wales and Scotland. **The new lectionary affects a significant proportion of the CTS's backlist and, in the interim, it has been necessary to run down related titles until the new text is available.**

CTS will be involved in the effort to prepare Parishes to welcome the new text including the training of Lectors and readers and will be working with the relevant departments of **the Bishops' Conferences of England and Wales and Scotland to prepare resources.**

CTS will continue to expand its offering in the audio sector and will be producing more multimedia content in the form of podcasts aimed at the those wishing to deepen their Faith and those at the beginning of their journey.

Governance, structure and management

Governance

The company, which is limited by guarantee (Company Registration No. 00057374 (England and Wales)), is registered for charitable purposes with the Charity Commission (Charity Registration No. 218951).

The trustees are the directors of the Society for the purposes of company law.

The Trustee Management Board is currently made up of the Chairman and six members and meets quarterly to review the activities of the Society; the meetings are also attended by the CEO and Publisher. The trustees review up to date management accounts and business plans. They regularly receive a management report from the CEO and Publisher on progress in key areas of the Society's apostolate, principally publishing, distribution and fundraising. Progress is monitored against an annual plan containing key objectives, activities and targets. The trustees periodically review staffing, training, the Society's risk register, pension provisions and liabilities, as well as major strategic projects requiring significant investment or otherwise central to the apostolate.

A sub-committee reviews salary proposals made by the CEO and Publisher each year. The process is informed by the Society's own salary review policy, performance management process and comparative data from the voluntary and private sectors.

Each trustee has responsibility for monitoring the Charity's activities in specific areas and the skills mix of the members is reviewed regularly to ensure that the trustees have all the necessary skills and experience required to support the management team and the Charity's best development.

New trustees are appointed by the existing trustees after a formal recruitment process, supplemented by consultation with their advisers and the Catholic community. Thereafter, a candidate is invited to attend up to two trustees' meetings to gain knowledge of the Society's work and the level of commitment and expertise it requires. Following this, the trustees may confirm the appointment, which is initially for a term of three years. Members may be reappointed for further terms. Trustees bring their own considerable professional experience and relevant skill sets for the benefit of the Society. Information on trustee responsibilities, made available for example by the Charity Commission, is circulated from time to time to the trustees.

The following trustees were in office during the year ended 31 December 2023:

Trustee	Resigned
Rt Rev. Paul Hendricks (Chairman)	
Rev. David Elliott	
Mrs Carrie Ann Gates	
Mrs Kate Nash	12 June 2023
Dr William O'Neill	
Mr Luke Parsons QC	
Rev. Dr Andrew Pinsent	

Governance, structure and management (continued)

Governance (continued)

The following trustees were in office during the year ended 31 December 2023:

Company secretary

Mr Pierpaolo Finaldi

No trustee received any remuneration in respect of their services as a trustee during the year (2022 – £nil). One trustee received reimbursement of out-of-pocket expenses of £23 (2022 – £nil). One trustee received commission of £1,290 (2022 – £964) in respect of sales of books during the year which were written for CTS prior to his becoming a trustee.

No trustee had any other beneficial interest in any contract with the Charity during the year.

Brief biographical details of each of the trustees who served during the year are given below.

Rt Rev. Paul Hendricks (Chairman), MA (Oxon), PhL is a Roman Catholic Bishop, a former Seminary Bursar, and former Parish Priest with several years' experience of overseeing parish finances.

Rev. David Elliott is a priest of the Ordinariate of Our Lady of Walsingham, Priest for the Reading Ordinariate Mission and the Head of Theology at The Oratory School.

Carrie Ann Gates (Treasurer), is a finance manager specialising in insurance accounting with many years' experience in financial and management controls, planning and reporting. She is very active in a local Catholic parish and an enthusiastic member of Girlguiding as a multi-sectional leader and county advisor.

Dr William O'Neill was educated in Manchester and Loughborough. He is a graduate of a number of Universities and has a PhD in Software Engineering. He has worked for large multinationals, public and charity sectors leading IT and business change programmes, most recently as Chief Technology Officer for the National Childbirth Trust.

Luke Parsons KC is a barrister specialising in Commercial Law.

Rev. Andrew Pinsent is a Research Fellow of Harris Manchester College, Research Director of the Ian Ramsey Centre for Science and Religion at Oxford University. A philosopher, theologian, priest, former businessman and former high energy physicist at CERN, he is a contributor via the media and his work in schools to public engagement with science, faith and the big questions of life.

Trustees' responsibilities statement

The Charity's trustees (who are also directors for the purposes of company law) is responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Governance, structure and management (continued)

Trustees' responsibilities statement (continued)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- ◆ make judgements 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 Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance, structure and management (continued)

Liability of the members

The liability of the members is limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, members are each required to contribute an amount not exceeding £1.

Organisational structure

The CEO and Publisher has responsibility for the day-to-day management of the Society's business and reports to the trustees formally every quarter.

Key management personnel

The Society's staff operate in dedicated teams responsible across the principal functions of the Society's apostolate; they meet regularly with their managers to ensure that key targets and objectives are being met.

The trustees monitor the Charity's activities in operational areas and constant regard is had to the skills mix to ensure that the trustees have all the necessary skills required to contribute to the Charity's development.

The key management personnel of the Society, responsible for directing and controlling, running and operating the Charity on a day-to-day basis, comprise the trustees together with the CEO and Publisher. The Trustees do not receive remuneration for their services as trustees.

The trustees set the remuneration of and determine any annual salary awards for the CEO and Publisher. Reference is made to remuneration for similar roles in the charity and private sectors, the level of responsibilities and skills attaching to the role, and the role itself in relation to other similar and different roles within the organisation. Regard may also be had to the annual job role performance review and to the particular standards, expectations and outcomes for the role. Finally, the overall financial performance of the Society is also considered in setting remuneration.

Employees

The Incorporated Catholic Truth Society strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Incorporated Catholic Truth Society is committed to a programme of action to make this policy effective and brings it to the attention of all employees.

Governance, structure and management (continued)

Volunteers

Over 500 volunteers manage CTS parish racks in parishes and other locations up and down the country, introducing enquirers and parishioners to material to support and nurture their faith. It is impossible to quantify the value and the full impact of this support, not only in parishes but also in schools. A lively and active parish bookrack can become a unique support to parish priests and pastoral workers in their outreach programs. We are always grateful to that small number of volunteers who help us on an ad hoc basis at various times in the year at our offices or warehouse on small but important projects and support.

Risk management

The trustees continue to assess the major risks to which the Charity is exposed, in particular those relating to the specific operational areas and finances.

The current areas under review are:

- ◆ **Head office relocation** – The trustees and the CEO and Publisher will work with St Anne's Settlement, the Society's landlord, and Notting Hill Genesis, the Settlement's development partner, to ensure a smooth and cost efficient temporary relocation.
- ◆ **Cost rises and supply chain problems** have reduced and paper prices have stabilised, but this remains a risk in the current volatile economic climate. CTS will continue to search out competitive print solutions and diversify into non-printed books.
- ◆ **The Lectionary will involve a very significant investment of the CTS's reserves** and has the potential to be a risk to the Society if mistakes are made with the publication or quality issues are identified with the books. CTS will be carefully monitoring design and production to avoid any significant errors and will be using only high-quality materials and trusted suppliers for production.

The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and that where necessary they are adapted or strengthened, and by examining the operational and business risks faced by the Charity, they have established effective systems to mitigate those risks.

Signed on behalf of the trustees:



Carrie Ann Gates

Trustee

Approved on: 24th June 2024

Independent auditor's report to the members of Incorporated Catholic Truth Society (The)

Opinion

We have audited the financial statements of Incorporated Catholic Truth Society (The) (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- ◆ **give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;**
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in **the auditor's responsibilities** for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Conclusions relating to going concern (continued)

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

Matters on which we are required to report by exception (continued)

- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures in respect to the remuneration of trustees specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Trustees' responsibilities

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006), those that relate to data protection (General Data Protection Regulation) and those in relation to copyright, specifically the Copyright, Designs and Patents Act 1988, as amended by the Copyright and Related Rights Regulations 2003.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to 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; and
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether the judgements and the assumptions made in determining accounting estimates for the probability of receipt of legacies, the provision for slow moving stock and the actuarial valuation of the defined benefit pension scheme liability were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management 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.

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of this report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters that we are **required to state to them in an auditor's report and for no other purpose. To the fullest extent** permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, or the opinions we have formed.



Alison Pyle (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 27 June 2024

Statement of financial activities (including and income and expenditure account) Year to 31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Income from:							
Donations and legacies	1	162,786	2,270	165,056	793,591	5,035	798,626
Interest receivable		19,622	—	19,622	10,632	—	10,632
Charitable activities							
. Publication sales	2	957,074	—	957,074	912,648	—	912,648
Total income		1,139,482	2,270	1,141,752	1,716,871	5,035	1,721,906
Expenditure on:							
Raising funds	3	5,016	—	5,016	6,517	—	6,517
Charitable activities							
. Publication and dissemination of Catholic publications	4	1,136,101	2,695	1,138,796	995,941	9,953	1,005,894
Total expenditure		1,141,117	2,695	1,143,812	1,002,458	9,953	1,012,411
Net (expenditure) income		(1,635)	(425)	(2,060)	714,413	(4,918)	709,495
Actuarial (losses) gains on defined benefit pension scheme							
	17	(117,000)	—	(117,000)	95,000	—	95,000
Net movement in funds	6	(118,635)	(425)	(119,060)	809,413	(4,918)	804,495
Reconciliation of funds:							
Total funds brought forward at 1 January 2023		1,511,483	11,139	1,522,622	702,070	16,057	718,127
Total funds carried forward at 31 December 2023		1,392,848	10,714	1,403,562	1,511,483	11,139	1,522,622

There were no recognised gains and losses other than those set out in the statement of financial activities above.

All the Charity's activities derived from continuing operations during each of the above two financial years.

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		11,953		16,588
Current assets					
Stocks	10	236,074		240,266	
Debtors	11	259,446		425,552	
Cash at bank and in hand		<u>1,078,777</u>		<u>997,750</u>	
		1,574,297		1,663,568	
Creditors: amounts falling due within one year	12	<u>(182,688)</u>		<u>(157,534)</u>	
Net current assets			<u>1,391,609</u>		<u>1,506,034</u>
Total net assets excluding pension liability			<u>1,403,562</u>		<u>1,522,622</u>
Pension liability	17		<u>—</u>		<u>—</u>
Total net assets including pension liability			<u>1,403,562</u>		<u>1,522,622</u>
The funds of the Charity					
Restricted funds	13		10,714		11,139
Unrestricted funds					
Designated funds	14		75,000		75,000
General funds		1,317,848		1,436,483	
Pension reserve	17	<u>—</u>		<u>—</u>	
			<u>1,317,848</u>		<u>1,436,483</u>
			<u>1,403,562</u>		<u>1,522,622</u>

Approved by the trustees
and signed on their behalf by:

Carrie Ann Gates

Carrie Ann Gates
Trustee

Approved on: 24th June 2024

Incorporated Catholic Truth Society (The)
Company Registration Number: 00057374 (England and Wales)

Statement of cash flows Year to 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	65,842	237,304
Cash flows from investing activities:			
Interest received		19,622	10,632
Purchase of tangible fixed assets		(4,268)	(12,633)
Net cash provided by (used in) investing activities		15,354	(2,001)
Change in cash and cash equivalents in the year		81,196	235,303
Cash and cash equivalents at 1 January 2023	B	997,581	762,278
Cash and cash equivalents at 31 December 2023	B	1,078,777	997,581

Notes to the statement of cash flows for the year to 31 December 2023.

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(119,060)	804,495
Adjustments for:		
Depreciation charge	8,903	12,047
Actuarial losses (gains) on pension scheme	117,000	(95,000)
Pension cost less contributions payable	(101,000)	(104,000)
Pension finance (income) charge	(16,000)	3,000
Interest receivable	(19,622)	(10,632)
Decrease (increase) in stocks	4,192	(67,954)
Decrease (increase) in debtors	166,106	(304,783)
Increase in creditors	25,323	131
Net cash provided by operating activities	65,842	237,304

B Analysis of changes in cash and cash equivalents

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	997,750	81,027	1,078,777
Bank overdraft facility	(169)	169	—
	997,581	81,196	1,078,777

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2023

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

Basis of accounting

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

The financial statements have been prepared under the historical cost convention with items initially 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities FRS 102 SORP 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect to:

- ◆ assessing the probability of receiving legacies of which the Charity has been notified;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ assessing the appropriateness of any provision for slow moving or obsolete stock;
- ◆ assessing the appropriateness of any provision needed against doubtful and bad debts;
- ◆ assessing the appropriateness of the underlying assumptions of the actuarial valuation of the pension scheme; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

With respect to the next reporting period, the actuarial valuation of the pension scheme remains the most significant area of uncertainty that may affect the carrying value of assets held by the Charity.

Assessment of going concern

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

Given the current level of free reserves relative to annual expenditure and anticipated costs for the ongoing lectionary programme, the trustees are of the opinion that the Charity has planned carefully in order to meet its liabilities as they fall due and are of the opinion that the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the Charity is entitled to receipt, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, legacies, interest receivable, income from the sale of publications and occasional miscellaneous income.

Donations are recognised when the Charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity.

Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Income recognition (continued)

Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid of payable by the bank.

Income from publication sales is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually at the point of sale. This includes sales of publications to schools and parishes who benefit from reduced prices.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity 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. 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:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the Charity. This includes staff costs and direct costs associated with generating donated income and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include staff costs, direct and support costs including governance costs.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Staff costs are allocated between expenditure on raising funds and expenditure on charitable activity based on the percentage of time spent on these activities by the employees of the Charity.

Allocation of support and governance costs (continued)

Support and governance costs are allocated to expenditure on charitable activities as it is considered that any apportionment to expenditure on raising funds would be immaterial.

Tangible fixed assets

All assets costing in excess of £500 and with an estimated useful life exceeding one year are capitalised in these financial statements.

Depreciation is provided at the following annual rates on a straight line basis in order to write off each asset over its estimated useful life:

- ◆ Computers and office equipment 33⅓% on cost

Stocks

Stocks of books and pamphlets for resale are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stock.

Debtors

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

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. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

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 can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The general funds comprise those monies which may be used towards meeting the charitable objectives of the Charity and may be applied at the discretion of the trustees.

The pension reserve represents any net liability on the Charity's **defined benefit** pension scheme.

Fund structure (continued)

The designated funds are monies set aside out of general funds for specific purposes by the trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Leased assets

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

Pension costs

Contributions to defined contribution pension schemes and to **employees' personal** pension plans are charged to the statement of financial activities in the year in which they are payable.

The Charity operates a defined benefit pension scheme which is closed to new members and no existing employees are members. The scheme is funded by contributions from the employer. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

Where charity's defined benefit pension scheme's obligation is less than the fair value of plan assets at the balance sheet date, resulting in a surplus on the scheme, the charity does not recognise an asset on the balance unless there is an indication that it is able to recover this surplus through either reduced contribution in the future or through refunds from the plan.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Donations	61,551	2,270	63,821	62,185	5,035	67,220
Legacies	101,235	—	101,235	731,406	—	731,406
	162,786	2,270	165,056	793,591	5,035	798,626

2 Income from: Publication sales

The publication sales are attributable the publishing and/or distribution of pamphlets, books and other media. An analysis of publication sales for the year is given below:

	Total 2023 £	Total 2022 £
United Kingdom	768,798	692,029
Overseas	188,276	220,619
	957,074	912,648

3 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Staff costs (note 7a)	1,908	—	1,908	2,498	—	2,498
Communications	3,108	—	3,108	4,019	—	4,019
	5,016	—	5,016	6,517	—	6,517

4 Expenditure on: Publication and dissemination of Catholic publications

	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Publishing						
Cost of publication sales	317,941	—	317,941	281,725	—	281,725
Cost of despatch, shipping, and storage	138,855	—	138,855	137,201	—	137,201
Advertising and marketing costs	25,964	2,695	28,659	13,714	9,953	23,667
Staff and related costs (note 7a)	496,156	—	496,156	427,811	—	427,811
Premises costs	34,719	—	34,719	26,634	—	26,634
Communications	6,186	—	6,186	5,523	—	5,523
Computer costs	51,342	—	51,342	42,274	—	42,274
Depreciation	8,903	—	8,903	12,048	—	12,048
Banking and other costs	20,334	—	20,334	17,003	—	17,003
Governance costs (note 5)	35,701	—	35,701	32,008	—	32,008
	1,136,101	2,695	1,138,796	995,941	9,953	1,005,894

5 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Professional fees	6,351	—	6,351	5,748	—	5,748
Auditor's remuneration	29,350	—	29,350	26,260	—	26,260
	35,701	—	35,701	32,008	—	32,008

6 Net movement in funds

This is stated after charging:

	Total 2023 £	Total 2022 £
Staff costs (note 7a)	615,064	430,309
Auditor's remuneration		
· Current year audit fee	25,000	22,800
· Under-provision in respect of prior period	1,350	350
· Pension scheme audit fee	3,000	3,110
Depreciation	8,903	12,047
Operating lease rentals	11,550	11,550

7 Employee and key management remuneration

	Total 2023 £	Total 2022 £
Staff costs during the year were as follows:		
Wages and salaries	428,097	371,997
Social security costs	34,099	30,074
Other pension costs	33,887	26,514
Other staff costs	1,981	1,724
	498,064	430,309
Staff costs per function were as follows:		
Costs of generating voluntary income	1,908	2,498
Publishing	496,156	427,811
	498,064	430,309

One employee earned between £90,001 and £100,000 (including taxable benefits but excluding employer's pension contributions) during the year (2022 – one employee earned between £90,001 and £100,000). Contributions of £4,827 (2022 – £4,597) were made to the personal pension schemes of higher paid members of staff during the year.

The average number of employees, analysed by function, was:

	Average headcount	
	2023	2022
Publishing	11	11

7 Employee and key management remuneration (continued)

Key management personnel

Key management personnel comprise the trustees and the CEO and Publisher. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year was £113,436 (2022 – £108,649).

Trustees' remuneration

No trustee received any remuneration in respect of their services as a trustee during the year (2022 – £nil). One trustee received reimbursement of out-of-pocket expenses of £23 (2022 – £nil). One trustee received royalty commissions of £1,290 during the year (2022 – £964) in respect of books which he wrote for CTS prior to his appointment as a trustee.

8 Taxation

The Incorporated Catholic Truth Society is a registered charity 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.

9 Tangible fixed assets

	Computers and office equipment £
Cost	
At 1 January 2023	90,784
Additions	4,268
At 31 December 2023	95,052
Depreciation	
At 1 January 2023	74,196
Charge for year	8,903
At 31 December 2023	83,099
Net book values	
At 31 December 2023	11,953
At 31 December 2022	16,588

10 Stocks

	2023 £	2022 £
Publications for sale	236,074	240,266

11 Debtors

	2023 £	2022 £
Publication sales	55,097	61,763
Other debtors	12,965	12,354
Legacies receivable	163,287	330,000
Prepayments and other accrued income	28,097	21,435
	259,446	425,552

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Expense creditors	33,222	24,720
Taxation and social security costs	9,810	7,695
Royalties	66,000	63,000
Accruals and deferred income	73,656	61,950
Bank overdraft	—	169
	182,688	157,534

13 Restricted funds

	At 1 January 2023 £	Income £	Expenditure £	Transfers £	At 31 December 2023 £
Prisoners' appeal	6,139	2,270	(2,695)	—	5,714
Family of Disciples fund	5,000	—	—	—	5,000
Total restricted funds	11,139	2,270	(2,695)	—	10,714

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Prisoners' appeal	16,057	35	(9,953)	—	6,139
Family of Disciples fund	—	5,000	—	—	5,000
Total restricted funds	16,057	5,035	(9,953)	—	11,139

Since 2008, the Charity has on occasions made appeals to make some of its publications available to deserving or less fortunate groups. The Charity continues to consider such appeals desirable and helpful.

Prisoners' appeal

An appeal was launched during 2015 to make available Catholic resources in prisons and completed during the year ended 31 December 2016. During the year ending 31 December 2024, CTS will utilise these funds to provide prisons with lectionaries.

13 Restricted funds (continued)***Family of Disciples fund***

CTS has commissioned a new First Confession and First Holy Communion preparation programme, the working title for which is *Family of Disciples*. publication is anticipated in 2024. This resource will be market-leading as it is being written on a family-led catechesis model and be the first of its kind in the UK. Family-led catechesis means that whilst the sacramental preparation will be coordinated in the parish, and there will be monthly or bi-weekly meetings that the parents and children attend together, the main catechesis is carried out by the parents for their own children, with the support and guidance of parish priest and catechists.

Expenses that will be incurred include payment for **two authors (one for the parents' and coordinators' guides; one for the children's book)**, **illustration costs for the children's book** (anticipated to be commissioned directly from a single illustrator), rights and permissions costs for use of fine art and other illustrations, editorial costs, production costs for digital/video content, production costs for books and marketing costs.

14 Designated funds

	At 1 January 2023 £	New designations £	Utilised/ released £	At 31 December 2023 £
Relocation fund	75,000	—	—	75,000

	At 1 January 2022 £	New designations £	Utilised/ released £	At 31 December 2022 £
Relocation fund	75,000	—	—	75,000

The **Relocation Fund** represents funds set aside towards a possible relocation of the Charity's office premises.

Following the year end, the Trustees decided in their April board meeting to reduce the Designated funds for the relocation to £nil. This decision was made because vacant possession of the CTS premises will not be required until at least Quarter 2 of 2025 on account of Lambeth Council's rejection of planning permission for the redevelopment of St Anne's Settlement. As at 31 December 2023, the fund remained at £75,000 (2022 – £75,000).

15 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	11,953	—	—	11,953
Net current assets	1,305,895	75,000	10,714	1,391,609
Total net assets excluding pension liability	1,317,848	75,000	10,714	1,403,562

	General funds £	Designated funds £	Restricted funds £	Total 2022 £
Fund balances at 31 December 2022 were represented by:				
Tangible fixed assets	16,588	—	—	16,588
Net current assets	1,419,895	75,000	11,139	1,506,034
Total net assets excluding pension liability	1,436,483	75,000	11,139	1,522,622

16 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, members are each required to contribute an amount not exceeding £1.

17 Pension commitments

The Charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held independently from the Charity's finances. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

The scheme's assets consist of a unitised with profits policy with Phoenix Life Group, an investment bond, annuity policies held in the name of the trustees and a bank account.

The value of the scheme's assets (excluding the value of annuity policies held in the name of the trustees) as at 31 December 2023 was £712,000 (2022 – £840,000).

The Charity's contributions to the scheme were £101,000 for the year (2022 – £104,000). The scheme is closed to new members and no existing employees are members.

Present values of scheme liabilities, fair value of assets and deficit

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of scheme assets	712	840	779	852	1,281
Present value of scheme liabilities	(444)	(574)	(975)	(1,393)	(1,653)
Surplus (deficit) in scheme	268	266	(196)	(541)	(372)

17 Pension commitments (continued)

Present values of scheme liabilities, fair value of assets and deficit (continued)

Although the charity's defined benefit pension scheme's obligation is less than the fair value of plan assets at the balance sheet date, resulting in a surplus on the scheme, the charity has no indication that it is able to recover this surplus through either reduced contribution in the future or through refunds from the plan. As such, no asset has been recognised on the balance sheet with respect to the scheme.

Movement in surplus (deficit) during the year

	2023 £'000	2022 £'000
Surplus (Deficit) at 1 January 2023	266	(196)
Contributions	101	104
Net gain (loss) on scheme	16	(3)
Actuarial (losses) gains	(115)	361
Surplus at 31 December 2023	268	266

Reconciliation of opening and closing balances of the fair value of scheme assets

	2023 £'000	2022 £'000
Fair value of assets at start of period	840	779
Expected return on scheme assets	38	15
Actuarial (losses) gains	(31)	(58)
Benefits paid	(236)	—
Contributions by the Society	101	104
Fair value of assets at end of period	712	840

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2023 £'000	2022 £'000
Present value of liabilities at start of period	574	975
Interest cost	22	18
Actuarial gains	84	(419)
Benefits paid	(236)	—
Present value of liabilities at end of period	444	574

The estimated value of the employer contributions for the year ending 31 December 2024 is £101,000 (2022 – £106,000).

Actuarial assumptions

A full actuarial valuation was carried out at 30 June 2020 and updated to 31 December 2023 by a qualified independent actuary. The major assumptions used by the actuary were:

	2023	2022	2021	2020	2019
Discount rate	4.80%	4.90%	1.80%	1.40%	2.10%
Rate of increase in pensions in payment for pensionable service from 6 April 1997	3.60%	3.70%	3.70%	3.60%	3.60%
Inflation assumption (RPI)	3.10%	3.20%	3.30%	2.90%	3.00%

17 Pension commitments (continued)

Actuarial assumptions (continued)

The mortality assumptions adopted at 31 December 2023 imply the following life expectancies in years:

	Current pensioners	Retiring in 20 years
Males	20.6	21.8
Females	22.5	24.0

The assets in the scheme and the expected rate of return

	Value at 31 December 2022 £'000	Value at 31 December 2022 £'000	Value at 31 December 2021 £'000
Assets			
Equities	135	124	138
Bonds	28	26	22
Unitised with profits	97	344	378
Cash	452	346	241
Total market value of assets	712	840	779
Actuarial value of liabilities	(444)	(574)	(975)
Surplus (deficit)	268	266	(196)

No long term expected rate of return has been provided as for accounting periods beginning on or after 1 January 2015. The expected return and interest cost have been replaced with a single net interest cost.

Information in respect to statement of financial activities

Analysis of net return on pension scheme

	2023 £'000	2022 £'000
Net interest cost and net return	16	(3)

Amounts recognised as other gains and losses

	2023 £'000	2022 £'000
Actual return less expected return on pension scheme assets	(31)	(58)
Change in financial and demographic assumptions underlying the scheme assets	(84)	419
Adjustment recognised in actuarial gains and losses to cap scheme surplus*	(2)	(266)
Actuarial (losses) gains recognised	(117)	95

*As noted above, the surplus in the scheme is irrecoverable. As such, recognition of the surplus on the balance sheet has been restricted to £nil. The adjustment of £2,000 (2022 – £266,000) has been offset against the overall actuarial loss of £115,000 (2022 – gain of £361,000) for the year.

18 Related party transactions

Aside from the transactions disclosed in note 7b, the trustees made aggregate donations of £240 to the charity during 2023 (2022 – £360).

There were no other related party transactions requiring disclosure in the year (2022 – none).

19 Leasing commitments

Operating leases

At 31 December 2023 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2023 £	2022 £
Operating lease payments which expire:		
Within one year	11,550	11,550

	Furniture and Equipment	
	2023 £	2022 £
Operating lease payments which expire:		
Within one year	875	—

The operating lease liabilities are subject to the terms of the agreements relating to the relevant land and buildings and other assets.

THE INCORPORATED CATHOLIC TRUTH SOCIETY

England & Wales - Charity number 218951

Accounts

**The
Incorporated
Catholic
Truth
Society**

**Annual Report and Financial
Statements**

31 December 2022

Company Limited by Guarantee
Registration Number
00057374 (England and Wales)

Charity Registration Number
218951

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Reference and administrative details

Trustee management board	Rt Rev. P Hendricks (Chairman) Rev. David Elliott Mrs C A Gates Mrs K Nash (resigned 12 June 2023) Dr W O'Neill Mr L Parsons QC Rev. Dr A Pinsent
CEO, Publisher and Company Secretary	Mr Pierpaolo Finaldi
Registered office	40-46 Harleyford Road Vauxhall London SE11 5AY
Company registration number	00057374 (England and Wales)
Charity registration number	218951
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	The Royal Bank of Scotland plc 24 Grosvenor Place London SW1X 7HN
Solicitors	Fox Williams LLP, Solicitors 10 Finsbury Square London EC2A 1AF

The trustees present their report together with the financial statements of The Incorporated Catholic Truth Society (the 'Society', 'Charity' or 'CTS') for the year ended 31 December 2022.

The report has been prepared in accordance with the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies on pages 19 to 23 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Our mission, aims and activities

Our mission

The Mission of the Society is to carry out its apostolate of Catholic publishing and distribution for the benefit of the Catholic and wider Christian community, and of a wider body of general enquirers. The Mission of the Society is also to disseminate Catholic publications at reasonable prices. The Society receives financial and spiritual support from the Catholic community to carry out its work. In pursuit of its charitable aims during 2022, the Society sought to develop its publications, to distribute them widely and actively to contribute to the life of the Church. The Society made efforts to care for its resources, including staff, suppliers, customers and supporters.

Our objectives

The Charity's main objects, as set out in its Memorandum and Articles of Association are:

- ◆ To spread information about Catholic truth and to make better known the faith, practice and history of the Catholic Church.
- ◆ To assist the uneducated poor and others to a better knowledge of the Catholic religion, and with that object, and generally, to promote the circulation of and to disseminate books and publications inculcating and advancing Catholic truth and teaching.
- ◆ To promote information on religious, historical and controversial subjects by conference, public and private meetings, lectures, discussions, books, correspondence with public bodies and individuals or otherwise.

Our mission, aims and activities (continued)

Activities and relevant policies

These objects are achieved through the principal activity of the Society, which is the publishing and disseminating of low-priced doctrinal, scriptural and educational works, assisting all Catholics to a better knowledge of their religion, spreading amongst non-Catholics information about the faith, and assisting the circulation of Catholic books and other audio, audio visual and electronic media.

Each of these activities has the principal aim of spreading knowledge of the Christian faith as widely as is possible within the United Kingdom, and increasingly to other English speaking constituencies as well. They serve the practising Catholic community, parishes, families, colleges and schools, as well as the wider groupings of general enquirers of other faiths and none. Such materials as these raise interest in the Catholic faith, the Society's apostolate and gain new supporters, enabling the Society to continue its charitable work.

In setting the Society's objectives and planning its activities, the trustees have given consideration to the Charity Commission's guidance on public benefit.

Achievements and performance

Publishing

A total of 150,000 books and booklets were distributed by the Society to parishes and individual and trade customers alike (an increase of 18,000 on 2021). An additional 40,000 books, documents and overstock items were distributed to Catholic schools in Malawi via a collaboration with the Krizevac Project.

CTS issued 15 new publications in 2022: four A6 booklets, one intermediate format book, two other books, two illustrated picture books, four new Vatican Documents, a People's Missal and a calendar.

Two books were published on the priesthood, one in association with the Confraternity of Catholic Clergy which was mailed to every priest in the country and a second - a translation by the highly respected and popular author of many spiritual books Cardinal Robert Sarah.

Our Lenten publications did very well and our Sacramental coursebooks and resources especially in the Youcat series sold particularly well as Parishes fully reopened following the Pandemic.

After careful research and technical preparation, CTS launched its first 10 Print on Demand titles through the Lightning Source Platform. This will allow us to keep important but slow-moving titles in the catalogue without tying up valuable resources in slow moving stock.

CTS Audio was also launched with the first three audio titles making our texts available in this increasingly important format for the first time. Titles on the recently canonised St Titus Brandsma and St Charles de Foucauld and Edith Stein were released in a podcast form on Apple, Spotify and other platforms.

Achievements and performance (continued)

Organisation

Staffing levels have increased slightly with one freelance contractor taken on as an employee. An external agency has been engaged to help with web marketing and PR for new publications

Fundraising

CTS received £798,626 (2021 – £157,809) in voluntary income including three large legacies. Micro-donations and top up donations and the Advent Appeal were slightly down on 2021, anecdotally due to the financial squeeze on our donor demographic with a total of £67,220 in 2022 (2021 – £79,944).

Financial report for the year

Results for the year

Total income for the year amounted to £1,721,906 (2021 – £1,021,443). Publishing sales during 2022 amounted to £912,648 (2021 – £855,754). Also included within income are legacies receivable amounting to £731,406 (2021 – £77,865). Total income from donations and legacies for the year was £798,626 (2021 – £157,809).

Total expenditure amounted to £1,012,411 (2021 – £945,066). The surplus for the year, before actuarial movements on the defined benefit pension scheme liability, was £709,495 (2021 – £76,377).

Reserves policy

An important feature of the Society's work and charitable aims is that in pursuing its religious publishing, distribution and retailing it must engage directly in trading activities, which involve not insignificant elements of risk. The Society uses what trading income and non-trading income it receives to further its charitable activities.

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Planning permission for the latest redevelopment plans for St Anne's Settlement has been submitted but delays with the Planning Department of Lambeth Council mean vacant possession will not be required until at least Quarter 2 of 2024. CTS will look to relocate in good time with an option in place for CTS to return to the building at St Anne's when it has been completed. Designated funds for this relocation of £75,000 (2020 – £75,000) have been set aside for this purpose.

The Society's reserves policy aims to strike a balance between having sufficient funds to pursue vigorously its charitable objective of publishing and distributing good Catholic resources on the one hand, and the need to maintain some kind of provision against unforeseen misfortune, on the other. The trustees are of the opinion that the size of such a buffer should be approximately equal to at least three months' unrestricted cash expenditure.

Financial report for the year (continued)

Financial position

The balance sheet shows total funds of £1,522,622 (2021 – £718,127).

Funds restricted to specific purposes amounted to £11,139 (2021 – £16,057).

Funds totalling £75,000 (2021 – £75,000) have been designated, or set aside, by the trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 14 to the financial statements.

General funds of the Charity at 31 December 2022 were £1,436,483 (2021 – £823,070). Offset against general funds is a pension reserve of £nil (2021 – £196,000). At 31 December 2022 the Charity had ‘free reserves’ of £1,419,895 (2021 – £807,068) being the unrestricted general funds after deducting the net book value of tangible fixed assets i.e. £16,588 (2021 – £16,002).

Whilst the level of free reserves exceeds three months’ unrestricted cash expenditure, the trustees are conscious of the need for up-front investment for the Revised Lectionary project in 2023 and 2024 (see future plans below). The increased free reserves at 31 December 2022, resulting principally from the 2022 legacy income, will enable such investment without the need to obtain short term finance from third parties. Therefore, the trustees believe that the charity’s free reserves as at 31 December 2022 are adequate but not excessive. The trustees will remain vigilant, especially during the current period of high inflation, managing cash flow, reserves and expenditure on print and other capital projects to mitigate the impact of the reduction in orders.

Plans for the future

The Bishops Conference of England and Wales and of Scotland officially announced the appointment of CTS as publishers of the Revised Lectionary in early 2021 and work has begun in earnest on the project with a provisional completion date of Advent 2024. This is an even larger project than the 2011 Missal and is an exciting challenge for the Society and its staff. This will involve CTS in considerable preparatory work and investment of time in 2023/24, but presents a great opportunity to provide significant volumes of high quality new publications to the Catholic community in England and Wales and Scotland. The new lectionary affects a significant proportion of the CTS’s backlist and, in the interim, it will be necessary to run down related titles until the new text is available.

CTS will be involved in the effort to prepare Parishes to welcome the new text including the training of Lectors and readers, and will be working with the relevant departments of the Bishops’ Conferences of England and Wales and Scotland to prepare resources.

CTS will continue to expand its offering in the audio sector and will be producing more multimedia content in the form of podcasts aimed at the those wishing to deepen their Faith and those at the beginning of their journey. CTS will also be producing more original illustrated content for children and engaging with current topics such as Artificial Intelligence and Social Media.

Governance, structure and management

Governance

The company, which is limited by guarantee (Company Registration No. 00057374 (England and Wales)), is registered for charitable purposes with the Charity Commission (Charity Registration No. 218951).

The trustees are the directors of the Society for the purposes of company law.

The Trustee Management Board is currently made up of the Chairman and six members and meets quarterly to review the activities of the Society; the meetings are also attended by the CEO and Publisher. The trustees review up to date management accounts and business plans. They regularly receive a management report from the CEO and Publisher on progress in key areas of the Society's apostolate, principally publishing, distribution and fundraising. Progress is monitored against an annual plan containing key objectives, activities and targets. The trustees periodically review staffing, training, the Society's risk register, pension provisions and liabilities, as well as major strategic projects requiring significant investment or otherwise central to the apostolate.

A sub-committee reviews salary proposals made by the CEO and Publisher each year. The process is informed by the Society's own salary review policy, performance management process and comparative data from the voluntary and private sectors.

Each trustee has responsibility for monitoring the Charity's activities in specific areas and the skills mix of the members is reviewed regularly to ensure that the trustees have all the necessary skills and experience required to support the management team and the Charity's best development.

New trustees are appointed by the existing trustees after a formal recruitment process, supplemented by consultation with their advisers and the Catholic community. Thereafter, a candidate is invited to attend up to two trustees' meetings to gain knowledge of the Society's work and the level of commitment and expertise it requires. Following this, the trustees may confirm the appointment, which is initially for a term of three years. Members may be reappointed for further terms. Trustees bring their own considerable professional experience and relevant skill sets for the benefit of the Society. Information on trustee responsibilities, made available for example by the Charity Commission, is circulated from time to time to the trustees.

The following trustees were in office during the year ended 31 December 2022:

Trustee	Resigned
Rt Rev. Paul Hendricks (Chairman)	
Rev. David Elliott	
Mrs Carrie Ann Gates	
Mrs Kate Nash	12 June 2023
Dr William O'Neill	
Mr Luke Parsons QC	
Rev. Dr Andrew Pinsent	

Governance, structure and management (continued)

Governance (continued)

Company secretary

Mr Pierpaolo Finaldi

No trustee received any remuneration in respect of their services as a trustee during the year (2021 – £nil). No trustees received reimbursement of out-of-pocket expenses (2021 – £nil). One trustee received commission of £964 (2021 – £731) in respect of books written for CTS prior to becoming a trustee.

No trustee had any other beneficial interest in any contract with the Charity during the year.

Brief biographical details of each of the trustees who served during the year are given below.

Rt Rev. Paul Hendricks (Chairman), MA (Oxon), PhL is a Roman Catholic Bishop, a former Seminary Bursar, and former Parish Priest with several years' experience of overseeing parish finances.

Rev. David Elliott is a priest of the Ordinariate of Our Lady of Walsingham, Priest for the Reading Ordinariate Mission and the Head of Theology at The Oratory School.

Carrie Ann Gates (Treasurer), is a finance manager specialising in insurance accounting with many years' experience in financial and management controls, planning and reporting. She is very active in a local Catholic parish and an enthusiastic member of Girlguiding as a multi-sectional leader and county advisor.

Dr William O'Neill was educated in Manchester and Loughborough. He is a graduate of a number of Universities and has a PhD in Software Engineering. He has worked for large multinationals, public and charity sectors leading IT and business change programmes, most recently as Chief Technology Officer for the National Childbirth Trust.

Luke Parsons QC is a barrister specialising in Commercial Law.

Rev. Andrew Pinsent is a Research Fellow of Harris Manchester College, Research Director of the Ian Ramsey Centre for Science and Religion at Oxford University. A philosopher, theologian, priest, former businessman and former high energy physicist at CERN, he is a contributor via the media and his work in schools to public engagement with science, faith and the big questions of life.

Governance, structure and management (continued)

Trustees' responsibilities statement

The Charity's trustees (who are also directors for the purposes of company law) is responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- ◆ make judgements 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 Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance, structure and management (continued)

Liability of the members

The liability of the members is limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, members are each required to contribute an amount not exceeding £1.

Organisational structure

The CEO and Publisher has responsibility for the day to day management of the Society's business and reports to the trustees formally every quarter.

Key management personnel

The Society's staff operate in dedicated teams responsible across the principal functions of the Society's apostolate; they meet regularly with their managers to ensure that key targets and objectives are being met.

The trustees monitor the Charity's activities in operational areas and constant regard is had to the skills mix to ensure that the trustees have all the necessary skills required to contribute to the Charity's development.

The key management personnel of the Society, responsible for directing and controlling, running and operating the Charity on a day-to-day basis, comprise the trustees together with the CEO and Publisher. The Trustees do not receive remuneration for their services as trustees.

The trustees set the remuneration of and determine any annual salary awards for the CEO and Publisher. Reference is made to remuneration for similar roles in the charity and private sectors, the level of responsibilities and skills attaching to the role, and the role itself in relation to other similar and different roles within the organisation. Regard may also be had to the annual job role performance review and to the particular standards, expectations and outcomes for the role. Finally, the overall financial performance of the Society is also considered in setting remuneration.

Employees

The Incorporated Catholic Truth Society strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Incorporated Catholic Truth Society is committed to a programme of action to make this policy effective and brings it to the attention of all employees.

Governance, structure and management (continued)

Volunteers

Over 500 volunteers manage CTS parish racks in parishes and other locations up and down the country, introducing enquirers and parishioners to material to support and nurture their faith. It is impossible to quantify the value and the full impact of this support, not only in parishes but also in schools. A lively and active parish bookrack can become a unique support to parish priests and pastoral workers in their outreach programs. We are always grateful to that small number of volunteers who help us on an ad hoc basis at various times in the year at our offices or warehouse on small but important projects and support.

Risk management

The trustees continue to assess the major risks to which the Charity is exposed, in particular those relating to the specific operational areas and finances.

The current areas under review are:

- ◆ **Head office relocation** – The trustees and the CEO and Publisher will work with St Anne's Settlement, the Society's landlord, and Notting Hill Genesis, the Settlement's development partner, to ensure a smooth and cost efficient temporary relocation.
- ◆ **Cost rises and supply chain problems** have reduced and paper prices have stabilised, but this remains a risk in the current volatile economic climate. CTS will continue to search out competitive print solutions and diversify into non-printed books.
- ◆ **The Lectionary** will involve a very significant investment of the CTS's reserves and has the potential to be a risk to the Society if mistakes are made with the publication or quality issues are identified with the books. CTS will be carefully monitoring design and production to avoid any significant errors and will be using only high quality materials and trusted suppliers for production.

The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and that where necessary they are adapted or strengthened, and by examining the operational and business risks faced by the Charity, they have established effective systems to mitigate those risks.

Signed on behalf of the trustees:

Carrie Ann Gates

Trustee

Approved on: 12th June 2023

Independent auditor's report to the members of The Incorporated Catholic Truth Society

Opinion

We have audited the financial statements of The Incorporated Catholic Truth Society (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Conclusions relating to going concern (continued)

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

Matters on which we are required to report by exception (continued)

- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures in respect to the remuneration of trustees specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit

Trustees' responsibilities

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006), those that relate to data protection (General Data Protection Regulation) and those in relation to copyright, specifically the Copyright, Designs and Patents Act 1988, as amended by the Copyright and Related Rights Regulations 2003.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to 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; and
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether the judgements and the assumptions made in determining accounting estimates for the probability of receipt of legacies, the provision for slow moving stock and the actuarial valuation of the defined benefit pension scheme liability were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management 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.

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of this report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, or the opinions we have formed.

Amanda Francis (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

27 September 2023

Statement of financial activities (including and income and expenditure account)
Year to 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:							
Donations and legacies	1	793,591	5,035	798,626	157,351	458	157,809
Interest receivable		10,632	—	10,632	7,880	—	7,880
Charitable activities							
. Publication sales	2	912,648	—	912,648	855,754	—	855,754
Total income		1,716,871	5,035	1,721,906	1,020,985	458	1,021,443
Expenditure on:							
Raising funds	3	6,517	—	6,517	6,353	—	6,353
Charitable activities							
. Publication and dissemination of Catholic publications	4	995,941	9,953	1,005,894	937,493	1,220	938,713
Total expenditure		1,002,458	9,953	1,012,411	943,846	1,220	945,066
Net income (expenditure)		714,413	(4,918)	709,495	77,139	(762)	76,377
Actuarial gains on defined benefit pension scheme							
	17	95,000	—	95,000	255,000	—	255,000
Net movement in funds	6	809,413	(4,918)	804,495	332,139	(762)	331,377
Reconciliation of funds:							
Total funds brought forward at 1 January 2022		702,070	16,057	718,127	369,931	16,819	386,750
Total funds carried forward at 31 December 2022		1,511,483	11,139	1,522,622	702,070	16,057	718,127

There were no recognised gains and losses other than those set out in the statement of financial activities above.

All the Charity's activities derived from continuing operations during each of the above two financial years.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		16,588		16,002
Current assets					
Stocks	10	240,266		172,312	
Debtors	11	425,552		120,769	
Short term deposits		984,850		752,860	
Cash at bank and in hand		12,900		10,084	
		1,663,568		1,056,025	
Creditors: amounts falling due within one year	12	(157,534)		(157,900)	
Net current assets			1,506,034		898,125
Total net assets excluding pension liability			1,522,622		914,127
Pension liability	17		—		(196,000)
Total net assets including pension liability			1,522,622		718,127
The funds of the Charity					
Restricted funds	13		11,139		16,057
Unrestricted funds					
. Designated funds	14		75,000		75,000
. General funds		1,436,483		823,070	
. Pension reserve	17	—		(196,000)	
			1,436,483		627,070
			1,522,622		718,127

Approved by the trustees
and signed on their behalf by:

Carrie Ann Gates

Trustee

Approved on: 12th June 2023

The Incorporated Catholic Truth Society
Company Registration Number: 00057374 (England and Wales)

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	237,304	(108,904)
Cash flows from investing activities:			
Interest received		10,632	7,880
Purchase of tangible fixed assets		(12,633)	(11,782)
Net cash used in investing activities		(2,001)	(3,902)
Change in cash and cash equivalents in the year		235,303	(112,806)
Cash and cash equivalents at 1 January 2022	B	762,278	875,084
Cash and cash equivalents at 31 December 2022	B	997,581	762,278

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

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	804,495	331,377
Adjustments for:		
Depreciation charge	12,047	12,318
Actuarial gains on pension scheme	(95,000)	(255,000)
Pension cost less contributions payable	(104,000)	(97,000)
Pension finance cost	3,000	7,000
Interest receivable	(10,632)	(7,880)
Increase in stocks	(67,954)	(28,459)
Increase in debtors	(304,783)	(34,423)
Increase (decrease) in creditors	131	(36,837)
Net cash provided by (used in) operating activities	237,304	(108,904)

B Analysis of changes in cash and cash equivalents

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	10,084	2,816	12,900
Short term deposits	752,860	231,990	984,850
Bank overdraft facility	(666)	497	(169)
	762,278	235,303	997,581

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

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

Basis of accounting

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

The financial statements have been prepared under the historical cost convention with items initially 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities FRS 102 SORP 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect to:

- ◆ assessing the probability of receiving legacies of which the Charity has been notified;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ assessing the appropriateness of any provision for slow moving or obsolete stock;
- ◆ assessing the appropriateness of any provision needed against doubtful and bad debts;
- ◆ assessing the appropriateness of the underlying assumptions of the actuarial valuation of the pension scheme; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

With respect to the next reporting period, the actuarial valuation of the pension scheme remains the most significant area of uncertainty that may affect the carrying value of assets held by the Charity.

Assessment of going concern

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

Given the current level of free reserves relative to annual expenditure and anticipated costs for the ongoing lectionary programme, the trustees are of the opinion that the Charity has planned carefully in order to meet its liabilities as they fall due and are of the opinion that the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the Charity is entitled to receipt, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, legacies, interest receivable, income from the sale of publications and occasional miscellaneous income.

Donations are recognised when the Charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity.

Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Income recognition (continued)

Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid of payable by the bank.

Income from publication sales is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually at the point of sale. This includes sales of publications to schools and parishes who benefit from reduced prices.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity 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. 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:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the Charity. This includes staff costs and direct costs associated with generating donated income and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include staff costs, direct and support costs including governance costs.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Staff costs are allocated between expenditure on raising funds and expenditure on charitable activity based on the percentage of time spent on these activities by the employees of the Charity.

Allocation of support and governance costs (continued)

Support and governance costs are allocated to expenditure on charitable activities as it is considered that any apportionment to expenditure on raising funds would be immaterial.

Tangible fixed assets

All assets costing in excess of £500 and with an estimated useful life exceeding one year are capitalised in these financial statements.

Depreciation is provided at the following annual rates on a straight line basis in order to write off each asset over its estimated useful life:

- ♦ Computers and office equipment 33 $\frac{1}{3}$ % on cost

Stocks

Stocks of books and pamphlets for resale are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stock.

Debtors

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

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. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

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 can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The general funds comprise those monies which may be used towards meeting the charitable objectives of the Charity and may be applied at the discretion of the trustees.

The pension reserve represents any net liability on the Charity's defined benefit pension scheme.

Fund structure (continued)

The designated funds are monies set aside out of general funds for specific purposes by the trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Leased assets

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

Pension costs

Contributions to defined contribution pension schemes and to employees' personal pension plans are charged to the statement of financial activities in the year in which they are payable.

The Charity operates a defined benefit pension scheme which is closed to new members and no existing employees are members. The scheme is funded by contributions from the employer. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

Where charity's defined benefit pension scheme's obligation is less than the fair value of plan assets at the balance sheet date, resulting in a surplus on the scheme, the charity does not recognise an asset on the balance unless there is an indication that it is able to recover this surplus through either reduced contribution in the future or through refunds from the plan.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Donations	62,185	5,035	67,220	79,486	458	79,944
Legacies	731,406	—	731,406	77,865	—	77,865
	793,591	5,035	798,626	157,351	458	157,809

2 Income from: Publication sales

The publication sales are attributable the publishing and/or distribution of pamphlets, books and other media. An analysis of publication sales for the year is given below:

	Total 2022 £	Total 2021 £
United Kingdom	692,029	689,958
Overseas	220,619	165,796
	912,648	855,754

3 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Staff costs (note 7a)	2,498	—	2,498	3,102	—	3,102
Communications	4,019	—	4,019	3,251	—	3,251
	6,517	—	6,517	6,353	—	6,353

4 Expenditure on: Publication and dissemination of Catholic publications

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Publishing						
Cost of publication sales	281,725	—	281,725	193,772	—	193,772
Cost of despatch, shipping, and storage	137,201	—	137,201	145,599	—	145,599
Advertising and marketing costs	13,714	9,953	23,667	15,146	1,220	16,366
Staff and related costs (note 7a)	427,811	—	427,811	422,470	—	422,470
Premises costs	26,634	—	26,634	22,069	—	22,069
Communications	5,523	—	5,523	6,093	—	6,093
Computer costs	42,274	—	42,274	66,062	—	66,062
Depreciation	12,048	—	12,048	12,318	—	12,318
Banking and other costs	17,003	—	17,003	15,771	—	15,771
Governance costs (note 5)	32,008	—	32,008	38,193	—	38,193
	995,941	9,953	1,005,894	937,493	1,220	938,713

5 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Professional fees	5,748	—	5,748	11,662	—	11,662
Auditor's remuneration	26,260	—	26,260	26,531	—	26,531
	32,008	—	32,008	38,193	—	38,193

6 Net movement in funds

This is stated after charging:

	Total 2022 £	Total 2021 £
Staff costs (note 7a)	430,309	425,572
Auditor's remuneration		
· Current year audit fee	22,800	22,000
· Underprovision in prior period	350	700
· Pension scheme audit fee	3,110	3,831
Depreciation	12,047	12,318
Operating lease rentals	11,550	14,078

7a Employee and key management remuneration

	Total 2022 £	Total 2021 £
Staff costs during the year were as follows:		
Wages and salaries	371,997	353,953
Social security costs	30,074	25,431
Other pension costs	26,514	45,273
Other staff costs	1,724	915
	430,309	425,572
Staff costs per function were as follows:		
Costs of generating voluntary income	2,498	3,102
Publishing	427,811	422,470
	430,309	425,572

One employee earned between £90,000 and £100,000 (including taxable benefits but excluding employer's pension contributions) during the year (2021 – one). Contributions of £4,597 (2021 – £4,289) were made to the personal pension schemes of higher paid members of staff during the year.

The average number of employees, analysed by function, was:

	Average headcount	
	2022	2021
Publishing	11	10

Key management personnel

Key management personnel comprise the trustees and the CEO and Publisher. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year was £108,649 (2021 – £100,712).

7b Trustees' remuneration

No trustee received any remuneration in respect of their services as a trustee during the year (2021 – £nil). No trustees received reimbursement of out-of-pocket expenses (2021 – £nil). One trustee received commission of £964 (2021 – £731) in respect of books written for CTS prior to becoming a trustee.

8 Taxation

The Incorporated Catholic Truth Society is a registered charity 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.

9 Tangible fixed assets

	Computers and office equipment £
Cost	
At 1 January 2022	78,151
Additions	12,633
At 31 December 2022	90,784
Depreciation	
At 1 January 2022	62,149
Charge for year	12,047
At 31 December 2022	74,196
Net book values	
At 31 December 2022	16,588
At 31 December 2021	16,002

10 Stocks

	2022 £	2021 £
Publications for sale	240,266	172,312

11 Debtors

	2022 £	2021 £
Publication sales	61,763	65,670
Other debtors	12,353	24,853
Legacies receivable	330,000	13,000
Prepayments and other accrued income	21,435	17,246
	425,551	120,769

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Expense creditors	24,720	18,766
Taxation and social security costs	7,695	7,822
Royalties	63,000	56,000
Accruals and deferred income	61,950	74,646
Bank overdraft	169	666
	157,534	157,900

13 Restricted funds

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Prisoners' appeal	16,057	35	(9,953)	—	6,139
University fund appeal	—	—	—	—	—
Family of Disciples fund	—	5,000	—	—	5,000
Total restricted funds	16,057	5,035	(9,953)	—	11,139

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Prisoners' appeal	16,749	458	(1,150)	—	16,057
University fund appeal	70	—	(70)	—	—
Total restricted funds	16,819	458	(1,220)	—	16,057

Since 2008, the Charity has on occasions made appeals to make some of its publications available to deserving or less fortunate groups. The Charity continues to consider such appeals desirable and helpful.

University fund appeal

Each year the Charity appeals for support to supply free CTS materials to Catholic University chaplaincies in the UK during freshers' week.

Prisoners' appeal

An appeal was launched during 2015 to make available Catholic resources in prisons and completed during the year ended 31 December 2016. The unspent balances on this fund have been transferred to general funds during the year in accordance with a clause enabling the Society to apply any amount raised over and above that which was needed for its general purposes.

Family of Disciples fund

CTS has commissioned a new First Confession and First Holy Communion preparation programme, the working title for which is *Family of Disciples*. publication is anticipated in 2024. This resource will be market-leading as it is being written on a family-led catechesis model and be the first of its kind in the UK. Family-led catechesis means that whilst the sacramental preparation will be coordinated in the parish, and there will be monthly or bi-weekly meetings that the parents and children attend together, the main catechesis is carried out by the parents for their own children, with the support and guidance of parish priest and catechists.

13 Restricted funds (continued)***Family of Disciples fund*** (continued)

Expenses that will be incurred include payment for two authors (one for the parents' and coordinators' guides; one for the children's book), illustration costs for the children's book (anticipated to be commissioned directly from a single illustrator), rights and permissions costs for use of fine art and other illustrations, editorial costs, production costs for digital/video content, production costs for books and marketing costs.

14 Designated funds

	At 1 January 2022 £	New designations £	Utilised/ released £	At 31 December 2022 £
Relocation fund	75,000	—	—	75,000

	At 1 January 2021 £	New designations £	Utilised/ released £	At 31 December 2021 £
Relocation fund	75,000	—	—	75,000

The **Relocation Fund** represents funds set aside towards a possible relocation of the Charity's office premises.

15 Analysis of net assets (excluding pension liability) between funds

	General funds £	Designated funds £	Restricted funds £	Total 2022 £	General funds £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:								
Tangible fixed assets	16,588	—	—	16,588	16,002	—	—	16,002
Net current assets	1,419,895	75,000	11,139	1,506,034	807,068	75,000	16,057	898,125
Total net assets excluding pension liability	1,436,483	75,000	11,139	1,522,622	823,070	75,000	16,057	914,127

16 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, members are each required to contribute an amount not exceeding £1.

17 Pension commitments

The Charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held independently from the Charity's finances. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

The scheme's assets consist of a unitised with profits policy with Phoenix Life Group, an investment bond, annuity policies held in the name of the trustees and a bank account.

17 Pension commitments (continued)

The value of the scheme's assets (excluding the value of annuity policies held in the name of the trustees) as at 31 December 2022 was £840,000 (2021 – £779,000).

The Charity's contributions to the scheme were £104,000 for the year (2021 – £97,000). The scheme is closed to new members and no existing employees are members.

Present values of scheme liabilities, fair value of assets and deficit

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Fair value of scheme assets	840	779	852	1,281	1,032
Present value of scheme liabilities	(574)	(975)	(1,393)	(1,653)	(1,390)
Surplus (deficit) in scheme	266	(196)	(541)	(372)	(358)

Although the charity's defined benefit pension scheme's obligation is less than the fair value of plan assets at the balance sheet date, resulting in a surplus on the scheme, the charity has no indication that it is able to recover this surplus through either reduced contribution in the future or through refunds from the plan. As such, no asset has been recognised on the balance sheet with respect to the scheme.

Movement in surplus (deficit) during the year

	2022 £'000	2021 £'000
Deficit at 1 January 2022	(196)	(541)
Contributions	104	97
Net loss on scheme	(3)	(7)
Actuarial gains	361	255
Surplus (deficit) at 31 December 2022	226	(196)

Reconciliation of opening and closing balances of the fair value of scheme assets

	2022 £'000	2021 £'000
Fair value of assets at start of period	779	852
Expected return on scheme assets	15	11
Actuarial (losses) gains	(58)	61
Benefits paid	—	(242)
Contributions by the Society	104	97
Fair value of assets at end of period	840	779

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2022 £'000	2021 £'000
Present value of liabilities at start of period	975	1,393
Interest cost	18	18
Actuarial gains	(419)	(194)
Benefits paid	—	(242)
Present value of liabilities at end of period	574	975

The estimated value of the employer contributions for the year ending 31 December 2023 is £106,000 (2022 – £104,000).

17 Pension commitments (continued)**Actuarial assumptions**

A full actuarial valuation was carried out at 30 June 2020 and updated to 31 December 2022 by a qualified independent actuary. The major assumptions used by the actuary were:

	2022	2021	2020	2019	2018
Discount rate	4.90%	1.80%	1.40%	2.10%	2.90%
Rate of increase in pensions in payment for pensionable service from 6 April 1997	3.70%	3.70%	3.60%	3.60%	3.70%
Inflation assumption (RPI)	3.20%	3.30%	2.90%	3.00%	3.20%

The mortality assumptions adopted at 31 December 2022 imply the following life expectancies in years:

	Current pensioners	Retiring in 20 years
Males	21.3	22.6
Females	23.0	24.5

The assets in the scheme and the expected rate of return

	Value at 31 December 2022 £'000	Value at 31 December 2021 £'000	Value at 31 December 2020 £'000
Assets			
Equities	124	138	102
Bonds	26	22	20
Unitised with profits	344	378	552
Cash	346	241	178
Total market value of assets	840	779	852
Actuarial value of liabilities	(574)	(975)	(1,393)
Surplus (deficit)	266	(196)	(541)

No long term expected rate of return has been provided as for accounting periods beginning on or after 1 January 2015. The expected return and interest cost have been replaced with a single net interest cost.

Information in respect to statement of financial activities*Analysis of net return on pension scheme*

	2022 £'000	2021 £'000
Net interest cost and net return	(3)	(7)

Amounts recognised as other gains and losses

	2022 £'000	2021 £'000
Actual return less expected return on pension scheme assets	(58)	61
Change in financial and demographic assumptions underlying the scheme assets	419	194
Actuarial gains recognised	361	255

18 Related party transactions

Aside from the transactions disclosed in note 7b, the trustees made aggregate donations of £360 to the charity during 2022 (2021 – £360).

There were no other related party transactions requiring disclosure in the year (2021 – none).

19 Leasing commitments

Operating leases

At 31 December 2022 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2022	2021
	£	£
Operating lease payments which expire:		
Within one year	11,550	11,550

The operating lease liabilities are subject to the terms of the agreements relating to the relevant land and buildings and other assets.

THE INCORPORATED CATHOLIC TRUTH SOCIETY

England & Wales - Charity number 218951

Accounts

**The
Incorporated
Catholic
Truth
Society**

**Annual Report and Financial
Statements**

31 December 2021

Company Limited by Guarantee
Registration Number
00057374 (England and Wales)

Charity Registration Number
218951

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Reference and administrative details

Trustee management board	Rt Rev. P Hendricks (Chairman) Rev. David Elliott Mrs C A Gates Mrs K Nash Dr W O'Neill Mr L Parsons QC Rev. Dr A Pinsent
CEO, Publisher and Company Secretary	Mr Pierpaolo Finaldi
Registered office	40-46 Harleyford Road Vauxhall London SE11 5AY
Company registration number	00057374 (England and Wales)
Charity registration number	218951
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	The Royal Bank of Scotland plc 24 Grosvenor Place London SW1X 7HN
Solicitors	Fox Williams LLP, Solicitors 10 Finsbury Square London EC2A 1AF

The trustees present their report together with the financial statements of The Incorporated Catholic Truth Society (the 'Society', 'Charity' or 'CTS') for the year ended 31 December 2021.

The report has been prepared in accordance with the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies on pages 20 to 24 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Our mission, aims and activities

Our mission

The Mission of the Society is to carry out its apostolate of Catholic publishing and distribution for the benefit of the Catholic and wider Christian community, and of a wider body of general enquirers. The Mission of the Society is also to disseminate Catholic publications at reasonable prices. The Society receives financial and spiritual support from the Catholic community to carry out its work. In pursuit of its charitable aims during 2021, the Society sought to develop its publications, to distribute them widely and actively to contribute to the life of the Church. The Society made efforts to care for its resources, including staff, suppliers, customers and supporters.

Our objectives

The Charity's main objects, as set out in its Memorandum and Articles of Association are:

- ◆ To spread information about Catholic truth and to make better known the faith, practice and history of the Catholic Church.
- ◆ To assist the uneducated poor and others to a better knowledge of the Catholic religion, and with that object, and generally, to promote the circulation of and to disseminate books and publications inculcating and advancing Catholic truth and teaching.
- ◆ To promote information on religious, historical and controversial subjects by conference, public and private meetings, lectures, discussions, books, correspondence with public bodies and individuals or otherwise.

Our mission, aims and activities (continued)

Activities and relevant policies

These objects are achieved through the principal activity of the Society, which is the publishing and disseminating of low-priced doctrinal, scriptural and educational works, assisting all Catholics to a better knowledge of their religion, spreading amongst non-Catholics information about the faith, and assisting the circulation of Catholic books and other audio, audio visual and electronic media.

Each of these activities has the principal aim of spreading knowledge of the Christian faith as widely as is possible within the United Kingdom, and increasingly to other English speaking constituencies as well. They serve the practising Catholic community, parishes, families, colleges and schools, as well as the wider groupings of general enquirers of other faiths and none. Such materials as these raise interest in the Catholic faith, the Society's apostolate and gain new supporters, enabling the Society to continue its charitable work.

In setting the Society's objectives and planning its activities, the trustees have given consideration to the Charity Commission's guidance on public benefit.

Achievements and performance

Publishing

A total of 132,000 books and booklets were distributed by the Society to parishes and individual and trade customers alike (an increase of 8,500 on 2020). An additional 30,000 prayer books were distributed to prisoners via the chaplaincy services of England and Wales.

CTS issued seventeen new publications in 2021: four A6 booklets, four intermediate format books, two other books, two illustrated picture books, two new Vatican Documents, a People's Missal, a calendar and a 2,200 page Breviary for the Ordinariate.

Our Biography of Blessed Carlo Acutis, published in a new intermediate format was a great success and was reprinted twice. Our book on the pandemic through the eyes of the saints was well-received and a great example of the type of publication in which CTS has excelled over the years, viewing difficult current problems with the eyes of faith.

A course book to accompany the popular video series Sycamore was also published and presented to the Holy Father by the author Father Stephen Wang. It showcases CTS's high quality design and supports a resource which is introducing many people to the Catholic Faith in Parishes and University chaplaincies in the UK and abroad.

Perhaps the greatest impact was made with the Divine Worship Daily Office, a project on which we have been working for over 3 years together with an editorial team from the Ordinariate of Our Lady of Walsingham and with generous financial support from the Friends of the Ordinariate in the UK and Australia. The book is beautifully produced and bound in the very best Office Book tradition and an already extended print run sold out in less than a month.

Achievements and performance (continued)

Publishing (continued)

Father Lawrence Lew's *Mysteries Made Visible* and the *O Antiphons* showed the kind of beauty and quality that CTS can produce to enrich the devotional lives of those we serve. In what is still a difficult market, our front list exceeded sales forecasts as did the backlist after a strong last quarter as Parishes re-opened (albeit with an Omicron variant wobble in December).

Organisation

Staffing levels remain stable with a single change in the accounts department. Skill levels in-house are very high and CTS, in conjunction with new IT partners Adept, was able to switch to a fully cloud-based system in Quarter 3 which allows for maximum flexibility for hybrid working and high security for data and backups. A new publishing data system (Stison) was introduced and has already been used for Onix feeds to Nielsen Book Data and for paying author royalties. Stison Project Management for Editorial and Print production will be introduced in 2023.

Fundraising

CTS received £157,809 (2020 – £102,866) in voluntary income including several small legacies. While there was a small decline in overall donations, the Society saw a significant increase in the number and amount of micro donations and top up donations applied at the basket stage of purchases on the website. Over 10% of transactions were topped up and this is an area which merits further investment. The Advent Appeal was completely administered in-house and provided a much improved return on investment (ROI) from an already good 2020 campaign.

Coronavirus pandemic

The Pandemic adversely affected sales especially to parishes for the first three quarters of 2021, a mixture of uncertainty over safe capacity and opening, together with a reduction in Sacramental preparation and the continued ban on CTS booklets in racks from the Bishops conference saw parish sales down significantly. In Quarter 4 CTS was able to communicate to Parishes that book racks could once again be filled and parishes began to order in bulk again for sacramental preparation. This continued until December when the uncertainty surrounding the Omicron variant of the Coronavirus saw sales drop slightly on what would be expected.

Financial report for the year

Results for the year

Total income for the year amounted to £1,021,443 (2020 – £858,633). Publishing sales during 2021 amounted to £855,754 (2020 – £733,556). Also included within income are legacies receivable amounting to £77,865 (2020 – £23,890). Total income from donations and legacies for the year was £157,809 (2020 – £102,866).

Total expenditure amounted to £945,066 (2020 – £1,022,863). The surplus for the year, before actuarial movements on the defined benefit pension scheme liability, was £76,377 (2020 – a deficit of £165,405).

Financial report for the year (continued)

Reserves policy

An important feature of the Society's work and charitable aims is that in pursuing its religious publishing, distribution and retailing it must engage directly in trading activities, which involve not insignificant elements of risk. The Society uses what trading income and non-trading income it receives to further its charitable activities.

Planning permission for the latest redevelopment plans for St Anne's Settlement has been submitted but delays with the Planning Department of Lambeth Council mean vacant possession will not be required until at least Quarter 2 of 2023. CTS will look to relocate in good time with an option in place for CTS to return to the building at St Anne's when it has been completed. Designated funds for this relocation of £75,000 (2020 – £75,000) have been set aside for this purpose.

The Society's reserves policy aims to strike a balance between having sufficient funds to pursue vigorously its charitable objective of publishing and distributing good Catholic resources on the one hand, and the need to maintain some kind of provision against unforeseen misfortune, on the other. The trustees are of the opinion that the size of such a buffer should be approximately equal to at least three months' unrestricted cash expenditure.

Financial position

The balance sheet shows total funds of £718,127 (2020 – £386,750).

Funds restricted to specific purposes amounted to £16,057 (2020 – £16,819).

Funds totalling £75,000 (2020 – £75,000) have been designated, or set aside, by the trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 14 to the financial statements.

General funds of the Charity at 31 December 2021 were £823,070 (2020 – £835,931). Offset against general funds is a pension reserve of £196,000 (2020 – £541,000). At 31 December 2021 the Charity had 'free reserves' of £807,068 (2020 – £819,393) being the unrestricted general funds after deducting the net book value of tangible fixed assets i.e. £16,002 (2020 – £16,538).

The level of free reserves meets the desired buffer as described in the reserves policy above. However, the trustees will remain vigilant, especially during the current crisis, managing cash flow, reserves and expenditure on print and other capital projects to mitigate the impact of the reduction in orders.

Plans for the future

The Bishops Conference of England and Wales officially announced the appointment of CTS as publishers of the Revised Lectionary in early 2021 and work has begun in earnest on the project with a provisional completion date of Advent 2023.

Plans for the future (continued)

This is an even larger project than the 2011 Missal and is an exciting challenge for the Society and its staff. This will involve CTS in considerable preparatory work and investment of time in 2022/23, but presents a great opportunity to provide significant volumes of high quality new publications to the Catholic community in England and Wales and Scotland. The new lectionary affects a significant proportion of the CTS's backlist and, in the interim, it will be necessary to run down related titles until the new text is available.

CTS will be involved in the effort to prepare Parishes to welcome the new text including the training of Lectors and readers, and will be working with the relevant departments of the Bishops' Conferences of England and Wales and Scotland to prepare resources.

CTS Audio will be launched in 2022 with resources available free and also for payment on platforms such as audible. Multiple channels will be used to produce audio materials and to distribute them as widely as possible in a format which is increasing in popularity.

Coronavirus

CTS will continue to offer a hybrid working environment to all staff and has provided hardware to staff and a system which is designed to work seamlessly between home and office.

Direct sales have been an increasingly important sales channel this year and CTS's offering on Amazon will increase to include the majority of the list in 2022.

Governance, structure and management

Governance

The company, which is limited by guarantee (Company Registration No. 00057374 (England and Wales)), is registered for charitable purposes with the Charity Commission (Charity Registration No. 218951).

The trustees are the directors of the Society for the purposes of company law.

The Trustee Management Board is currently made up of the Chairman and six members and meets quarterly to review the activities of the Society; the meetings are also attended by the CEO and Publisher. The trustees review up to date management accounts and business plans. They regularly receive a management report from the CEO and Publisher on progress in key areas of the Society's apostolate, principally publishing, distribution and fundraising. Progress is monitored against an annual plan containing key objectives, activities and targets. The trustees periodically review staffing, training, the Society's risk register, pension provisions and liabilities, as well as major strategic projects requiring significant investment or otherwise central to the apostolate.

A sub-committee reviews salary proposals made by the CEO and Publisher each year. The process is informed by the Society's own salary review policy, performance management process and comparative data from the voluntary and private sectors.

Governance, structure and management (continued)

Governance (continued)

Each trustee has responsibility for monitoring the Charity's activities in specific areas and the skills mix of the members is reviewed regularly to ensure that the trustees have all the necessary skills and experience required to support the management team and the Charity's best development.

New trustees are appointed by the existing trustees after a formal recruitment process, supplemented by consultation with their advisers and the Catholic community. Thereafter, a candidate is invited to attend up to two trustees' meetings to gain knowledge of the Society's work and the level of commitment and expertise it requires. Following this, the trustees may confirm the appointment, which is initially for a term of three years. Members may be reappointed for further terms. Trustees bring their own considerable professional experience and relevant skill sets for the benefit of the Society. Information on trustee responsibilities, made available for example by the Charity Commission, is circulated from time to time to the trustees.

The following trustees were in office during the year ended 31 December 2021:

Trustee

Rt Rev. Paul Hendricks (Chairman)
Rev. David Elliott
Mrs Carrie Ann Gates
Mrs Kate Nash
Dr William O'Neill
Mr Luke Parsons QC
Rev. Dr Andrew Pinsent

Company secretary

Mr Pierpaolo Finaldi

No trustee received any remuneration in respect of their services as a trustee during the year (2020 – £nil). No trustees received reimbursement of out-of-pocket expenses (2020 – £83 was received by three trustees). One trustee received commission of £731 (2020 – £1,200) in respect of books written for CTS prior to becoming a trustee.

No trustee had any beneficial interest in any contract with the Charity during the year.

Brief biographical details of each of the trustees who served during the year are given below.

Rt Rev. Paul Hendricks (Chairman), MA (Oxon), PhL; is a Roman Catholic Bishop, a former Seminary Bursar, and former Parish Priest with several years' experience of overseeing parish finances.

Rev. David Elliott is a priest of the Ordinariate of Our Lady of Walsingham, Priest for the Reading Ordinariate Mission and the Head of Theology at The Oratory School.

Governance, structure and management (continued)

Governance (continued)

Carrie Ann Gates (Treasurer), is a finance manager specialising in insurance accounting with many years' experience in financial and management controls, planning and reporting. She is very active in a local Catholic parish and an enthusiastic member of Girlguiding as a multi-sectional leader and county advisor.

Kate Nash is experienced in market research, marketing and public relations. She was formerly head of marketing and communications for a dot com; a co-director of an innovative marketing and publicity company for UK publishers; and a published novelist. In 2009 she founded the Kate Nash Literary Agency which represents the careers of bestselling authors as well as new talent.

Dr William O'Neill was educated in Manchester and Loughborough. He is a graduate of a number of Universities and has a PhD in Software Engineering. He has worked for large multinationals, public and charity sectors leading IT and business change programmes, most recently as Chief Technology Officer for the National Childbirth Trust.

Luke Parsons QC is a barrister specialising in Commercial Law.

Rev. Andrew Pinsent is a Research Fellow of Harris Manchester College, Research Director of the Ian Ramsey Centre for Science and Religion at Oxford University. A philosopher, theologian, priest, former businessman and former high energy physicist at CERN, he is a contributor via the media and his work in schools to public engagement with science, faith and the big questions of life.

Trustees' responsibilities statement

The Charity's trustees (who are also directors for the purposes of company law) is responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period.

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- ♦ make judgements and estimates that are reasonable and prudent;

Governance, structure and management (continued)

Trustees' responsibilities statement (continued)

- ◆ 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 Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Liability of the members

The liability of the members is limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, members are each required to contribute an amount not exceeding £1.

Organisational structure

The CEO and Publisher has responsibility for the day to day management of the Society's business and reports to the trustees formally every quarter.

Key management personnel

The Society's staff operate in dedicated teams responsible across the principal functions of the Society's apostolate; they meet regularly with their managers to ensure that key targets and objectives are being met.

Governance, structure and management (continued)

Key management personnel (continued)

The trustees monitor the Charity's activities in operational areas and constant regard is had to the skills mix to ensure that the trustees have all the necessary skills required to contribute to the Charity's development.

The key management personnel of the Society, responsible for directing and controlling, running and operating the Charity on a day to day basis, comprise the trustees together with the CEO and Publisher. The Trustees do not receive remuneration for their services as trustees.

The trustees set the remuneration of and determine any annual salary awards for the CEO and Publisher. Reference is made to remuneration for similar roles in the charity and private sectors, the level of responsibilities and skills attaching to the role, and the role itself in relation to other similar and different roles within the organisation. Regard may also be had to the annual job role performance review and to the particular standards, expectations and outcomes for the role. Finally, the overall financial performance of the Society is also considered in setting remuneration.

Employees

The Incorporated Catholic Truth Society strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Incorporated Catholic Truth Society is committed to a programme of action to make this policy effective and brings it to the attention of all employees.

Volunteers

Over 500 volunteers manage CTS parish racks in parishes and other locations up and down the country, introducing enquirers and parishioners to material to support and nurture their faith. It is impossible to quantify the value and the full impact of this support, not only in parishes but also in schools. A lively and active parish bookrack can become a unique support to parish priests and pastoral workers in their outreach programs. We are always grateful to that small number of volunteers who help us on an ad hoc basis at various times in the year at our offices or warehouse on small but important projects and support.

Risk management

The trustees continue to assess the major risks to which the Charity is exposed, in particular those relating to the specific operational areas and finances.

Governance, structure and management (continued)

Risk management (continued)

The current areas under review are:

- ◆ Financial position – The trustees are aware of the need to remain vigilant and continue the work of the strategic plan in 2022 to reduce costs and increase sales revenue, as described above.
- ◆ Structure of the Charity – The trustees will monitor the new organisational structure to ensure that it delivers the budgeted cost savings as the impact of the Coronavirus pandemic recedes.
- ◆ Head office relocation – The trustees and the CEO and Publisher will work with St Anne's Settlement, the Society's landlord, and Notting Hill Genesis, the Settlement's development partner, to ensure a smooth and cost efficient temporary relocation.
- ◆ Cost rises and Supply chain problems – As a producer primarily of physical books, the Society is subject to the same problems that are being experienced across the industry. Paper prices are rising and supply chain problems have caused lead times on materials (paper, leather, ink, cardboard, aluminium for print plates etc.) to extend significantly. Rising fuel costs are also leading to continually increasing shipping costs. Retail prices will have to rise in line with what is happening across the industry. CTS will continue to search out competitive print solutions and diversify into non-printed books.

The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and that where necessary they are adapted or strengthened, and by examining the operational and business risks faced by the Charity, they have established effective systems to mitigate those risks.

Signed on behalf of the trustees:



Trustee

Approved on: 26th July 2022

Independent auditor's report to the members of The Incorporated Catholic Truth Society

Opinion

We have audited the financial statements of The Incorporated Catholic Truth Society (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

Matters on which we are required to report by exception (continued)

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures in respect to the remuneration of trustees specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit

Trustees' responsibilities

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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:

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006), those that relate to data protection (General Data Protection Regulation) and those in relation to copyright, specifically the Copyright, Designs and Patents Act 1988, as amended by the Copyright and Related Rights Regulations 2003.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to 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; and
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether the judgements and the assumptions made in determining accounting estimates for the probability of receipt of legacies, the provision for slow moving stock, the provision for bad and doubtful debts, and the actuarial valuation of the defined benefit pension scheme liability were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

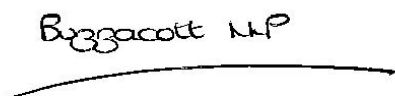
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of 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 financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, or the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". Below the signature is a horizontal line.

Amanda Francis (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

1 September 2022

Statement of financial activities (including and income and expenditure account)
Year to 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from:							
Donations and legacies	1	157,351	458	157,809	102,154	712	102,866
Interest receivable		7,880		7,880	21,056	—	21,056
Charitable activities							
. Publication sales	2	855,754	—	855,754	733,556	—	733,556
Other sources:							
. Coronavirus Job Retention Scheme grants		—	—	—	1,155	—	1,155
Total income		1,020,985	458	1,021,443	857,921	712	858,633
Expenditure on:							
Raising funds	3	6,353	—	6,353	8,279	—	8,279
Charitable activities							
. Publication and dissemination of Catholic publications	4	937,493	1,220	938,713	1,014,584	1,175	1,015,759
Total expenditure		943,846	1,220	945,066	1,022,863	1,175	1,024,038
Net income (expenditure)		77,139	(762)	76,377	(164,942)	(463)	(165,405)
Actuarial gains (losses) on defined benefit pension scheme	17	255,000	—	255,000	(253,000)	—	(253,000)
Net movement in funds	6	332,139	(762)	331,377	(417,942)	(463)	(418,405)
Reconciliation of funds:							
Total funds brought forward at 1 January 2021		369,931	16,819	386,750	787,873	17,282	805,155
Total funds carried forward at 31 December 2021		702,070	16,057	718,127	369,931	16,819	386,750

There were no recognised gains and losses other than those set out in the statement of financial activities above.

All the Charity's activities derived from continuing operations during each of the above two financial years.

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		16,002		16,538
Current assets					
Stocks	10	172,312		143,853	
Debtors	11	120,769		86,346	
Short term deposits		752,860		869,575	
Cash at bank and in hand		10,084		9,214	
		1,056,025		1,108,988	
Creditors: amounts falling due within one year	12	(157,900)		(197,776)	
Net current assets			898,125		911,212
Total net assets excluding pension liability			914,127		927,750
Pension liability	17		(196,000)		(541,000)
Total net assets including pension liability			718,127		386,750
 The funds of the Charity					
Restricted funds	13		16,057		16,819
Unrestricted funds					
. Designated funds	14		75,000		75,000
. General funds		823,070		835,931	
. Pension reserve	17	(196,000)		(541,000)	
			627,070		294,931
			718,127		386,750

Approved by the trustees
and signed on their behalf by: *Carrie Ann Gates*
Trustee

Approved on: 26th July 2022

The Incorporated Catholic Truth Society
Company Registration Number: 00057374 (England and Wales)

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(108,904)	(113,375)
Cash flows from investing activities:			
Interest received		7,880	21,056
Purchase of tangible fixed assets		(11,782)	(1,459)
Net cash (used in) provided by investing activities		(3,902)	19,597
Change in cash and cash equivalents in the year		(112,806)	(93,778)
Cash and cash equivalents at 1 January 2021	B	875,084	968,862
Cash and cash equivalents at 31 December 2021	B	762,278	875,084

Notes to the statement of cash flows for the year to 31 December 2021.

A Reconciliation of net movement in funds to net cash used in operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	331,377	(418,405)
Adjustments for:		
Depreciation charge	12,318	19,021
Actuarial losses on pension scheme	(255,000)	253,000
Pension cost less contributions payable	(97,000)	(91,000)
Pension finance cost	7,000	7,000
Interest receivable	(7,880)	(21,056)
Increase in stocks	(28,459)	(6,942)
(Increase) decrease in debtors	(34,423)	122,284
(Decrease) increase in creditors	(36,837)	22,723
Net cash used in operating activities	(108,904)	(113,375)

B Analysis of changes in cash and cash equivalents

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	9,214	870	10,084
Short term deposits	869,575	(116,715)	752,860
Bank overdraft facility	(3,705)	3,039	(666)
	875,084	(112,806)	762,278

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2021

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

Basis of accounting

These financial statements have been prepared for the year to 31 December 2021 with comparative information given in respect to the year ended 31 December 2020.

The financial statements have been prepared under the historical cost convention with items initially 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities FRS 102 SORP 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect to:

- ◆ assessing the probability of receiving legacies of which the Charity has been notified;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ assessing the appropriateness of any provision for slow moving or obsolete stock;
- ◆ assessing the appropriateness of any provision needed against doubtful and bad debts;
- ◆ assessing the appropriateness of the underlying assumptions of the actuarial valuation of the pension scheme; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

With respect to the next reporting period, the actuarial valuation of the pension scheme remains the most significant area of uncertainty that may affect the carrying value of assets held by the Charity.

Assessment of going concern

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

The Coronavirus pandemic had a significant negative effect on trade sales during the comparative period, 2020, due to the closure of bookshops, of book distributors and the downgrading of book sales by online retailers such as Amazon. However, sales income has picked up during 2021 and has remained positive during the beginning of 2022 as restrictions have been removed.

In the short term, the charity will continue to protect reserves by simplifying the range of high cost items, and work will continue on projects which will see a return in the longer-term as the Catholic liturgical landscape evolves. The most significant of these projects follows the official announcement by the Bishops Conference of England and Wales of the appointment of CTS as publishers of the Revised Lectionary in early 2021. Work has begun in earnest on the project with a provisional completion date of Advent 2023.

Therefore, the trustees are of the opinion that the Charity has planned carefully in order to meet its liabilities as they fall due and, whilst they acknowledge that there will be challenges ahead, they are of the opinion that the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the Charity is entitled to receipt, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, legacies, interest receivable, income from the sale of publications and occasional miscellaneous income.

Donations are recognised when the Charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income recognition (continued)

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity.

Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the Charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid of payable by the bank.

Income from publication sales is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually at the point of sale. This includes sales of publications to schools and parishes who benefit from reduced prices.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the Charity is entitled to receive the funds and when the amount receivable can be quantified.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity 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. 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:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the Charity. This includes staff costs and direct costs associated with generating donated income and an allocation of support costs.

Expenditure recognition (continued)

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include staff costs, direct and support costs including governance costs.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Staff costs are allocated between expenditure on raising funds and expenditure on charitable activity based on the percentage of time spent on these activities by the employees of the Charity.

Support and governance costs are allocated to expenditure on charitable activities as it is considered that any apportionment to expenditure on raising funds would be immaterial.

Tangible fixed assets

All assets costing in excess of £500 and with an estimated useful life exceeding one year are capitalised in these financial statements.

Depreciation is provided at the following annual rates on a straight line basis in order to write off each asset over its estimated useful life:

- ◆ Computers and office equipment 33⅓% on cost

Stocks

Stocks of books and pamphlets for resale are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stock.

Debtors

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

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. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

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 can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The general funds comprise those monies which may be used towards meeting the charitable objectives of the Charity and may be applied at the discretion of the trustees.

The pension reserve is the net liability on the Charity's defined benefit pension scheme.

The designated funds are monies set aside out of general funds for specific purposes by the trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Leased assets

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

Pension costs

Contributions to defined contribution pension schemes and to employees' personal pension plans are charged to the statement of financial activities in the year in which they are payable.

The Charity operates a defined benefit pension scheme which is closed to new members and no existing employees are members. The scheme is funded by contributions from the employer. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Donations	79,486	458	79,944	78,264	712	78,976
Legacies	77,865	—	77,865	23,890	—	23,890
	157,351	458	157,809	102,154	712	102,866

2 Income from: Publication sales

The publication sales are attributable the publishing and/or distribution of pamphlets, books and other media. An analysis of publication sales for the year is given below:

	Total 2021 £	Total 2020 £
United Kingdom	689,958	598,102
Overseas	165,796	135,454
Operating lease rentals	855,754	733,556

3 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Staff costs (note 7a)	3,102	—	3,102	2,585	—	2,585
Communications	3,251	—	3,251	5,694	—	5,694
	6,353	—	6,353	8,279	—	8,279

4 Expenditure on: Publication and dissemination of Catholic publications

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Publishing						
Cost of publication sales	193,772	—	193,772	275,427	—	275,427
Cost of despatch, shipping, and storage	145,599	—	145,599	117,732	—	117,732
Advertising and marketing costs	15,146	1,220	16,366	18,295	1,175	19,470
Staff and related costs (note 7a)	422,470	—	422,470	426,209	—	426,209
Premises costs	22,069	—	22,069	30,992	—	30,992
Communications	6,093	—	6,093	7,921	—	7,921
Computer costs	66,062	—	66,062	76,536	—	76,536
Depreciation	12,318	—	12,318	19,021	—	19,021
Banking and other costs	15,771	—	15,771	9,659	—	9,659
Governance costs (note 5)	38,193	—	38,193	32,792	—	32,792
	937,493	1,220	938,713	1,014,584	1,175	1,015,759

5 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Professional fees	11,662	—	11,662	5,992	—	5,992
Auditor's remuneration	26,531	—	26,531	26,800	—	26,800
	38,193	—	38,193	32,792	—	32,792

6 Net movement in funds

This is stated after charging:

	Total 2021 £	Total 2020 £
Staff costs (note 7a)	425,572	428,794
Auditor's remuneration		
· Current year audit fee	22,000	21,000
· Under (over) provision in prior period	700	3,100
· Pension scheme audit fee	3,831	2,700
Depreciation	12,318	19,021
Operating lease rentals	14,078	14,908

7a Employee and key management remuneration

	Total 2021 £	Total 2020 £
Staff costs during the year were as follows:		
Wages and salaries	353,953	353,290
Social security costs	25,431	23,746
Other pension costs	45,273	51,124
Other staff costs	915	634
	425,572	428,794
Staff costs per function were as follows:		
Costs of generating voluntary income	3,102	2,585
Publishing	422,470	426,209
	425,572	428,794

One employee earned between £70,000 and £80,000 (including taxable benefits but excluding employer's pension contributions) during the year (2020 – one). Contributions of £4,289 (2020 – £4,235) were made to the personal pension schemes of higher paid members of staff during the year.

The average number of employees, analysed by function, was:

	Average headcount	
	2021	2020
Publishing	10	11

Key management personnel

Key management personnel comprise the trustees and the CEO and Publisher. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year was £100,712 (2020 – £99,512).

7b Trustees' remuneration

No trustee received any remuneration in respect of their services as a trustee during the year (2020 – £nil). No trustees received reimbursement of out-of-pocket expenses (2020 – £83 was received by three trustees). One trustee received commission of £731 (2020 – £1,200) in respect of books written for CTS prior to becoming a trustee.

8 Taxation

The Incorporated Catholic Truth Society is a registered charity 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.

9 Tangible fixed assets

	Computers and office equipment £
Cost	
At 1 January 2021	66,369
Additions	11,782
At 31 December 2021	78,151
Depreciation	
At 1 January 2021	49,831
Charge for year	12,318
At 31 December 2021	62,149
Net book values	
At 31 December 2021	16,002
At 31 December 2020	16,538

10 Stocks

	2021 £	2020 £
Publications for sale	172,312	143,853

11 Debtors

	2021 £	2020 £
Publication sales	65,670	39,647
Other debtors	24,853	17,564
Legacies receivable	13,000	11,100
Prepayments and other accrued income	17,246	18,035
	120,769	86,346

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Expense creditors	18,766	62,413
Taxation and social security costs	7,822	6,058
Royalties	56,000	47,500
Accruals and deferred income	74,646	78,100
Bank overdraft	666	3,705
	157,900	197,776

13 Restricted funds

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Prisoners' appeal	16,749	458	(1,150)	—	16,057
University fund appeal	70	—	(70)	—	—
Total restricted funds	16,819	458	(1,220)	—	16,057

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
Prisoners' appeal	17,212	712	(1,175)	—	16,749
University fund appeal	70	—	—	—	70
Total restricted funds	17,282	712	(1,175)	—	16,819

Since 2008, the Charity has on occasions made appeals to make some of its publications available to deserving or less fortunate groups. The Charity continues to consider such appeals desirable and helpful. Each year the Charity appeals for support to supply free CTS materials to Catholic University chaplaincies in the UK during freshers' week. An appeal was launched during 2015 to make available Catholic resources in prisons and completed during the year ended 31 December 2016. Any unspent balances on this fund may be transferred to general funds due to the inclusion of a clause enabling the Society to apply any amount raised over and above that which was needed for its general purposes.

14 Designated funds

	At 1 January 2021 £	New designations £	Utilised/ released £	At 31 December 2021 £
Relocation fund	75,000	—	—	75,000

14 Designated funds (continued)

	At 1 January 2020 £	New designations £	Utilised/ released £	At 31 December 2020 £
Relocation fund	150,000	—	(75,000)	75,000
Transformation fund	150,000	—	(150,000)	—
	300,000	—	(225,000)	75,000

The **Relocation Fund** represents funds set aside towards a possible relocation of the Charity's office premises.

The **Transformation Fund** was put in place to allow the Charity to further improve its technology infrastructure and make working in new and more flexible ways more efficient and convenient.

15 Analysis of net assets (excluding pension liability) between funds

	General funds £	Designated funds £	Restricted funds £	Total 2021 £	General funds £	Designated funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2021 are represented by:								
Tangible fixed assets	16,002	—	—	16,002	16,538	—	—	16,538
Net current assets	807,068	75,000	16,057	898,125	819,393	75,000	16,819	911,212
Total net assets excluding pension liability	823,070	75,000	16,057	914,127	835,931	75,000	16,819	927,750

16 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, members are each required to contribute an amount not exceeding £1.

17 Pension commitments

The Charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held independently from the Charity's finances. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

The scheme's assets consist of a unitised with profits policy with Phoenix Life Group, an investment bond, annuity policies held in the name of the trustees and a bank account.

The value of the scheme's assets (excluding the value of annuity policies held in the name of the trustees) as at 31 December 2021 was £779,000 (2020 – £852,000).

The Charity's contributions to the scheme were £97,000 for the year (2020 – £91,000). The scheme is closed to new members and no existing employees are members.

17 Pension commitments (continued)***Present values of scheme liabilities, fair value of assets and deficit***

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Fair value of scheme assets	779	852	1,281	1,032	844
Present value of scheme liabilities	(975)	(1,393)	(1,653)	(1,390)	(1,492)
Deficit in scheme	(196)	(541)	(372)	(358)	(648)

Movement in deficit during the year

	2021 £'000	2020 £'000
Deficit at 1 January 2021	(541)	(372)
Contributions	97	91
Net loss on scheme	(7)	(7)
Actuarial gains (losses)	255	(253)
Deficit at 31 December 2021	(196)	(541)

Reconciliation of opening and closing balances of the fair value of scheme assets

	2021 £'000	2020 £'000
Fair value of assets at start of period	852	1,281
Expected return on scheme assets	11	22
Actuarial gains (losses)	61	(28)
Benefits paid	(242)	(514)
Contributions by the Society	97	91
Fair value of assets at end of period	779	852

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2021 £'000	2020 £'000
Present value of liabilities at start of period	1,393	1,653
Interest cost	18	29
Actuarial (gains) losses	(194)	225
Benefits paid	(242)	(514)
Present value of liabilities at end of period	975	1,393

The estimated value of the employer contributions for the year ending 31 December 2022 is £97,000 (2021 – £91,000).

Actuarial assumptions

A full actuarial valuation was carried out at 30 June 2014 and updated to 31 December 2017 by a qualified independent actuary. The major assumptions used by the actuary were:

	2021	2020	2019	2018	2017
Discount rate	1.80%	1.40%	2.10%	2.90%	2.50%
Rate of increase in pensions in payment for pensionable service from 6 April 1997	3.70%	3.60%	3.60%	3.70%	3.70%
Inflation assumption (RPI)	3.30%	2.90%	3.00%	3.20%	3.20%

17 Pension commitments (continued)

The mortality assumptions adopted at 31 December 2021 imply the following life expectancies in years:

	Current pensioners	Retiring in 20 years
Males	22.2	22.5
Females	22.9	24.5

The assets in the scheme and the expected rate of return

	Value at 31 December 2021 £'000	Value at 31 December 2020 £'000	Value at 31 December 2019 £'000
Assets			
Equities	138	102	103
Bonds	22	20	21
Unitised with profits	378	552	709
Cash	241	178	448
Total market value of assets	779	852	1,281
Actuarial value of liability	(975)	(1,393)	(1,653)
Deficit	(196)	(541)	(372)

No long term expected rate of return has been provided as for accounting periods beginning on or after 1 January 2015. The expected return and interest cost have been replaced with a single net interest cost.

Information in respect to statement of financial activities

Analysis of net return on pension scheme

	2021 £'000	2020 £'000
Net interest cost and net return	(7)	(7)

Amounts recognised as other gains and losses

	2021 £'000	2020 £'000
Actual return less expected return on pension scheme assets	61	(28)
Change in financial and demographic assumptions underlying the scheme assets	194	(225)
Actuarial losses recognised	255	(253)

18 Related party transactions

Aside from the transactions disclosed in note 7b, the trustees made aggregate donations of £360 to the charity during 2021 (2020 – £365).

There were no other related party transactions requiring disclosure in the year (2020 – none).

19 Leasing commitments

Operating leases

At 31 December 2021 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Operating lease payments which expire:				
Within one year	11,550	11,550	—	3,358

The operating lease liabilities are subject to the terms of the agreements relating to the relevant land and buildings and other assets.

THE INCORPORATED CATHOLIC TRUTH SOCIETY

England & Wales - Charity number 218951

Accounts

**The
Incorporated
Catholic
Truth
Society**

**Annual Report and Financial
Statements**

31 December 2020

Company Limited by Guarantee
Registration Number
00057374 (England and Wales)

Charity Registration Number
218951

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Reference and administrative details

Trustee management board	Rt Rev. P Hendricks (Chairman) Rev. David Elliott (appointed 21 January 2020) Mrs C A Gates Mrs K Nash Dr W O'Neill Mr L Parsons QC Rev. Dr A Pinsent
CEO, Publisher and Company Secretary	Mr Pierpaolo Finaldi
Registered office	40-46 Harleyford Road Vauxhall London SE11 5AY
Company registration number	00057374 (England and Wales)
Charity registration number	218951
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	The Royal Bank of Scotland plc 24 Grosvenor Place London SW1X 7HN
Solicitors	Fox Williams LLP, Solicitors 10 Finsbury Square London EC2A 1AF

The trustees present their report together with the financial statements of The Incorporated Catholic Truth Society (the 'Society', 'Charity' or 'CTS') for the year ended 31 December 2020.

The report has been prepared in accordance with the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies on pages 23 to 27 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Our mission, aims and activities

Our mission

The Mission of the Society is to carry out its apostolate of Catholic publishing and distribution for the benefit of the Catholic and wider Christian community, and of a wider body of general enquirers. The Mission of the Society is also to disseminate Catholic publications at reasonable prices. The Society receives financial and spiritual support from the Catholic community to carry out its work. In pursuit of its charitable aims during 2020, the Society sought to develop its publications, to distribute them widely and actively to contribute to the life of the Church. The Society made efforts to care for its resources, including staff, suppliers, customers and supporters.

Our objectives

The Charity's main objects, as set out in its Memorandum and Articles of Association are:

- ◆ to spread information about Catholic truth and to make better known the faith, practice and history of the Catholic Church.
- ◆ to assist the uneducated poor and others to a better knowledge of the Catholic religion, and with that object, and generally, to promote the circulation of and to disseminate books and publications inculcating and advancing Catholic truth and teaching.
- ◆ To promote information on religious, historical and controversial subjects by conference, public and private meetings, lectures, discussions, books, correspondence with public bodies and individuals or otherwise.

Our mission, aims and activities (continued)

Activities and relevant policies

These objects are achieved through the principal activity of the Society, which is the publishing and disseminating of low-priced doctrinal, scriptural and educational works, assisting all Catholics to a better knowledge of their religion, spreading amongst non-Catholics information about the faith, and assisting the circulation of Catholic books and other audio, audio visual and electronic media.

Each of these activities has the principal aim of spreading knowledge of the Christian faith as widely as is possible within the United Kingdom, and increasingly to other English speaking constituencies as well. They serve the practising Catholic community, parishes, families, colleges and schools, as well as the wider groupings of general enquirers of other faiths and none. Such materials as these raise interest in the Catholic faith, the Society's apostolate and gain new supporters, enabling the Society to continue its charitable work.

In setting the Society's objectives and planning its activities, the trustees have given consideration to the Charity Commission's guidance on public benefit.

Achievements and performance

Publishing

2020 was a very busy year for CTS's activity as Publisher to the Holy See and included Pope Francis's third Encyclical 'Fratelli Tutti' and the Holy Father's Post Synodal Apostolic Exhortation, 'Querida Amazonia' among other documents.

CTS was also entrusted for the first time in a generation with the task of producing the official translation of the 'Directory for Catechesis' on behalf of the Vatican. This was done very quickly and accurately and the translation has gone on to be used in the USA, Australia, Philippines and Nigeria.

Due to the pandemic, CTS's publishing activities had to be adapted through the year in response to the changing situation and needs of its benefactors

A new paperback format has been developed for publications that will be more attractive to online trade and individual purchasers to respond to the requirements of a post-covid business model 2020 began with much anticipation for the 'Year of the Word: A God Who Speaks' announced by the Bishops Conference of England and Wales to coincide with the 800th anniversary of the death of St Jerome and run for most of 2020. Dom Henry Wansbrough's 'A Year with the Bible' was followed by a very accessible leaflet on the Year of the Word and Pope Francis's Apostolic letter 'Scripturae Sacrae Affectus'. However, many events relating to the Year of the Word were curtailed or cancelled, and therefore so was the publishing schedule designed to accompany it.

Several titles were produced for children preparing for First Holy Communion and young people of Confirmation age. These included a timely title on the Church year for children which included activities to be done in the family, something which came into its own during lockdown as families looked for ways to continue the practice of their faith without the usual support of their parish or Catholic school.

Achievements and performance (continued)

Publishing (continued)

The Charity produced a new title on the relationship between faith and mental health, which was especially relevant to people struggling with the effects of lockdown and the pandemic more generally on their sense of wellbeing. It also commissioned a text for publication in early 2021 on understanding from the perspective of faith.

CTS provided materials, suggestions and instructions for home liturgies and devotions to be practised in the family throughout the year. Many resources were provided for free through our website, and promoted on social media, to help the Catholic community remain in touch with the practise of the faith during the pandemic.

In 2020 CTS sold and distributed over 128,000 publications.

CTS has renewed its activities in the USA through a partnership with the Augustine Institute and plans to build on this in future.

Organisation

CTS was able to transition to remote working in March 2020 with minimal disruption in service to customers and parishes. Essential staff were able to continue working in a Covid Secure environment and the office in Vauxhall is ready to welcome back staff when regulations allow.

Fundraising

In response to the impact restrictions on public worship, and the fact that many were unable to return to church in person due to the need to shield themselves from any possible exposure, or because they were caring for a vulnerable person, CTS provided over 3,000 copies of the 2021 Sunday Missal at cost price so that the Sunday readings could be followed during Masses streaming online or in the course of private or family prayer and reflection.

For the first time, the Charity successfully raised funds exclusively via social media for a project to provide prisoners with the CTS calendar for 2021. This will be repeated in the future for suitable project-based fundraising.

CTS received £102,866 (2019 – £314,674) in voluntary income including several small legacies. The Advent Appeal was monitored in detail and provided a return on investment (ROI) on the higher end of what is expected for Direct Mail campaigns.

Coronavirus pandemic

The global pandemic presented key opportunities in the Charity's central apostolate. Many individuals purchased directly from CTS in the absence of the ability to purchase materials from their parishes, which meant sales to individuals have increased. CTS books have been of great value to people in maintaining their devotional and liturgical life in lockdown, and the charity sought to further support its benefactors with several new publications specifically addressing the challenges of the global pandemic. Social media has also proved vital to maintaining the faith in this time and CTS has seen significantly higher engagements with its social media output.

Achievements and performance (continued)

Coronavirus pandemic (continued)

CTS has shifted its editorial and production capacity to longer term projects and invested time conserving its cash reserves by delaying new publications and reprints. The Charity has concentrated on maintaining cashflow by improving credit control and concentrating efforts on filing prompt claims for Gift Aid and VAT; staffing needs have been kept under review in the light of the Government's Coronavirus Job Retention Scheme. The Charity is in a good position regarding liquidity, but in the light of the current pandemic-related slump, the Charity's cash reserves will be monitored closely.

As for virtually all organisations in the UK, this single greatest impact on the mission and financial performance of CTS in 2020 was the COVID-19 pandemic, particularly the restrictive measures introduced by the government to contain and mitigate its effects. Following a positive beginning to the first quarter of the year, CTS felt the effects of lockdown and other control measures as soon as they were implemented.

Internally, CTS was well prepared to move to remote working for all employees without any interruption to all its services. Sales and distribution operations have continued seamlessly and a number of urgent publications have been produced under lockdown.

The COVID-19 crisis has had a significant negative effect on trade sales due to the closure of bookshops, of book distributors and the downgrading of book sales by online retailers such as Amazon. Whilst many publishers experienced notable surges in online sales during the first lockdown, and whilst a segment of the charity's online distribution remained strong, overall sales were deeply impacted because of the centrality of the Catholic parishes in the UK to CTS's mission.

In March, 2020 public communal worship was suppressed in the UK and throughout much of the world for the first time in living memory, indeed for the first time since CTS was founded. This meant that for a period of time Catholic parishes were essentially closed and, following that, open only for private prayer with strict limitations on the number of people permitted and how they could use the space. The Society has traditionally distributed many of its publications through sales racks in Catholic parishes, which are stocked with CTS books, leaflets, and prayer cards by the parishes, giving Catholic parishioners and any other visitors to the parishes easy access to the resources the charity publishes. However, when the parishes reopened for private prayer, and later for public communal worship, at the specific instruction of the Catholic Bishops of England and Wales, parishes were advised to remove CTS sales racks or remove the publications from them. This was done in order to reduce transmission of COVID-19 as it was considered difficult or impossible to ensure that browsed items could be identified and sanitised. This meant that after lockdown began CTS sales from parish racks dropped by 100%, and due to continuing restrictions, did not recover.

Achievements and performance (continued)

Coronavirus pandemic (continued)

In addition to ordering for the sales racks, Catholic parishes are key benefactors of the Charity in that they will often purchase resources in bulk for parish activities, particularly catechesis and sacramental formation (i.e. Confirmation and the Rite of Christian Initiation of Adults). During lockdown most parishes halted all of these activities, which meant that they did not need the resources to run them. This resulted in significant drops in the sales of some key CTS publications, particularly in our *YouCat* and *Evangelium* lines, and also in products related to parish-based sacramental formation and initiation, such as certificates and items purchased as gifts for the newly baptised, first holy communicants, and confirmandi. The Charity anticipates that these sales will recover strongly as parishes catch up on the sacramental initiation that was paused during lockdown and recommence their regular schedules, but the effect in 2020 on parish restrictions was on the whole unavoidably negative.

The trustees acknowledge that there will be challenges that lie ahead as a result of the pandemic. However, they believe that the Charity will be able to withstand these from a financial perspective and hence that it is appropriate for the Charity to prepare its financial statements on a going concern basis.

Financial report for the year

Results for the year

Total income for the year amounted to £858,633 (2019 – £1,449,567). Publishing sales during 2020 amounted to £733,556 (2019 – £1,124,995). Also included within income are legacies receivable amounting to £23,890 (2019 – £221,597); included in the 2019 figure was one large legacy of £137,649. Total income from donations and legacies for the year was £102,866 (2019 – £314,674).

Total expenditure amounted to £1,024,038 (2019 – £1,357,834). Expenditure for 2019 included a number of one-off restructuring costs including staff restructuring costs, which amounted to £15,258.

The deficit for the year, before actuarial movements on the defined benefit pension scheme liability, was £165,405 (2019 – a surplus of £91,733).

Reserves policy

An important feature of the Society's work and charitable aims is that in pursuing its religious publishing, distribution and retailing it must engage directly in trading activities, which involve not insignificant elements of risk. The Society uses what trading income and non-trading income it receives to further its charitable activities.

Financial report for the year (continued)

Reserves policy (continued)

Planning permission for the latest redevelopment plans for St Anne's Settlement has been submitted and vacant possession is required in Q2 of 2022. CTS will relocate in January 2022 with an option in place for CTS to return to the building when it has been completed. Designated funds for this relocation of £75,000 (2019 – £150,000) have been set aside for this purpose.

The Society's reserves policy aims to strike a balance between having sufficient funds to pursue vigorously its charitable objective of publishing and distributing good Catholic resources on the one hand, and the need to maintain some kind of provision against unforeseen misfortune, on the other. The trustees are of the opinion that the size of such a buffer should be approximately equal to at least three months' unrestricted cash expenditure.

Financial position

The balance sheet shows total funds of £386,750 (2019 – £805,155).

Funds restricted to specific purposes amounted to £16,819 (2019 – £17,282).

Funds totalling £75,000 (2019 – £300,000) have been designated, or set aside, by the trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 14 to the financial statements.

General funds of the Charity at 31 December 2020 were £835,931 (2019 – £859,873). Offset against general funds is a pension reserve of £541,000 (2019 – £372,000). At 31 December 2020 the Charity had 'free reserves' of £819,393 (2019 – £825,773) being the unrestricted general funds after deducting the net book value of tangible fixed assets i.e. £16,538 (2019 – £34,100).

The level of free reserves meets the desired buffer as described in the reserves policy above. However, the trustees will remain vigilant, especially during the current crisis, managing cash flow, reserves and expenditure on print and other capital projects to mitigate the impact of the reduction in orders.

Plans for the future

The Bishops Conference of England and Wales has officially announced the appointment of the CTS as publishers of the Revised Lectionary that is planned for 2022. This is an even larger project than the 2011 Missal and is an exciting challenge for the Society and its staff. This will involve CTS in considerable preparatory work and investment of time in 2021, but presents a great opportunity to provide significant volumes of high quality new publications to the Catholic community in England and Wales. The new lectionary will affect a significant proportion of the CTS's backlist and in the interim reprint decisions will have to be made with caution.

Plans for the future (continued)

CTS is also working on a substantial series related to the new Directory for Catechesis comprising subject-specific guides for use by lay catechists, parish priests, parents, and Catholic school teachers involved in sacramental preparation, faith formation, or any other species of catechesis. It will include many topics of broad interest and relevance, including the role of social media and digital resources in catechesis and passing on the Catholic faith in family life, as well as topics of more specific concern, such as First Holy Communion catechesis. This series is being developed and written in collaboration with the Franciscan University Catechetical Institute (Steubenville) and Our Sunday Visitor. We anticipate publication beginning in 2021 and continuing through 2022 or 2023.

Coronavirus

Remote working has been undertaken across the board at CTS as wellbeing and health of all staff has been the Society's highest priority. The IT systems have been adapted to this new way of working and have settled into a reliable and stable system. Future upgrades are planned in 2021 to maintain seamless remote working, data security and reliable connections.

The pandemic has been an opportunity to further rationalise supplier contracts and make cost-savings based on new ways of working.

Direct sales have been an increasingly important sales channel this year. This has meant significant investment of time and effort into our Social Media output and our website. The number of Social media engagements has grown significantly through the year as has our email list. All publications are now available to preview on our website and we have undertaken a full review of our ebook offerings to ensure that all files are up to date and being offered across the major platforms.

Governance, structure and management

Governance

The company, which is limited by guarantee (Company Registration No. 00057374 (England and Wales)), is registered for charitable purposes with the Charity Commission (Charity Registration No. 218951).

The trustees are the directors of the Society for the purposes of company law.

The Trustee Management Board is currently made up of the Chairman and six members and meets quarterly to review the activities of the Society; the meetings were also attended by the CEO and Publisher. The trustees review up to date management accounts and business plans. They regularly receive a management report from the CEO and Publisher on progress in key areas of the Society's apostolate, principally publishing, distribution, fundraising, and (whilst it was open) the retail bookshop. Progress is monitored against an annual plan containing key objectives, activities and targets. The trustees periodically review staffing, training, the Society's risk register, pension provisions and liabilities, as well as major strategic projects requiring significant investment or otherwise central to the apostolate.

Governance, structure and management (continued)

Governance (continued)

A sub-committee reviews salary proposals made by the CEO and Publisher each year. The process is informed by the Society's own salary review policy, performance management process and comparative data from the voluntary and private sectors.

Each trustee has responsibility for monitoring the Charity's activities in specific areas and the skills mix of the members is reviewed regularly to ensure that the trustees have all the necessary skills and experience required to support the management team and the Charity's best development.

New trustees are appointed by the existing Trustees after a formal recruitment process, supplemented by consultation with their advisers and the Catholic community. Thereafter, a candidate is invited to attend up to two Trustees' meetings to gain knowledge of the Society's work and the level of commitment and expertise it requires. Following this, the Trustees may confirm the appointment, which is initially for a term of three years. Members may be reappointed for further terms. Trustees bring their own considerable professional experience and relevant skill sets for the benefit of the Society. Information on trustee responsibilities, made available for example by the Charity Commission, is circulated from time to time to the trustees.

The following trustees were in office during the year ended 31 December 2020:

Trustee	Appointed/ Resigned
Rt Rev. Paul Hendricks (Chairman)	Appointed 21 January 2020
Rev. David Elliott	
Mrs Carrie Ann Gates	
Mrs Kate Nash	
Dr William O'Neill	
Mr Luke Parsons QC	
Rev. Dr Andrew Pinsent	
Company secretary	
Mr Pierpaolo Finaldi	

No trustee received any remuneration in respect of their services as a trustee during the year (2019 – £nil). Three trustees received reimbursement of out-of-pocket expenses which amounted to £83 (2019 – £2,436 to two trustees). One trustee received commission of £1,200 (2019 – £nil) in respect of books written for CTS prior to becoming a trustee.

No trustee had any beneficial interest in any contract with the Charity during the year.

Brief biographical details of each of the trustees who served during the year are given below.

Governance, structure and management (continued)

Governance (continued)

Rt Rev. Paul Hendricks (Chairman), MA (Oxon), PhL; is a Roman Catholic Bishop, a former Seminary Bursar, and former Parish Priest with several years' experience of overseeing parish finances.

Rev. David Elliott is a priest of the Ordinariate of Our Lady of Walsingham, Priest for the Reading Ordinariate Mission and the Head of Theology at The Oratory School.

Carrie Ann Gates (Treasurer), is a finance manager specialising in insurance accounting with many years' experience in financial and management controls, planning and reporting. She is very active in a local Catholic parish and an enthusiastic member of Girlguiding as a multi-sectional leader and division commissioner.

Kate Nash is experienced in market research, marketing and public relations. She was formerly head of marketing and communications for a dot com; a co-director of an innovative marketing and publicity company for UK publishers; and a published novelist. In 2009 she founded the Kate Nash Literary Agency which represents the careers of bestselling authors as well as new talent.

Dr William O'Neill was educated in Manchester and Loughborough. He is a graduate of a number of Universities and has a PhD in Software Engineering. He has worked for large multinationals, public and charity sectors leading IT and business change programmes, most recently as Chief Technology Officer for the National Childbirth Trust.

Luke Parsons QC is a barrister specialising in Commercial Law.

Rev. Andrew Pinsent is a Research Fellow of Harris Manchester College, Research Director of the Ian Ramsey Centre for Science and Religion at Oxford University. A philosopher, theologian, priest, former businessman and former high energy physicist at CERN, he is a contributor via the media and his work in schools to public engagement with science, faith and the big questions of life.

Trustees' responsibilities statement

The Charity's trustees (who are also directors for the purposes of company law) is responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period.

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

- ♦ select suitable accounting policies and then apply them consistently;

Governance, structure and management (continued)

Trustees' responsibilities statement (continued)

- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- ◆ make judgements 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 Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Liability of the members

The liability of the members is limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, members are each required to contribute an amount not exceeding £1.

Organisational structure

The CEO and Publisher has responsibility for the day to day management of the Society's business and reports to the trustees formally every quarter.

Governance, structure and management (continued)

Key management personnel

The Society's staff operate in dedicated teams responsible across the principal functions of the Society's apostolate; they meet regularly with their managers to ensure that key targets and objectives are being met.

The trustees monitor the Charity's activities in operational areas and constant regard is had to the skills mix to ensure that the trustees have all the necessary skills required to contribute to the Charity's development.

The key management personnel of the Society, responsible for directing and controlling, running and operating the Charity on a day to day basis, comprise the trustees together with the CEO and Publisher. The Trustees do not receive remuneration for their services as trustees.

The trustees set the remuneration of and determine any annual salary awards for the CEO and Publisher. Reference is made to remuneration for similar roles in the charity and private sectors, the level of responsibilities and skills attaching to the role, and the role itself in relation to other similar and different roles within the organisation. Regard may also be had to the annual job role performance review and to the particular standards, expectations and outcomes for the role. Finally, the overall financial performance of the Society is also considered in setting remuneration.

Employees

The Incorporated Catholic Truth Society strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Incorporated Catholic Truth Society is committed to a programme of action to make this policy effective and brings it to the attention of all employees.

Volunteers

Over 500 volunteers manage CTS parish racks in parishes and other locations up and down the country, introducing enquirers and parishioners to material to support and nurture their faith. It is impossible to quantify the value and the full impact of this support, not only in parishes but also in schools. A lively and active parish bookrack can become a unique support to parish priests and pastoral workers in their outreach programs. We are always grateful to that small number of volunteers who help us on an ad hoc basis at various times in the year at our offices or warehouse on small but important projects and support.

Governance, structure and management (continued)

Risk management

The trustees continue to assess the major risks to which the Charity is exposed, in particular those relating to the specific operational areas and finances.

The current areas under review are:

- ◆ Financial position – The trustees are aware of the need to remain vigilant and continue the work of the strategic plan in 2021 to reduce costs and increase sales revenue, as described above.
- ◆ Structure of the Charity – The trustees will monitor the new organisational structure to ensure that it delivers the budgeted cost savings as the impact of the Coronavirus pandemic recedes.
- ◆ Head office relocation – The trustees and the CEO and Publisher will work with St Anne's Settlement, the Society's landlord, and Notting Hill Genesis, the Settlement's development partner, to ensure a smooth and cost efficient temporary relocation.
- ◆ Coronavirus pandemic – The Audit and Finance Sub-committee monitor the impact of the pandemic at bi-monthly meetings and carry out re-forecasting on a rolling basis, as and when required.

The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and that where necessary they are adapted or strengthened, and by examining the operational and business risks faced by the Charity, they have established effective systems to mitigate those risks.

Signed on behalf of the trustees:

Carrie Ann Gates

Trustee

Approved on: 9th August 2021

Independent auditor's report to the members of The Incorporated Catholic Truth Society

Opinion

We have audited the financial statements of The Incorporated Catholic Truth Society (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

Matters on which we are required to report by exception (continued)

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures in respect to the remuneration of trustees specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit

Trustees' responsibilities

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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:

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006), those that relate to data protection (General Data Protection Regulation) and those in relation to copyright, specifically the Copyright, Designs and Patents Act 1988, as amended by the Copyright and Related Rights Regulations 2003.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to 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; and
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether the judgements and the assumptions made in determining accounting estimates for the probability of receipt of legacies, the provision for slow moving stock, the provision for bad and doubtful debts, and the actuarial valuation of the defined benefit pension scheme liability were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

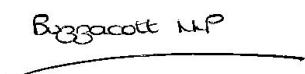
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of 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 financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's and the company's trustees as a body, for our audit work, or the opinions we have formed.

 Buzzacott LLP

Amanda Francis (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

27 August 2021

Statement of financial activities (including and income and expenditure account)
Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Income from:							
Donations and legacies	1	102,154	712	102,866	313,549	1,125	314,674
Interest receivable		21,056	—	21,056	9,898	—	9,898
Charitable activities							
. Publication sales	2	733,556	—	733,556	1,124,995	—	1,124,995
Other sources:							
. Coronavirus Job Retention Scheme grants		1,155	—	1,155	—	—	—
Total income		857,921	712	858,633	1,448,442	1,125	1,449,567
Expenditure on:							
Raising funds	3	8,279	—	8,279	42,638	—	42,638
Charitable activities							
. Publication and dissemination of Catholic publications	4	1,014,584	1,175	1,015,759	1,315,196	—	1,315,196
Total expenditure		1,022,863	1,175	1,024,038	1,357,834	—	1,357,834
Net (expenditure) income		(164,942)	(463)	(165,405)	90,608	1,125	91,733
Actuarial losses on defined benefit pension scheme	17	(253,000)	—	(253,000)	(244,000)	—	(244,000)
Net movement in funds	6	(417,942)	(463)	(418,405)	(153,392)	1,125	(152,267)
Reconciliation of funds:							
Total funds brought forward at 1 January 2020		787,873	17,282	805,155	941,265	16,157	957,422
Total funds carried forward at 31 December 2020		369,931	16,819	386,750	787,873	17,282	805,155

There were no recognised gains and losses other than those set out in the statement of financial activities above.

Statement of financial activities (including and income and expenditure account)
Year to 31 December 2020

Analysis of continuing and discontinued operations

On 11 October 2018, the trustees unanimously agreed that the activities of the Westminster retail shop would be terminated due to continuing losses and the lease renewal due in June 2019. The shop's activities represented a significant area of operations for the Charity as a whole and income and expenditure in respect to them ceased in July 2019. The table below provides an analysis of the financial results split between the Charity's continuing operations and discontinued operations during 2019 (which relate wholly to the Westminster retail shop). Income and expenditure in respect to the discontinued operations were wholly unrestricted. All of the Charity's activities during the year ended 31 December 2020 derived from continuing operations.

	2020			2019		
	Continuing £	Dis- continued £	Total £	Continuing £	Dis- continued £	Total £
Income	—	—	—	1,428,830	20,737	1,449,567
Expenditure	—	—	—	(1,345,181)	(12,653)	(1,357,834)
Net income for the year	—	—	—	83,649	8,084	(91,733)
Actuarial losses on defined benefit pension scheme	—	—	—	(244,000)	—	(244,000)
Net movement in funds	—	—	—	(160,351)	8,084	(152,267)

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	9		16,538		34,100
Current assets					
Stocks	10	143,853		136,911	
Debtors	11	86,346		208,630	
Short term deposits		869,575		959,280	
Cash at bank and in hand		9,214		9,582	
		1,108,988		1,314,403	
Creditors: amounts falling due within one year	12	(197,776)		(171,348)	
Net current assets			911,212		1,143,055
Total net assets excluding pension liability			927,750		1,177,155
Pension liability	17		(541,000)		(372,000)
Total net assets including pension liability			386,750		805,155
The funds of the Charity					
Restricted funds	13		16,819		17,282
Unrestricted funds					
. Designated funds	14		75,000		300,000
. General funds		835,931		859,873	
. Pension reserve	17	(541,000)		(372,000)	
			294,931		487,873
			386,750		805,155

Approved by the trustees

and signed on their behalf by: *Carrie Ann Gates*

Trustee

Approved on: 9th August 2021

The Incorporated Catholic Truth Society

Company Registration Number: 00057374 (England and Wales)

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(113,375)	(32,331)
Cash flows from investing activities:			
Interest received		21,056	9,898
Purchase of tangible fixed assets		(1,459)	(11,000)
Net cash provided by (used in) investing activities		19,597	(1,102)
Change in cash and cash equivalents in the year		(93,778)	(33,433)
Cash and cash equivalents at 1 January 2020	B	968,862	1,002,295
Cash and cash equivalents at 31 December 2020	B	875,084	968,862

Notes to the statement of cash flows for the year to 31 December 2020.

A Reconciliation of net movement in funds to net cash used in operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(418,405)	(152,267)
Adjustments for:		
Depreciation charge	19,021	16,814
Actuarial losses on pension scheme	253,000	244,000
Pension cost less contributions payable	(91,000)	(237,000)
Pension finance cost	7,000	7,000
Interest receivable	(21,056)	(9,898)
(Increase) decrease in stocks	(6,942)	142,592
Decrease in debtors	122,284	228,571
Increase (decrease) in creditors	22,723	(272,143)
Net cash used in operating activities	(113,375)	(32,331)

B Analysis of changes in net debt

	At 1 January	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	9,582	(368)	9,214
Short term deposits	959,280	(89,705)	869,575
Bank overdraft facility	—	(3,705)	(3,705)
	968,862	(93,778)	875,084

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

Basis of accounting

These financial statements have been prepared for the year to 31 December 2020 with comparative information given in respect to the year ended 31 December 2019.

The financial statements have been prepared under the historical cost convention with items initially 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities FRS 102 SORP 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect to:

- ◆ assessing the probability of receiving legacies of which the Charity has been notified;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge;
- ◆ assessing the appropriateness of any provision for slow moving or obsolete stock;
- ◆ assessing the appropriateness of any provision needed against doubtful and bad debts;
- ◆ assessing the appropriateness of the underlying assumptions of the actuarial valuation of the pension scheme; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

With respect to the next reporting period, the actuarial valuation of the pension scheme, along with the future impact of the ongoing Coronavirus pandemic remain the most significant areas of uncertainty that may affect the carrying value of assets held by the Charity.

Assessment of going concern

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

The Coronavirus pandemic has had a significant negative effect on trade sales due to the closure of bookshops, of book distributors and the downgrading of book sales by online retailers such as Amazon. The other main sources of CTS sales, Catholic Parishes, have also been closed to the public, reducing sales very significantly. However, CTS has shifted its editorial and production capacity to longer term projects and invested time conserving its cash reserves by delaying new publications and reprints. The Charity has concentrated on maintaining cashflow by improving credit control and concentrating efforts on filing prompt claims for Gift Aid and VAT; staffing needs have been kept under review in the light of the Government's Coronavirus Job Retention Scheme. Additionally, CTS has increased the number of titles it offers through Amazon by 500% to take advantage of the increased internet searches for Catholic materials available for delivery. It has also reviewed its e-book offerings and resumed production of e-books across all platforms.

Reserves will be protected by simplifying the range of high cost items in the short term, and work will continue on projects which will see a return in the longer-term as the Catholic liturgical landscape evolves.

Therefore, the trustees are of the opinion that the Charity has planned carefully in order to meet its liabilities as they fall due and, whilst they acknowledge that there will be challenges ahead, they are of the opinion that the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the Charity is entitled to receipt, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, legacies, interest receivable, and income from the sale of publications.

Donations are recognised when the Charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Income recognition (continued)

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity.

Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid of payable by the bank.

Income from publication sales is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually at the point of sale. This includes sales of publications to schools and parishes who benefit from reduced prices.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the Charity is entitled to receive the funds and when the amount receivable can be quantified.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity 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. 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:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the Charity. This includes staff costs and direct costs associated with generating donated income and an allocation of support costs.

Expenditure recognition (continued)

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include staff costs, direct and support costs including governance costs.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Staff costs are allocated between expenditure on raising funds and expenditure on charitable activity based on the percentage of time spent on these activities by the employees of the Charity.

Support and governance costs are allocated to expenditure on charitable activities as it is considered that any apportionment to expenditure on raising funds would be immaterial.

Tangible fixed assets

All assets costing in excess of £500 and with an estimated useful life exceeding one year are capitalised in these financial statements.

Depreciation is provided at the following annual rates on a straight line basis in order to write off each asset over its estimated useful life:

- ◆ Computers and office equipment 33⅓% on cost

Stocks

Stocks of books and pamphlets for resale are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stock.

Debtors

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

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. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

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 can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The general funds comprise those monies which may be used towards meeting the charitable objectives of the Charity and may be applied at the discretion of the trustees.

The pension reserve is the net liability on the Charity's defined benefit pension scheme.

The designated funds are monies set aside out of general funds for specific purposes by the trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Leased assets

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

Pension costs

Contributions to defined contribution pension schemes and to employees' personal pension plans are charged to the statement of financial activities in the year in which they are payable.

The Charity operates a defined benefit pension scheme which is closed to new members and no existing employees are members. The scheme is funded by contributions from the employer. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Donations	78,264	712	78,976	91,952	1,125	93,077
Legacies	23,890	—	23,890	221,597	—	221,597
	102,154	712	102,866	313,549	1,125	314,674

2 Income from: Publication sales

The publication sales are attributable to two main areas:

- ♦ the publishing and/or distribution of pamphlets, books and other media; and
- ♦ the sale of books and religious articles via a retail shop, which closed in January 2019.

An analysis of publication sales for the year is given below:

	United Kingdom		Overseas		Total	
	2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
Publishing	598,102	921,977	135,454	182,281	733,556	1,104,258
Retail shop	—	20,737	—	—	—	20,737
	598,102	942,714	135,454	182,281	733,556	1,124,995

3 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Staff costs	2,585	—	2,585	29,655	—	29,655
Communications	5,694	—	5,694	12,779	—	12,779
Other costs	—	—	—	204	—	204
	8,279	—	8,279	42,638	—	42,638

4 Expenditure on: Publication and dissemination of Catholic publications

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
<i>Publishing</i>						
Cost of publication sales	275,427	—	275,427	364,922	—	364,922
Cost of despatch, shipping, and storage	117,732	—	117,732	168,792	—	168,792
Advertising and marketing costs	18,295	1,175	19,470	24,913	—	24,913
Staff and related costs	426,209	—	426,209	549,627	—	549,627
Premises costs	30,992	—	30,992	36,221	—	36,221
Communications	7,921	—	7,921	7,629	—	7,629
Computer costs	76,536	—	76,536	82,187	—	82,187
Depreciation	19,021	—	19,021	16,814	—	16,814
Banking and other costs	9,659	—	9,659	22,951	—	22,951
Professional fees	5,992	—	5,992	9,018	—	9,018
Auditor's remuneration	26,800	—	26,800	19,469	—	19,469
	1,014,584	1,175	1,015,759	1,302,543	—	1,302,543
<i>Operation of retail shop</i>						
Cost of retail shop sales	—	—	—	13,353	—	13,353
Cost of despatch, shipping, and storage	—	—	—	(145)	—	(145)
Premises costs	—	—	—	(1,879)	—	(1,879)
Communications	—	—	—	149	—	149
Computer costs	—	—	—	(140)	—	(140)
Banking and other costs	—	—	—	(67)	—	(67)
Professional fees	—	—	—	1,382	—	1,382
	—	—	—	12,653	—	12,653
	1,014,584	1,175	1,015,759	1,315,196	—	1,315,196

5 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Professional fees	5,992	—	5,992	9,018	—	9,018
Auditor's remuneration	26,800	—	26,800	19,469	—	19,469
	32,792	—	32,792	28,487	—	28,487

6 Net movement in funds

This is stated after charging:

	Total 2020 £	Total 2019 £
Staff costs (note 7a)	428,794	579,282
Auditor's remuneration		
· Current year audit fee	21,000	18,000
· Under (over) provision in prior period	3,100	(1,178)
· Pension scheme audit fee	2,700	2,647
Depreciation	19,021	16,814
Operating lease rentals	14,908	15,066

7a Employee and key management remuneration

	Total 2020 £	Total 2019 £
Staff costs during the year were as follows:		
Wages and salaries	353,290	467,256
Social security costs	23,746	39,767
Other pension costs	51,124	48,800
Redundancies	—	15,258
Other staff costs	634	8,201
	428,794	579,282
Staff costs per function were as follows:		
Costs of generating voluntary income	2,585	29,655
Publishing	426,209	548,627
Operation of a retail shop	—	—
	428,794	579,282

One employee earned between £60,000 and £70,000 (including taxable benefits but excluding employer's pension contributions) during the year (2019 – none).

Contributions of £4,235 (2019 – £nil) were made to the personal pension schemes of higher paid members of staff during the year.

The average number of employees, analysed by function, was:

	Average headcount	
	2020	2019
Fundraising	—	1
Publishing	11	12
	11	13

Key management personnel

Key management personnel comprise the trustees and the CEO and Publisher. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year was £99,512 (2019 – £113,510).

7b Trustees' remuneration

No trustee received any remuneration in respect of their services as a trustee during the year (2019 – £nil). Three trustees received reimbursement of out-of-pocket expenses which amounted to £83 (2019 – £2,436 to two trustees). One trustee received commission of £1,200 (2019 – £nil) in respect of books written for CTS prior to becoming a trustee.

8 Taxation

The Incorporated Catholic Truth Society is a registered charity 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.

9 Tangible fixed assets

	Computers and office equipment £
Cost	
At 1 January 2020	64,910
Additions	1,459
At 31 December 2020	66,369
Depreciation	
At 1 January 2020	30,810
Charge for year	19,021
At 31 December 2020	49,831
Net book values	
At 31 December 2020	16,538
At 31 December 2019	34,100

10 Stocks

	2020 £	2019 £
Publications for sale	143,853	136,911

11 Debtors

	2020 £	2019 £
Publication sales	39,647	65,878
Other debtors	17,564	38,893
Legacies receivable	11,100	83,927
Prepayments and other accrued income	18,035	19,932
	86,346	208,630

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Expense creditors	62,413	30,627
Taxation and social security costs	6,058	6,870
Royalties	47,500	78,397
Other creditors	—	1,472
Accruals and deferred income	78,100	53,982
Bank overdraft	3,705	—
	197,776	171,348

13 Restricted funds

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
Prisoners' appeal	17,212	712	(1,175)	—	16,749
University fund appeal	70	—	—	—	70
Total restricted funds	17,282	712	(1,175)	—	16,819

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
Prisoners' appeal	16,157	1,055	—	—	17,212
University fund appeal	—	70	—	—	70
Total restricted funds	16,157	1,125	—	—	17,282

Since 2008, the Charity has on occasions made appeals to make some of its publications available to deserving or less fortunate groups. The Charity continues to consider such appeals desirable and helpful. Each year the Charity appeals for support to supply free CTS materials to Catholic University chaplaincies in the UK during freshers' week. An appeal was launched during 2015 to make available Catholic resources in prisons and completed during the year ended 31 December 2016. Any unspent balances on this fund may be transferred to general funds due to the inclusion of a clause enabling the Society to apply any amount raised over and above that which was needed for its general purposes.

14 Designated funds

	At 1 January 2020 £	New designations £	Utilised/ released £	At 31 December 2020 £
Relocation fund	150,000	—	(75,000)	75,000
Transformation fund	150,000	—	(150,000)	—
	300,000	—	(225,000)	75,000

	At 1 January 2019 £	New designations £	Utilised/ released £	At 31 December 2019 £
Relocation fund	250,000	—	(100,000)	150,000
Transformation fund	108,641	42,000	(641)	150,000
	358,641	42,000	(100,641)	300,000

The **Relocation Fund** represents funds set aside towards a possible relocation of the Charity's office premises.

The **Transformation Fund** has been put in place to allow the Charity to further improve its technology infrastructure and make working in new and more flexible ways more efficient and convenient in future.

15 Analysis of net assets (excluding pension liability) between funds

	General funds £	Designated funds £	Restricted funds £	Total 2020 £	General funds £	Designated funds £	Restricted funds £	Total 2019 £
Fund balances at 31 December 2019 are represented by:								
Tangible fixed assets	16,538	—	—	16,538	34,100	—	—	34,100
Net current assets	819,393	75,000	16,819	911,212	825,773	300,000	17,282	1,143,055
Total net assets excluding pension liability	835,931	75,000	16,819	927,750	859,873	300,000	17,282	1,177,155

16 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, members are each required to contribute an amount not exceeding £1.

17 Pension commitments

The Charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held independently from the Charity's finances. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

The scheme's assets consist of a unitised with profits policy with Phoenix Life Group, an investment bond, annuity policies held in the name of the trustees and a bank account.

The value of the scheme's assets (excluding the value of annuity policies held in the name of the trustees) as at 31 December 2020 was £852,000 (2019 – £1,281,000).

The Charity's contributions to the scheme were £91,000 for the year (2019 – £237,000). The scheme is closed to new members and no existing employees are members.

Present values of scheme liabilities, fair value of assets and deficit

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Fair value of scheme assets	852	1,281	1,032	844	1,284
Present value of scheme liabilities	(1,393)	(1,653)	(1,390)	(1,492)	(2,029)
Deficit in scheme	(541)	(372)	(358)	(648)	(745)

Movement in deficit during the year

	2020 £'000	2019 £'000
Deficit at 1 January 2020	(372)	(358)
Contributions	91	237
Net loss on scheme	(7)	(7)
Actuarial losses	(253)	(244)
Deficit at 31 December 2020	(541)	(372)

17 Pension commitments (continued)

Reconciliation of opening and closing balances of the fair value of scheme assets

	2020 £'000	2019 £'000
Fair value of assets at start of period	1,281	1,032
Expected return on scheme assets	22	33
Actuarial gains	(28)	15
Benefits paid	(514)	(36)
Contributions by the Society	91	237
Fair value of assets at end of period	852	1,281

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2020 £'000	2019 £'000
Present value of liabilities at start of period	1,653	1,390
Interest cost	29	40
Actuarial losses	225	259
Benefits paid	(514)	(36)
Present value of liabilities at end of period	1,393	1,653

The estimated value of the employer contributions for the year ending 31 December 2021 is £95,000 (2020 – £93,000).

Actuarial assumptions

A full actuarial valuation was carried out at 30 June 2014 and updated to 31 December 2017 by a qualified independent actuary. The major assumptions used by the actuary were:

	2020	2019	2018	2017	2016
Discount rate	1.4%	2.10%	2.9%	2.50%	2.70%
Rate of increase in pensions in payment for pensionable service from 6 April 1997	3.6%	3.60%	3.7%	3.70%	3.70%
Inflation assumption (RPI)	2.9%	3.00%	3.2%	3.20%	3.40%

The mortality assumptions adopted at 31 December 2020 imply the following life expectancies in years:

	Current pensioners	Retiring in 20 years
Males	23.0	24.4
Females	24.9	26.4

17 Pension commitments (continued)

The assets in the scheme and the expected rate of return

	Value at 31 December 2020 £'000	Value at 31 December 2019 £'000	Value at 31 December 2018 £'000
Assets			
Equities	102	103	91
Bonds	20	21	18
Unitised with profits	552	709	715
Cash	178	448	208
Total market value of assets	852	1,281	1,032
Actuarial value of liability	(1,393)	(1,653)	(1,390)
Deficit	(541)	(372)	(358)

No long term expected rate of return has been provided as for accounting periods beginning on or after 1 January 2015. The expected return and interest cost have been replaced with a single net interest cost.

Information in respect to statement of financial activities

Analysis of net return on pension scheme

	2020 £'000	2019 £'000
Net interest cost and net return	(7)	(7)

Amounts recognised as other gains and losses

	2020 £'000	2019 £'000
Actual return less expected return on pension scheme assets	(28)	15
Change in financial and demographic assumptions underlying the scheme assets	(225)	(259)
Actuarial losses recognised	(253)	(244)

18 Related party transactions

Aside from the transactions disclosed in note 7b, one trustee made a donation of £5 to the charity in 2020 (2019 – none).

There were no other related party transactions requiring disclosure in the year (2019 – none).

19 Leasing commitments

Operating leases

At 31 December 2020 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Operating lease payments which expire:				
Within one year	11,550	11,500	3,358	3,773

The operating lease liabilities are subject to the terms of the agreements relating to the relevant land and buildings and other assets.