

**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

## **Contents**

### **Reports**

Reference and administrative details	1
Report of the trustees	2
Independent auditor's report	11

### **Financial statements**

Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Principal accounting policies	19
Notes to the financial statements	24

## Reference and administrative details

<b>Trustee management board</b>	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
<b>CEO, Publisher and Company Secretary</b>	Mr Pierpaolo Finaldi
<b>Registered office</b>	40-46 Harleyford Road Vauxhall London SE11 5AY
<b>Company registration number</b>	00057374 (England and Wales)
<b>Charity registration number</b>	218951
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	The Royal Bank of Scotland plc 24 Grosvenor Place London SW1X 7HN
<b>Solicitors</b>	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**

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Mr Pierpaolo Finaldi

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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*

Carrie Ann Gates

Trustee

Approved on: 24<sup>th</sup> 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](http://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 £
<b>Income from:</b>							
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
<b>Total income</b>		<b>1,139,482</b>	<b>2,270</b>	<b>1,141,752</b>	<b>1,716,871</b>	<b>5,035</b>	<b>1,721,906</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>1,141,117</b>	<b>2,695</b>	<b>1,143,812</b>	<b>1,002,458</b>	<b>9,953</b>	<b>1,012,411</b>
<b>Net (expenditure) income</b>		<b>(1,635)</b>	<b>(425)</b>	<b>(2,060)</b>	<b>714,413</b>	<b>(4,918)</b>	<b>709,495</b>
<b>Actuarial (losses) gains on defined benefit pension scheme</b>							
	17	(117,000)	—	(117,000)	95,000	—	95,000
<b>Net movement in funds</b>	6	<b>(118,635)</b>	<b>(425)</b>	<b>(119,060)</b>	<b>809,413</b>	<b>(4,918)</b>	<b>804,495</b>
<b>Reconciliation of funds:</b>							
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 £
<b>Fixed assets</b>					
Tangible assets	9		11,953		16,588
<b>Current assets</b>					
Stocks	10	236,074		240,266	
Debtors	11	259,446		425,552	
Cash at bank and in hand		1,078,777		997,750	
		<u>1,574,297</u>		<u>1,663,568</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(182,688)</u>		<u>(157,534)</u>	
<b>Net current assets</b>			<u>1,391,609</u>		<u>1,506,034</u>
<b>Total net assets excluding pension liability</b>			<u>1,403,562</u>		<u>1,522,622</u>
Pension liability	17		<u>—</u>		<u>—</u>
<b>Total net assets including pension liability</b>			<u>1,403,562</u>		<u>1,522,622</u>
<b>The funds of the Charity</b>					
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: 24<sup>th</sup> 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 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	65,842	237,304
<b>Cash flows from investing activities:</b>			
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)
<b>Change in cash and cash equivalents in the year</b>		<b>81,196</b>	<b>235,303</b>
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
<b>Adjustments for:</b>		
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
<b>Net cash provided by operating activities</b>	<b>65,842</b>	<b>237,304</b>

#### 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
	<b>162,786</b>	<b>2,270</b>	<b>165,056</b>	<b>793,591</b>	<b>5,035</b>	<b>798,626</b>

## 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
	<b>957,074</b>	<b>912,648</b>

## 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
	<b>5,016</b>	<b>—</b>	<b>5,016</b>	<b>6,517</b>	<b>—</b>	<b>6,517</b>

## 4 Expenditure on: Publication and dissemination of Catholic publications

	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Publishing</b>						
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
	<b>1,136,101</b>	<b>2,695</b>	<b>1,138,796</b>	<b>995,941</b>	<b>9,953</b>	<b>1,005,894</b>

**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
	<b>35,701</b>	<b>—</b>	<b>35,701</b>	<b>32,008</b>	<b>—</b>	<b>32,008</b>

**6 Net movement in funds**

This is stated after charging:

	Total 2023 £	Total 2022 £
Staff costs (note 7a)	615,064	430,309
<b>Auditor's remuneration</b>		
· 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
	<b>498,064</b>	<b>430,309</b>
Staff costs per function were as follows:		
Costs of generating voluntary income	1,908	2,498
Publishing	496,156	427,811
	<b>498,064</b>	<b>430,309</b>

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 £
<b>Cost</b>	
At 1 January 2023	90,784
Additions	4,268
At 31 December 2023	95,052
<b>Depreciation</b>	
At 1 January 2023	74,196
Charge for year	8,903
At 31 December 2023	83,099
<b>Net book values</b>	
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
	<b>259,446</b>	<b>425,552</b>

**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
	<b>182,688</b>	<b>157,534</b>

**13 Restricted funds**

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

  

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

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

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

## 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)
<b>Surplus (deficit) in scheme</b>	<b>268</b>	<b>266</b>	<b>(196)</b>	<b>(541)</b>	<b>(372)</b>

## 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
<b>Assets</b>			
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.