

THE CHURCH ARMY

England & Wales · Charity number 226226

Details

Other names	CHURCH ARMY, PORTMAN HOUSE TRUST, THE MARYLEBONE PROJECT
Status	Registered
Legal form	Charitable company
Company number	00037169
Registered	1963-04-23
Register	View on the Charity Commission register

Contact

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Website	www.churcharmy.org

Activities

Objects: TO BRING PEOPLE TO A PERSONAL FAITH IN JESUS CHRIST BY (A) PROVIDING TRAINED EVANGELISTS AND LAY AGENTS TO ASSIST THE ADVANCEMENT OF THE CHRISTIAN RELIGION, (B) PREACHING THE NEED OF CONVERSION, HOLINESS OF LIFE AND CHURCH MEMBERSHIP, (C) RELIEVING POVERTY AND DISTRESS

Activities: We are a mission-focused community of people transforming lives and neighbourhoods through the work of evangelists, staff and volunteers. We are committed to sharing the Christian faith through words and action in a variety of contexts across the British Isles and Ireland. Our evangelists and staff work beyond church buildings among some of the most broken, rejected and hurting people in society.

Classification

- **How:** Provides Human Resources, Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities
- **Who:** Children/young People, Elderly/old People, Other Defined Groups

Geography

- Ireland
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£7,144,000	£11,093,000	£16,215,000	181
2024-03-31	£7,284,000	£11,147,000	£21,686,000	194
2023-03-31	£6,117,000	£10,024,000	£25,572,000	205
2022-03-31	£6,373,000	£8,722,000	£30,010,000	215
2021-03-31	£6,348,000	£7,627,000	£29,516,000	178

Trustees

Name	Role	Appointed
Rt Revd Dr Gulnar Eleanor Francis-Dehqani	Chair	2020-09-07
Amy Hayes		2023-11-22
Captain Andrew Payne CA		2020-11-11
Dr Solomon Osagie		2023-01-18
Jeremy Duff		2026-05-06
John David Whitfield MA ACA		2016-06-14
Karen Webb		2023-01-18
Mark Kerry Preston		2023-10-05
Matthew George Barlow		2024-11-05
Olamide Olajide		2026-05-06
Patricia Russell		2023-01-18
Ravi Gidoomal		2023-01-18
Rev Malayil Lukose Varghese Muthalaly		2023-11-22
Rt Rev Andrew James Forster		2024-11-28

Linked charities

- T W ARMSTRONG BEQUEST (226226-1)
- R G HALL TRUST (226226-10)
- MRS G HOLT SKINNER TRUST (226226-11)
- MRS E M L O'HARA BEQUEST (226226-12)
- CATHERINE SARAH JANE PATTESON HOLIDAY FUND (226226-13)
- THE CONSTANCE BEERBOHM FUND (226226-14)
- ROGER LYON JONES TRUST FUND (226226-15)
- LORD CHARLES F BRUDENELL-BRUCE BEQUEST (226226-16)
- MISS MARY ELLEN HEARN (226226-17)
- CHARLES F OPENSHAW TRUST (226226-18)
- COURTMOOR HOME OF REST, CROOKHAM (226226-19)
- BED ENDOWMENTS FUND III (226226-2)
- THE EDWARD AND LILLIAN EMILY BUDGEN (OF EGHAM) TRUST (226226-20)
- CECILIA GRACE CANNON FUND FOR DISABLED SOLDIERS (226226-21)
- ALFRED THOMAS SMITH BEQUEST (226226-23)
- NIGHT SHELTERS (GILES HAWORTH IN MEMORY OF HIS SISTERS ELLEN, DINAH AND ELIZABETH HAWORTH) (226226-24)
- MISS ETHEL JULIAN GALE BEQUEST (226226-25)
- MISS ANN NEWTON BEQUEST (226226-26)
- CHARLES JOHN BYRNE BEQUEST (226226-27)
- FLORENCE LUCY BECKETT BEQUEST (226226-28)
- MRS MOYLE-STEWART TRUST (226226-29)
- MRS A M HOWE TRUST (226226-3)
- MRS HAMILTON COBB TRUST (226226-30)
- MISS CARR ENDOWMENT (226226-31)
- ELEANOR GODFREY CRITTALL (226226-32)
- MISS EVELYN MURIEL BARNETT FOR THE CHURCH ARMY (226226-33)
- J F HOWES BEQUEST (226226-38)
- H J WILKINS TRUST (226226-39)
- MISS J G WATSON TRUST (226226-4)
- JOHN CROSSE'S ALMSHOUSE CHARITY (226226-41)
- CAPTAIN A J GRAY TRUST (226226-42)
- MISS A G JEWELL BEQUEST (226226-43)
- MR AND MRS A W VIVIAN-NEAL TRUST (226226-44)

- MISS M K D S LOCKHART TRUST (226226-45)
- E I M DUNCOMBE ENDOWMENT (226226-46)
- MISS EDITH DUNNING ENDOWMENT (226226-47)
- CONSTANCE E WHITE TRUST (226226-48)
- PROCEEDS OF SALE OF THE CHURCH ARMY HOSTEL, PLYMOUTH (226226-49)
- MISS EVELYN MURIEL BARNETT FOR THE CHURCH ARMY (226226-5)
- JOHN DYER BEQUEST (226226-50)
- MISS FLORENCE STRANGER TRUST (226226-51)
- MISS L I LEGGE BEQUEST (226226-52)
- EDGAR FIGGESS BEQUEST (226226-53)
- REVEREND JOHN PARRY MORGAN BEQUEST (226226-54)
- BED ENDOWMENTS FUND II (226226-55)
- MISS J E LAVERS-SMITH TRUST (226226-58)
- MISS E SCHOFIELD JACKSON BEQUEST (226226-59)
- WILLIAM R J KENTON BED ENDOWMENT FUND (226226-6)
- MISS L A HARRIS TRUST (226226-60)
- JAMES LLEWELLYN SHEFFIELD BEQUEST (226226-61)
- ST MICHAEL'S HOME FOR MOTHERLESS GIRLS (226226-62)
- HERBERT TOBIAS SCHARRER (226226-63)
- ELIZABETH JANE HARTLEY (226226-64)
- AGNES TENNANT BEQUEST (226226-65)
- AIMEE CONSTANCE ANNE LOWTHER (226226-66)
- PORTMAN HOUSE (226226-67)
- MAJOR H W ROWDEN'S GIFT (226226-68)
- THERESA STANSFIELD KENNEDY HOME OF REST FUND (226226-7)
- GEORGE WILLIAM NORTON BEQUEST (226226-70)
- BEQUEST OF JOHN DOCTOR YOUNG (226226-71)
- LADY SITWELL'S CHARITY (226226-72)
- GEORGIANA FRANCES PACKE FUND (226226-73)
- MISS GERTRUDE STEPHENSON FOR THE CHURCH ARMY (226226-74)
- DONALD BATES CHARITY (226226-8)
- BED ENDOWMENTS FUND I (226226-9)

Accounts

Church Army (The) Reports and Financial Statements Year Ended 31 March 2024

Charity registration numbers:
England & Wales: 226226
Scotland: SC040457
Republic of Ireland: 20152604

Company registration number: 37169

Church Army (The)
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Year Ended 31 March 2024

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Church Army (The)
Charity Reference and Administrative Details
Year Ended 31 March 2024

Patron	His Majesty King Charles III
President	The Rt Rev & Rt Hon Lord Williams of Oystermouth
Vice Presidents	The Rt Rev Bruce Cameron The Most Rev Dr Richard Clarke The Most Revd John Davies The Rt Rev Lord Eames of Armagh (resigned 23 July 2023) The Most Rev Dr Michael Jackson Dr Bill Lattimer The Most Rev Barry Morgan Pam Rhodes The Most Rev & Rt Hon John Sentamu June Simpson The Most Revd Mark Strange Roy Totten The Rt Rev Michael Turnbull The Most Rev & Rt Hon Justin Welby
Trustees and Board	Chair: The Rt Rev Guli Francis-Dehqani Honorary Treasurer: John Whitfield The Rt Rev Alan Abernethy (resigned 25 March 2024) Rev Jude Davis (appointed 1 June 2024) Ravi Gidoomal Amy Hayes CA The Right Rev Saju Muthalaly (appointed 22 November 2023) Dr Sol Osagie The Rt Revd Joanna Penberthy (resigned 3 August 2023) Mark Preston (appointed 5 October 2023) The Ven Dr Peter Rouch (resigned 31 May 2024) Patricia Russell Rosie Slater-Carr Sister Karen Webb CA Captain Andrew Payne CA Rev Karen West
Chief Executive	The Ven Dr Peter Rouch (resigned 31 May 2024) Rev Jude Davis (appointed Interim CEO 1 June 2024)
Company Secretary	Robin Webb
Senior Leadership Team	The Ven Dr Peter Rouch Chief Executive (resigned 31 May 2024) The Rev Jude Davis Director of Community and Vocations (appointed Interim CEO 1 June 2024) Dan Lane Director of Fundraising & Communications (appointed 15 May 2023) Dr Timothy Ling Director of Organisational Development Faye Popham Associate Director of Organisational Development Robin Webb Director of Finance & Support Services Captain Neville Willerton CA Director of Mission Operations

Church Army (The)
Charity Reference and Administrative Details
Year Ended 31 March 2024

Registered office	Wilson Carlile Centre 50 Cavendish Street Sheffield S3 7RZ Telephone 0300 123 2113 Email: info@churcharmy.org
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD
Solicitors	Cooper Burnett LLP Napier House 14-16 Mount Ephraim Road Tunbridge Wells TN1 1EE
Bankers	Barclays Bank PLC Leicester LE87 2BB Unity Trust Bank PLC Four Brindleyplace Birmingham B1 2JB
Actuaries	First Actuarial PLC Mayesbrook House Lawwood Business Park Leeds LS16 6QY
Investment Managers	Ruffer LLP 80 Victoria Street London SW1E 5JL CCLA Investment Managers Limited 1 Angel Lane London EC4R 3AB
Charity registration numbers	England & Wales: 226226 Scotland: SC040457 Republic of Ireland: 20152604
Company registration number	37169
Company Branch registered in the Republic of Ireland	909766

Introduction

Since 1882 Church Army have been innovators and pioneers in evangelism. From the early days of our founder Wilson Carlile to the work that we are doing today we have always sought to use our resources to the purpose of seeing individuals come to a personal faith in Jesus Christ, and have their lives transformed.

2023-2024

Evangelism- sharing God's love in words and action- is what we do. Church Army are the experts, the pioneers, the innovators, the teachers, the practitioners, the advocates, and the encouragers of evangelism. And in the year '23-'24 some of the highlights were...

Centres of Mission

We saw our evangelists continue to change lives and invite people to faith through their lives lived in the communities where our Centres of Mission are based. We have continued to review, research, and record the work done by these teams to ensure that we can maximise their effectiveness, and share the lessons they have learned with others.

Missional Youth Church Network

With a generous grant from the national church, we were able to develop learning from an existing part of work and see it transformed into a network of 44 Missional Youth Churches working in some of the most deprived areas of England. The network is on track to meet its target of 125 missional youth churches by the end of the decade.

Key Projects

We worked, and our working, hard to discover exactly what makes our key projects so special and impactful in how they change people's lives. That work has been to develop clear a clear 'theory of change' for each project so that we can measure outcomes effectively.

Fundraising

We began to see our fundraising capacity grow with new team members joining and as a result far more activity happening. Our fundraising team are working hard to get the message of our work out there so that more people have the opportunity to join our army of hope, igniting faith and transforming lives.

Training and Resourcing

At the end of 3 or 4 years training we had the great joy to commission 15 new Church Army Evangelists. Sending them out across the nations to put their learning into practice and to share their learning with those around them, raising up new evangelists and workers contributing to our vision to see more people know the love of God. The initial training that formed our fantastic fifteen commissioned evangelists isn't the only way we equipped and empowered evangelists over the 23-24 year. We continued raising up and inspiring a far wider network of evangelists through Envoy, Lead, and Faith Empowered. All reaching more participants than previous years and resourcing people to be the best they can be at sharing the good news of God's love.

Yet, we are in the most challenging circumstances that the UK charitable sector has faced for many years. Donated income to charitable work has fallen dramatically as the wider public has faced into pressures on incomes and the rising trends of business closure and consolidation. The contraction of frontline charitable work is a direct consequence of this.

The Future

All this work was completed under the direction and leadership of my predecessor, Peter Rouch. Peter steered the Church Army ship through the choppy waters of a post pandemic world, and we wish him every success in his new role at Mission to Seafarers.

At the time of writing, the Board of Trustees are engaged with searching for a permanent replacement and I sit in the position of Interim CEO. This is a period when ordinarily pace may slacken and decisions deferred for the new postholder, however this has not been Church Army's choice.

The financial challenges highlighted in our accounts show that the pace for decisions cannot slow, and it is more important than ever for Church Army to be clear about its priorities, focus, and direction.

Church Army (The)
Welcome from the Chief Executive
Year Ended 31 March 2024

In the intervening months between the end of the financial year and the presentation of this report, the senior leadership team and the trustees have been working hard to agree those priorities, focus, and direction. The priority is clear: evangelism in areas of deprivation. We need to continue to develop our expertise and the networks through which we can share that expertise with evangelists and those passionate about evangelism.

Over the next year, we have some difficult decisions to take to maximise our impact in achieving our charitable object: to bring people to a personal faith in Jesus Christ.

Today

Today, I thank all those who have walked the journey with us so far. You are the army of hope who are bringing life, love, and faith, to those who need it most: thank you. We need you to stay with us, stay supporting us, stay praying for us, stay inspiring us, stay cheering us on because the journey ahead is a tough one, but the destination is worth it... more and more people's lives transformed by the love of God shared by evangelists working in their local communities.



Signer ID: KDAULD3QHU...

Jude Davis
Interim CEO

Church Army (The) Trustees' Annual Report (including Directors' Report and Strategic Report) Year Ended 31 March 2024

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the *Annual Report* and Financial Statements of the charity.

The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 the Republic of Ireland published in October 2019.

Who is Church Army?

Church Army is a mission-focused community of people who are transforming lives and neighbourhoods through the work of evangelists, staff and supporters. We are committed to sharing the Christian faith through words and action in a variety of contexts across the British Isles and Ireland. Our evangelists and staff work beyond church buildings among some of the most broken, rejected and hurting people in society. We are also committed to building new forms of Christian community to reach people who have little or no experience of church. Much of our frontline work is carried out through our centres of mission. A centre of mission is a community of evangelists working together to enable evangelism and mission across a host diocese. They have four key strands to them:

- Centres of mission seek to implement the Church Army strategy across the UK and Ireland.
- They are in strategic partnership with the host diocese.
- They develop fresh expressions of church for the unchurched.
- They resource and equip the church for evangelism.

We also carry out other frontline activities including *Envoy*, the *Marylebone Project*, *Ty Bronna*, the *Amber Project* and *Ruby*, all in fulfilment of our charitable objectives.

Our work includes:

- preventing homelessness and caring for those who have been homeless
- supporting women caught up in prostitution
- building community on housing estates
- helping people trapped in debt
- working with young people who are experiencing self-harm
- night-time street ministry
- chaplaincy
- local church ministry
- children and young people's ministry including school outreach
- working with people with drug and alcohol addictions
- bus projects to reach people where they live
- older people's ministry
- family breakdown prevention

Other key work includes:

- researching into evangelistic initiatives
- church planting and fresh expressions
- providing evangelism training and resources for the wider church

Our mission:

To enable people to come to a living faith in Jesus Christ and relieving poverty and distress.

Our vision:

For everyone everywhere to encounter God's love and be empowered to transform their communities through faith shared in words and action.

Our values:

- **Generous:** God is generous, and we want to model that generosity to others.
- **Risk-taking:** We have a long heritage as a pioneering movement, prepared to take risks and give colleagues permission to succeed or fail as they seek to do new things.
- **Accountable:** We are accountable to God and others, living reliably and responsibly to high professional standards.
- **Collaborative:** We are committed to partnership with those who share our values; we believe it enhances our work.
- **Expectant:** We are hopeful, expecting God to do new things amongst us.
- **Unconditional:** God loves everyone, and everyone is significant in His eyes; we will serve anyone regardless of their age, gender, race, sexuality, faith, ability, status or circumstances.
- **Prayerful:** Listening to God, being obedient to God; we want to be like Jesus in our life and witness.

Objectives and activities including achievements and performance

Our DARE strategy: doing, advocating, resourcing and enabling evangelism

The following sections of this *Annual Report* will look at each of the four DARE objectives and how we are fulfilling them.

**Church Army (The)
Trustees' Annual Report (including Directors' Report and Strategic Report)
Year Ended 31 March 2024**

**Objective 1:
Doing Evangelism**

Statistical Highlights of Centres of Mission (CoM) 2023/24. In the financial year 2023/24 there were 32 active CoMs. During this year, 2 CoMs closed, and 1 CoM opened.

Quantitative data was collected from CoMs at three time-points during the year. 14 CoMs responded at every collection time-point and 9 didn't respond at all throughout the year. The remaining CoM were somewhere in between and provided data at some but not all of the time-points.

Please note that these figures are projections. When a full set of data was not submitted by a CoM, then figures have been extrapolated to predict totals for the activity across the whole year. Similarly, for those CoMs that did not submit any data across the year, their figures have been estimated based on an 'average' of the other CoMs.

Headlines

Activity

- CoMs have delivered over 28,000 hours of organised activity this year
- This is more than 2,300 hours every month
- Or 3,500 days in the year (assuming an 8-hour day of activity)
- School assemblies are run by 29% of CoM and have been attended by nearly 3,000 children which means that 9% of people our CoMs interact with are at school assemblies.
- There will almost certainly be other activities that the CoM are involved in that are less organised and so not recorded here (e.g. pastoral and crisis support)
- CoMs have interacted with more than 32,000 people over the year

Provision

- Every CoM (that responded) are involved with food provision in some form and in total have provided/distributed 33,400 meals or boxes of food in the last year.
- CoMs also provide other essential items such as baby equipment, hygiene packs and furniture. In total they have distributed nearly 2,500 items.

Signs of Faith

More 'formal' signs of faith:

- CoMs were involved in over 80 baptisms of children or adults
- CoMs were involved in 40 infant baptisms or thanksgivings
- Nearly 50 people have gone forward for confirmation from CoMs

Funerals

- 42% of CoMs report that they have been involved in assisting with or conducting a funeral - this is evidence of the huge level of trust and value of the CoM within their community. In total there have been 32 funerals.

Exploring and growing in faith

- CoMs report that 500 people are exploring faith with them
- And nearly 750 people are growing in faith with them
- It should be noted that CoMs often had different understandings of what was meant by these terms

Faith commitments

- CoMs have seen 120 make a faith commitment for the first time this year
- And nearly 70 rediscovered their faith or make a recommitment of faith
- It should be noted that some CoMs responded that they found it hard to know whether to include figures for children who responded to wanting to 'pray the prayer' in a large corporate setting e.g. a holiday club - generally these figures were not included.

Church Army (The) Trustees' Annual Report (including Directors' Report and Strategic Report) Year Ended 31 March 2024

Volunteering

- The were 560 volunteers across all CoM
- The 'average' CoM had 17 volunteers, although in reality this ranges from 1 to 37
- The Christian/Church-background of volunteers is:

Regular churchgoer 70%

Occasional churchgoer 10%

Historical churchgoer 2%

Never church-goer 19%

This means that 30% of CoM volunteers are not regular church goers.

Missional Youth Church Network (MYCN):

At the beginning of 2024 MYCN came fully into Church Army - formerly this was a partnership set up by Church Army and the Archbishop of York's Office. MYCN also works with Fresh Expressions UK, Dioceses, Diocesan Youth advisors/missioners and Growing Faith Foundation. Missional Youth Churches enable 11-18-year-olds to build community and discover faith in Christ, and each is particular to their own context.

Missional Youth Church have this year received backing and financial support from the Church of England which will enable MYCN to grow the team and the strategy to increase the Missional Youth Churches to 65 by 2027 and 125 by the end of the decade. We are on target to hit these targets as MYCN have grown from 30 at the end of 2023 to 44 by April 2024.

MYCN now has contact with more than 100 leaders across the country with an interest in the principles of building church with young people where they are. And since the Learning Community for youth leaders, clergy, pioneers and school leaders, began online in 2020, 25 MYCs have begun developing and growing.

During December 2023 Sorted in Bradford, which was the first Missional Youth Church, had two baptisms, three confirmations and several other young people considering getting baptised.

Another Missional Youth Church is based in Greenwich and is in Abbey Wood estate. It is known locally as Transform Youth Ministries, TYM has developed a youth church for young people from the estate. A young offender who was sent to jail at the age of 14 for armed burglary and after became a Christian and is in touch with TYM. A young gang member has become an enthusiastic youth church member. This youth church is a haven for young people with special needs.

- 15 young people at both the Friday night drop in and Tuesday night faith discussion groups
- 8 young people are now ready for baptism.

Karen who leads TYM says, 'I feel called to be part of MYCN, I need to learn from their experience and examples from other people doing this in other places so I can keep the vision on track in south London...'

A young person says, "My church is Sorted Church which is in Bradford. It's one of the weirdest places I've ever been to but it's one of the most welcoming places I've ever been to. It's like a big, massive family. We have people that come from different places coming together to worship our amazing Lord. I love building relationships, getting to know more about them and struggles and helping them through those struggles. I love the training, and I love the worship sessions, they're good."

A young leaders says, "The church I go to is based in West Cumbria in a town called Whitehaven... and a youth group I volunteer at as a leader is called Ignite at my church and it was made to bring more young people into the church and I think there's groups all over the country, Missional Youth Church Network... and I went right through Ignite from the age of 10 and now I'm 18 and I'm a young leader... It's just really fulfilling; it's just great seeing young people wanting to learn about Jesus..."

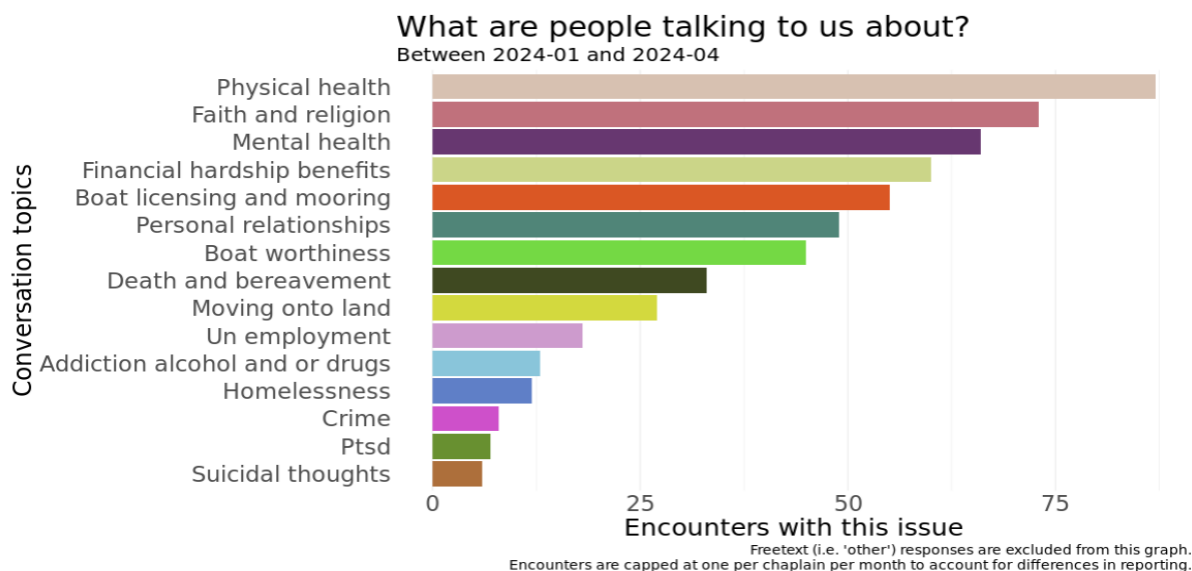
Waterways Chaplaincy (WWC) April 2023-April 2024

Our first full year as an independent charity within the family of the Church Army, and it has been an important year. We have seen changes of personnel and of procedures, but our transformative chaplaincy work among those on the waterways of the UK has remained unchanged and is as important as ever.

Church Army (The) Trustees' Annual Report (including Directors' Report and Strategic Report) Year Ended 31 March 2024

Rev Mark Chester (National Lead) retired after 7 years at the helm in July 2023. He was succeeded by Rev Chris Upton. Chris is a Baptist minister who grew up on an island and has a degree in Naval Architecture among other things. Rev Sarah Hayes (southern lead) retired in January 2024 and is succeeded by Rev Mark Macaulay. Mark is also a Baptist minister. These significant appointments underline that although the WWC is held by the Anglican CA, it is an ecumenical charity that draws inspiration from across the church spectrum. Roger Bauckham (admin/website administrator) also retired in January and is yet to be replaced.

The WWC has been featured on the BBC Sunday Morning program, in the Church Times and other publications. WWC is still working hard to create a stable funding base. Our current funding has come from three separate charitable trusts, but these are coming to an end. We are working with CA fundraisers but the transition to CA and the current governance structure seems to be hindering us. We are very thankful for all the support we receive from CA and are still confident that the move from Workplace Matters was well advised.



A typical request that come to us through the website this year:

- 1) **Message:** I don't know if you can help me or not but I'm in a really bad situation. My boat has no heating, electric or water and my engine isn't working. I had a mechanic out, but he has to come back. In the meantime, I'm suffering from pretty serious harassment from one of the boats squatting in the area. The police have been involved but done nothing. He's threatening me, he's taken my rubbish and dumped it somewhere and reported me for fly tipping. He's called Canals and Rivers Trust (CRT) and reported me and I don't even know what for. He's recording me on CCTV and it threatening to put my details on social media. My ex-partner is violent, and I keep myself hidden, if he puts that out there and my ex sees it, he's going to know where I am. I'm scared and I don't know what to do. I've got multiple disabilities both mental and physical and the only reason I haven't committed suicide is my dogs. I've asked the council for help and got nothing. I've had a horrendous run of luck and have reached the end of my tether. I can't see a way out of this, and I can't take much more. I've handed my notice in on the mooring I had here, and CRT have released me, but now I have to move and obviously can't with my engine not working. I'm not even sure what you can do, but someone suggested I contact you so I am.

A comment from a chaplain:

From a website referral, I went to visit boater J. J has an ADHD problem and is receipt of medication that lowers his self-esteem. This in turn has led to an alcohol addiction and consequently is. for the time being at least unemployable. His Universal Credit is on minimum and probably too much of what he does receive is spent on alcohol. The day I met him he had no food and only one set of clothes, those that he was wearing. I arranged a foodbank parcel (twice), and it was an easy task to appeal to the local churches for clothes. I received in total five large bags of clothes, some of which were brand new and bought especially for him, including a blanket, towels and a desperately needed pair of size 14 shoes!

Centres of Mission

Despite all the challenges of the past 12 months we have maintained 29 Centres of Mission throughout the UK and Ireland and launched a new Centre in Sunderland in partnership with Durham diocese. In launching new centres of mission, we appoint a Lead Evangelist, later appointing a Pioneer Evangelist with unique skills to work with the Lead Evangelist to identify and address the needs of the area.

Where are we doing evangelism activities in England, Ireland, Scotland and Wales

- We have 218 Commissioned Evangelists of working age in the UK and Ireland (not all of these are employed by Church Army).
- In England we have 176 commissioned Evangelists and 15 Centres of Mission in Attercliffe and Darnall (Sheffield), Gloucester, Langley, Scunthorpe, Sheffield, Bradford (Sorted), Leeds, Rochdale, Selby, Suffolk, Greenwich, Medway, Southampton, Sunderland and North Sutton.
- In Wales we have 10 commissioned evangelists and 6 Centres of Mission in Cross Hands, Haverfordwest, Llandaff, Llanelli, North Coast of Wales and Wrexham.
- In Scotland we have 5 commissioned evangelists and 3 Centres of Mission in Central Fife, Dundee and the Edinburgh (A7 Centres of Mission).
- In Ireland we have 27 commissioned evangelists: 19 in Northern Ireland and eight in the Republic of Ireland. We have six Centres of Mission in Ireland in North Belfast, Ballina, Sligo (was Drumcliffe), Cork, Newry and Kildare. North Belfast partners with the charities Baby Basics and Transforming Lives for Good. Church Army is also registered with the Charities Regulator Authority in the Republic of Ireland.
- In addition to the evangelists recorded above, one Church Army evangelist works within the Diocese of Europe and 177 are retired from stipendiary ministry, although many are still active in their local churches and communities.
- In addition to our Commissioned Evangelists we have 173 staff appointed to evangelist posts in centres of mission and projects and the national office.

Mike Reeder has been a commissioned Church Army Evangelist for 37 years and has for the last seventeen years been the Senior Chaplain at St Luke's Hospice Sheffield. The Hospice opened on 1st October 1971 and was the first Hospice to be built outside London. As a member of the chaplaincy team Mike's role is to support the work of the Hospice within the Community of Sheffield, the hospice supported 1,762 patients in 2023-24

The work of the chaplaincy is to support people of faith and none, the chaplaincy is to be a safe place for patients to explore their feelings and to bring some measure of hope into what is often dark times. For example, Mike is supporting a patient who has Motor Neurone Disease (MND) and together they have been exploring what it means to be a Christian and a human being when you are not able to do anything for yourself. Mike is helping the patient to comprehend the future and where the love of God is within such a debilitating disease.

From time-to-time Mike will be asked by patients or relatives to take non-religious funerals for them or their loved one. Mike always says yes to this very personal request of support and takes the opportunity within the services to talk about his own personal faith in God the Father, Son and Holy Spirit in a loving and personal way and shares how that sustains him in his work, but goes on to say each time that this is his way of coping, each person at the service has to find their own way of coping with death and bereavement. Mike says that he has never been told off for bring his own personal beliefs into the service but has been thanked for helping people to know that they do have to find a way to continue the life that is left to them.

Mike is passionate about the work of the Church Army and Wilson Carlile's commitment to follow Jesus in reaching "the least, the last and the lost".

Marylebone Project

Sue Way, our Senior Homelessness Manager, has been leading the Marylebone Project team for the past nine years and, due to staff absences, she started the financial year providing the day-to-day management oversight to the project.

Following the resignation of the General Manager in January 2023, the external management review and appointment of the permanent Operations Manager and Services Manager, the review identified that, to complete the necessary Senior Leadership Team and management structure, an Executive Manager was required. Amy Hull was appointed to this position and started formally in this role on 1st December 2023. Amy was previously the Resettlement Manager, and she returned from maternity leave to her role of Resettlement Manager before applying for the role of Executive Manager and being appointed. Having Amy in the role of Executive Manager has meant that from 1st December 2023 Sue has not been needed to provide the day-to-day management oversight of the Project. Sue has, however, been on hand to support Amy in settling into the Executive Manager role and assist in whatever way has been required.

This past year has, therefore, seen a change in the leadership of the Project, with a review and renewal of the Project's ethos, vision, values and mission. Work has started on the Project's strategy for the coming years, in line with Church Army's wider strategy and all key Projects are developing a theory of change model for the Projects going forward.

With the input of the Marketing Co-Ordinator and the developing The Theory of Change Model, Church Army is being better equipped to promote the work of the Project and celebrate the variety of work and achievements that the Project delivers.

The Social Enterprise Administrator continues to rebuild the client base, source new business and work to achieve the specific business targets set for the Social Enterprise of Space and Munch. The main target is to have at least one space room booking per week and this has been achieved for almost every week of the year, with some weeks exceeding this target with all rooms being booked for whole weeks. This has resulted in an associated increase in revenue for the Social Enterprise.

The Sanctuary remains a 24/7 service for women in crisis and continues to see some overall changing clientele, with some women moving on into independence, some new women accessing the support and some women accessing the support regularly every week. The past year has seen an increase in the number of women who are inappropriately housed and needing the facilities provided by the Sanctuary weekly, and an increase in the complexity of the needs of the women presenting, including those fleeing domestic abuse. This has proved to be a challenge for the staff team in managing the regular attendees and ensuring that their needs are being met as required, whilst also responding to the unexpected needs and situations resulting from more women being present with more intense complex needs. An Independent Domestic Violence Advocate specialism has been created within the staff team to specifically support those women fleeing domestic abuse. We are continuing to conduct regular reviews, ensuring that the service provided meets the needs of the changing clientele and continues to be the best service that it can be for the women it serves, whilst also assessing whether these changes are in-keeping with the Project's ethos, vision, values and mission.

The Resettlement Team continue to support women on their journey to independent living and consider the option of accessing private rented sector accommodation, as this gives the women greater choice of move on accommodation. This has been particularly relevant for those women who have been resident at the Project for a few years and these women have been identified as needing priority support for them to secure move on accommodation. This priority will continue into the coming year. The Resettlement Team also continues to support all women who have moved into independent living for a period of three months and then the women can contact the Project for any further support they may need. There remains a high number of women who have moved out maintaining their tenancy and accommodation and this is testament to the compassion and commitment of the Resettlement Workers who have taken on this element of support work and is due to the consistency of support and the reassurance that there is someone available to help the women in times of further need or crisis.

We continue to work in partnership with Westminster Council in providing residential support to 25 women with complex needs and we have increased our partnership working with various health professionals to provide specialist health support to this cohort of women. This includes the introduction of a Health InReach Lead whose role it is to empower the women to prioritise their health, to build positive relationships within the community and to bridge the gaps where conventional health support does not currently meet the needs of those experiencing homelessness. In this newly created role, the focus is on developing and embedding a health approach into the services that the Project provides. It

involves working with and supporting those living within our complex needs service who have underlying health needs to access and maintain the physical health care they need.

The Health InReach Lead supports clients by creating a health support profile plan and to make referrals to and support them in engaging with the correct services, with the outcome being developing positive and sustained relationships of trust with clients, supporting them to engage in health care support and see an improvement in their overall physical health.

As a result of the Health InReach Lead role, we have provided bedspaces specifically for women with health-related needs and these bedspaces have been commissioned by Westminster Council.

The complexity of the needs of the women still requires an intense support provision and occasions of exhaustive non-stop interaction with the women. We continue to be aware of the toll that such intensity of work can have on front line support staff and the breakout and relaxation room continues to be available for staff to have time away from the intensity of situations and have some space and peace. Reflective Practice is now a standard staff support service and is helping the staff to understand and deal with the challenges they are facing.

We continue to provide 5 bed spaces for women with no recourse to public funds (NRPF) as part of a five-year funding programme within the Westminster Council Rough Sleeping Initiative. Westminster Council also spot purchase additional NRPF bed spaces as needed by women who present to the Council.

These continued service level agreements have ensured that our partnership with Westminster Council continues to go from strength to strength and that we remain a valuable service for homeless women in Westminster.

A new partnership was developed with Crisis providing specific bed spaces for rough sleeping women for the Crisis at Christmas programme.

Every year we set ourselves a challenge to support as many women as possible into moving into independent living with a general target being set at 50 per year. I am pleased to report that we have exceeded this target again this year by moving on 63 women during 2023-24 (a similar number to the 68 moved on during the previous year) the majority of which have been moves to independent living accommodation with a very small number moving to another service within the Project that better suited the women's specific needs. This includes moves between all three accommodation services of emergency beds, support services and resettlement.

This approach of moving women within accommodation services within the Project is an example of how the Project has developed and implemented a trauma informed and psychologically informed environment response the individual support needs of the women. The continued successful move on and exceeding the move on target was helped by a Rent Deposit Scheme and Home Starter Pack Scheme, which is funded by Westminster Almshouses. This is the second year that Westminster Almshouses have provided such funding, and it is not only helping the women to seriously consider private rented accommodation, but also making the transition from homelessness to more settled accommodation easier.

There are a number of challenges facing the whole Project and the Senior Leadership Team are aware of these, their impact, the need to address them and they have developed strategies to manage them.

The biggest challenge with the biggest impact we continue to face is recruitment and retention of staff. We have had numerous front-line staff leave and have struggled to recruit to some positions or retain staff for the longer term. Whilst it has been acknowledged that staff retention and recruitment within the wider health and social care sector has been difficult, the Project is not exempt from this and it has resulted in us needing to use a greater number of agency workers, which come at an increased cost. Great efforts continue to be made to reduce our use and dependency on agency workers and to recruit permanent staff and this remains a priority for the Senior Leadership Team.

Another challenge is maximising the receipt of Housing Benefit, and the Senior Leadership Team has identified this as another priority for its focus and work going forward.

With the help of our Volunteer Co-Ordinator, we have again increased our partnerships with corporate volunteers and many more groups have visited the Project to help with redecoration, upgrading décor and

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donating to the women. These visits are helping us give the Project a fresh feel and includes office spaces, women's living spaces and communal areas.

Despite the challenges and changes that we have experienced this year, the remaining permanent staff team continue to be committed in offering their skills and specialist support to address the variety of challenges and demands so that the women's lives can be transformed, and the Project's ethos, vision, values and mission can be fulfilled.

No matter how big or how small, all achievements have an impact on the lives of the women we serve so all are valued in the wider work that we do and are helping us to shape the future.

All the work of the Project, both positive and negative, has been recognised with the Project achieving the Homeless Link Excellence Award in Excellence in Supported Housing and a formal presentation took place on 30th October 2023 with Rick Hendeson, Chief Executive of Homeless Link, and Kate Alaway, Head of National Workforce Development at Homeless Link.

Reach and Impact

Overall, during the year, the Marylebone Project provided:

- 40,100 nights of accommodation offering shelter, hope, safety and support to women who would otherwise have remained on the streets or in situations detrimental to their well-being
- 25 beds to women with complex needs
- 14,500 visits to the Sanctuary Centre, 567 of whom were first-time visitors
- 2,883 women attended 14,500 activity sessions
- 63 women resettled into independent living
- 85 women participated in Westminster Adult Education Services courses
- 45 women engaged in volunteering
- 18 women secured work placements
- 13 women secured employment

Although we have been able to make great developments and achievements challenges still remain within securing permanent staff and staff retention and financial sustainability.

Semhar's story*

Semhar was recommended to the Marylebone Project by a friend. She was residing in a night shelter at the time but needed a safe space to spend her days. Furthermore, the night shelter was due to close soon, and she was anxious and worried about the future. Semhar started coming to the Sanctuary, sometimes covering the distance between the night shelter and the Project on foot, which could take nearly 2 hours. Semhar's Support Worker encouraged her to join the classes and activities in the Project. Semhar was unemployed and not taking part in any education and training at the time but was keen to develop her knowledge and skills. She joined the sewing beginners' group as she wanted to learn how to use the sewing machine. She had prior experience of doing hand stitching but wanted to refresh her skills. Not only has Semhar learnt some new skills but she has also combated social isolation by meeting a new group of women who she now attends other activities with. Attending the sewing class has, not only resulted in Semhar learning new skills, but this has also been great for Semhar's confidence building and helped her to reduce social isolation. Semhar has met a new group of women, and the experience has inspired her to participate in other classes. Semhar is now attending our internal ICT Beginners course and is learning to type on the computer for the very first time. Semhar is now accommodated in one of the residential beds within the Project and is looking forward to engaging with other classes and activities to help build her skills for employment and independent living.

***name changed to protect identity**

Despite the challenges and changes, the staff team continue to be committed in offering their skills and specialist support to address the variety of challenges and demands so that the women's lives can be transformed.

Financial Sustainability for the Sanctuary 24-7

Having invested in refurbishing the drop-in centre to create and launch the Sanctuary 24-7 in November 2021 we were delighted to receive a grant of £473k from Barclays via the London Evening Standard / London Community Foundation to fund the first year's operating costs. This grant funded the Sanctuary to May 2022. Growing our fundraised income to cover the increased costs of running the Marylebone Project

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including the Sanctuary has been an immense challenge during the last 2 years, with high inflation creating a cost-of-living crisis that made fundraising even more difficult. This led to a significant deficit of £752k for 2022-23 at the Marylebone Project and a further deficit of £375k for 2023-24, which Church Army has funded and continues to provide ongoing support while we work to make the project financially sustainable.

For more information or to make a donation please visit <https://www.maryleboneproject.org.uk>

Church Army Ty Bronna

Church Army Ty Bronna provides residential support to 13 young people aged 16 - 21 years old, who have been deemed homeless or at risk of homelessness by the local authority. The provision includes:

- Emergency Bed - offering short term emergency respite support across the partnership.
- Church Army Visiting Support (CAVS) - supports 6 young people living in short-term self-contained flats in Cardiff that are owned by Cardiff council and managed by The Salvation Army. Support is usually provided for a six-month period.
- Training Tenancy (TT) - supports young people who have moved on from CAVS flats and/or residential projects within the partnership and are secured Cardiff council or housing association flats. Support is provided for 12 months after which the young person can be confirmed in their long-term tenancy.
- At Ty Bronna all young people are allocated a designated Personal Development Support Worker who provides them with one-to-one support, so they may adopt independent living skills.
- All young people in CAVS and TT are allocated a Visiting Support Worker who provides them with the one-to-one tenancy-based support.
- All support is provided in a person-centred, client focussed, needs led and psychologically informed way.
- The support is delivered via a variety of formal weekly support sessions, informal ad hoc support sessions, accompanying young people to appointments and providing advocacy, practical life skills support, education, training, and employment sessions and group work.
- This support benefits the young people in building their self-esteem, self-confidence, feelings of self-worth and the opportunity to heal from the trauma they have may have experienced from their adverse childhood experiences.
- This further helps the young people put in place coping mechanisms to help them deal with crises when they are on their own, reducing the risk of tenancies failing, mental health breaking down and then entering the cycle of homelessness services again.
- We deliver in-house activities to the young people via a structured programme, some work and education related, some creative and therapeutic related and some health and wellbeing related.
- We provide leisure activities so young people may develop a sense of community within the project, develop relationships with staff and create positive memories of being at Ty Bronna. This could be through in-house BBQ's, cooking meals, making crafts, movie nights, beauty nights. Then at special times of year such as Christmas and Easter taking young people Go-Karting, paintballing, to a pantomime or on an outdoor education centre, or to a theme park.
- We currently work in partnership with a number of services to best meet the needs of the young people and these include Young Person Gateway, Children's Services, Adult Services, Mental Health Services, Child Sexual Exploitation Services, County Lines Services, Safeguarding Services, Alcohol and Drug Services, Youth Offending Service, Probations Services, Home Office and Miles Project into Work Services.

The project's mission is:

- **Hospitality** - Providing hospitality to all young people referred to our service.
- **Empowerment** - Equipping all young people to make informed choices and take control of their lives and work in partnership to achieve their goals.
- **Accepting** - all young people for who and what they are in a non-judgemental and anti-discriminatory environment.

- **Resettlement** - Facilitating and encouraging young people to move on to independent living and enter education, training and/or employment.

It's aims as a Supported Housing service, are to:

- Prevent homelessness wherever possible by working in partnership with the local authority.
- Ensure sufficient accommodation of a good standard is available for young people who are, or may become, homeless.
- Ensure the provision of appropriate support for homeless young people in developing the skills required for them to move on and live successfully in independent living and to access the more specialist support to assist them with their specific needs, in addition to supporting the young people in entering education, training and employment.

Key achievements during the year included:

- 4,742 nights of accommodation provided to homeless young people.
- 35 young people have received support and accommodation.
- 41 new referrals received for accommodation and support.
- 39 young people offered accommodation and support.
- 22 young people accepted the offer and moved in.
- 10 young people accessed the emergency bed for a total of 66 nights.
- 14 young people supported in their own homes in the visiting support scheme.
- 10 young people supported in their own homes in the training tenancy scheme.
- 5 new young people moved into the visiting support scheme.
- 1 new young person moved into the training tenancy scheme.
- 6 young people reached the 12-month point in the training tenancy scheme and have been confirmed in their long-term tenancy.

What we've done this year

During this year Ty Bronna ran a 'Moving on - Moving Forward' mentor programme for its young people. The basis of this programme was to invite ex-residents and residents currently living in the community who we still support, to return to the project and mentor new residents at Ty Bronna who are at the start of their housing journey. This was so young people could learn from their peers as to what securing accommodation and maintaining it successfully is really like from their own lived experience. Ty Bronna was able to provide this programme through securing 'Food for Life' funding which advocates for communities to come together through food. Ty Bronna therefore offered our young people to sit and eat a cooked dinner together which acted as an ice breaker and where young people felt more comfortable sharing experiences and stories.

Ty Bronna was also awarded £5,000 by The Archbishop of Wales Fund for Children. This was used to purchase new curtains, lampshades and bedding for the young people's bedrooms. This idea was taken from a Young Persons Forum where young people provided feedback to the service; in how they would like to see the bedrooms decorated with more modern colourers and grey came out top. Church Army Ty Bronna emphasises a person-centred approach when working with young people. So, this feedback in how to better the service was taken seriously.

Young people have reported back that they now take more pride in their bedrooms which has also improved their mental health and wellbeing. Ty Bronna is hoping to secure more funding in the next year with possibilities to increase employment opportunities and reduce educational inequality for young people. We also hope to secure funding to remodel the training kitchen at Ty Bronna to ensure it meets the needs of neurodiverse residents. Ty Bronna is also looking to secure funding to offer a bilingual Welsh service to residents and visitors. This will hopefully allow the service to have Welsh speaking staff and provide all documents and signage bilingually. This will then meet the needs of any young bilingual speakers and encourage young people who are not bilingual to take pride and engage in the Welsh language.

***Martin's Story**

Martin was referred to Ty Bronna after being discharged from a mental health unit due to previously being diagnosed with Psychosis. Martin's Psychosis was brought on by his traumatic journey reaching Britain as an asylum seeker; after he left his home country due to civil war. Martin was heavily medicated for the first few months to address his mental health needs and reduce the risk of him relapsing back into Psychosis. Staff had to try and encourage Martin to meet his basic needs. This included reminding Martin to eat regularly, to ensure he washed and had clean clothes each day and to try and provide simple activities to Martin to keep him occupied. This often included colouring/drawing or staff and Martin watching his favourite YouTube channel. Overtime Martin's medication was reduced, and his emotions and personality started to shine. He went from being very withdrawn to always welcoming staff with a smile each day. Martin started to address his own basic needs and over time his Personal Development Support Worker was able to encourage Martin to achieve more and more. This went from supporting Martin to shop in the local community and cook his favourite meals from when he was at home. Martin was referred into a volunteering placement at a local community garden and thrived as he loved working in the outdoors. Eventually it was decided that Martin was ready to live in his own home in the community. However, Martin's needs were still too high for Ty Bronna to accommodate him safely, so Martin was referred to another housing provider that could provide Martin with wrap around support in his home each day. Martin has achieved so much and came back recently to Ty Bronna mentally well and full of thanks and enthusiasm for staff who helped him when he was at his lowest point.

***Name changed to protect anonymity**

The Ruby Project

Ruby is dedicated to ensuring women can choose a life without sexual exploitation - where women involved in the sex industry can pursue genuine alternatives to survival strategies, abuse, poverty and drug dependency. We exist to show the relentless love of God for all women affected by the sex industry and to journey with those who choose to explore the Christian faith.

Our staff team is relatively small but passionate about serving and loving the women we work with. Our Team consists of 1 full time worker and 3 part time and with a few dedicated volunteers and we actively support around 50 women at any one time. We run a drop in, offer in community support and street outreach.

We are passionate about serving both in word and deed, we support women practically, emotionally and spiritually.

Over the last few months, we have seen a real increase in new women. We have seen 17 new women to us most we have met through street outreach, but also some attending our safe space drop in. We have developed our multi-agency working and have several agencies who attend our drop in to help develop the support and access to services our women want but struggle at access. This includes specialist services such as Domestic Violence support.

We don't give up - No matter where a woman stands on her journey, we greet her with unconditional compassion, understanding, acceptance, and love. We mark every positive step and persevere alongside them, even during challenging times, we never give up. Together, we explore what hope and thriving looks like, on their terms and at their pace, as they find their voices and discover the truth of their immeasurable worth and the boundless love God has for them.

Claire's story* "I met you guys when working on the street corner, you gave me hot chocolate with squirty cream and homemade brownies, and I loved it! It's through Ruby that I got out of it. You helped me with housing and how I felt about myself I've not been on that street corner for 2 years. I wanted to get help from you because they were nice and didn't judge, you are friendly and cared. You don't throw religion at you, but I was in a place where I wanted to explore anyway, I'm always questioning things. No body judged me, nobody said you need to believe this, and I love that. The only people [in terms of support] that have been consistent is Ruby"

***Name changed to protect identity**

Grace's* story - from the perspective of one of The Ruby Project Staff

Recently in a group we run for women to explore or deepen faith - we were looking at the things that shape us, the labels we might get attributed to us (Using the aid of Max Lucado's book *You Are Special*) there is so much application for our women, from some of the things that have happened to them in terms of abuse, but also labels given to them, by society, friends, family, professionals. We had a beautiful discussion with Grace in which she shared some of the labels she feels like she has had put on her - loser, uncool to name a few. She spoke about comparison and having to keep up with others and how exhausting that is. As the story unfolds it talks about going to the carpenter - the maker and what He says is what ultimately matters. Grace reflected, her relationship with Jesus is really new, and she shared about the impact of this for her, the freedom of what God says about her in comparison to what others say. She also shared that she doesn't feel those labels when she comes to our project - Our heart and prayer is that we do demonstrate the love of God to her, and it deepens her faith with Him.

***Name changed to protect identity**

A double-decker bus

Chris and Phil Baul joined Church Army in 2001, they trained in Sheffield for 3 years, a time that they are very grateful for. Chris and Phil are now based in Plymouth. With the team they had working with them, they believed it was time to look for something which would be more of a permanent place to gather.

So, inspired by others in Church Army who have used double decker buses, they prayed and decided to try the local bus depot. The bus was given to them! They took possession of the bus in late 2012 and by March 2013 they were on the road. They have been running that bus every week since then, except during Covid. They applied for grants, and they were given £25,000, these funds enabled them to get the bus painted and kitted out inside, remove the bus seats and making it practically ready for ministry.

Chris and Phil go out on the bus each week and every time they have a thought for the day, an opportunity for prayer and they aim to have a service once a term. They see people regularly coming to the bus and they have created their own community. They looked out for one another, supporting each other in any way they can, if someone doesn't turn up someone will check on them, without being instructed to do so, God is at work.

It has been a big team who have made this happen. It has not been just people here in Plymouth, but all those who support them either through prayer and financial support through the ESS scheme. The support is from people across the country from their sending church in High Wycombe to those they met in Sheffield, Amersham and fellow Church Army brothers and sisters.

Chris and Phil believe God has more for them to do!

Objective 2: Advocating Evangelism

Our second objective is Advocating Evangelism. Simply, this is being champions for the spreading the Gospel. As advocates for evangelism, we encourage and promote the sharing of the message of salvation through Jesus and encouraging individuals, churches and leaders to share their faith with those around them, whether through personal relationships or evangelistic outreach opportunities.

As part of Advocating Evangelism, we promote living life in such a way that others can see Christ in us and be drawn to Him. It requires being intentional about sharing the good news of Jesus with others and being willing to step out in faith and trust God with the results.

There are a few ways we do this:

Our Communications Team is a key player in promoting evangelism, using various platforms such as print, online videos, websites and social media. Through sharing stories of lives transformed, the diverse range of work we do, and creating new avenues for interactive engagement, Church Army's Communications Team are responsible for giving our work a platform to external audiences, as well as our large internal network. Our evangelists are also making a local impact by utilising online communication to share their amazing work, including the impactful projects we fund.

Inspiring church leaders

Our DARE strategy relies on church leaders embracing evangelism, which is essential. Our Senior Leadership, Research, and Training teams have actively participated in a myriad of events across the United Kingdom and Ireland. We have been honoured to speak at conferences, theological colleges, and diocesan events, spreading the message far and wide.

Encouraging the wider church: Church Army speaking engagements

Our Evangelist's captivating speaking engagements empower churches across the UK and Ireland. These engagements, held at Sunday morning services and other weekly events, are crucial for increasing financial and prayerful support. They provide a unique opportunity to share the importance of our Evangelist's Kingdom work, inspiring and encouraging other Christians in various settings. Each year, we reach approximately 100 platforms, spreading our impactful message far and wide.

Objective 3: Resourcing Evangelism

The Research Unit

Church Army's Research Unit has continued to resource evangelism through a growing portfolio of internal and external research. And with the appointment of a new Senior Researcher with a remit around researching effective evangelism, the research team has sought to ensure that its work becomes more explicitly focused on evangelism.

Internal research for Church Army has included:

- Recording the Journey - a project which gathers statistics and stories from Centres of Mission
- Triennial Reviews of Centres of Mission and other key projects (facilitated by the research team with the help of a wider team of Reviewers from across Church Army)
- Impact Evaluation for Missional Youth Church Network
- Data collection consultancy for Waterways Chaplaincy and other Church Army departments
- Various internal surveys for Church Army

9 externally commissioned and funded research projects were worked on in this period. Examples include:

- A major piece of research on lay ministries for the Church of England
- Evaluations of church planting and pioneering initiatives for various English dioceses and the start of a new piece of research with the Scottish Church Planters Network
- Continued evaluation work with some of the urban training programmes featured in our 2023 report 'Growing Leaders on Urban Estates' and the start of a new research project with 'Jesus Shaped People'

2023/24 was also a foundational year for the development of new research on effective evangelism and further work on this is planned for 2024/25.

Church Resources and Leadership Development

We have continued to Resource and Enable Evangelism through the development and implementation of our Church Resources and Leadership Development offer.

Our Church Resources have reached a point of maturation in their development, with the completion of Faith Questions rounding out the offer to:

- Faith Pictures, helping everyday Christians reflect on and communicate their story of faith.
- Faith Shared, helping ordinary Churches develop sustainable repeatable patterns of outreach to the communities around them.
- Faith Questions, exploring apologetics from a non-academic perspective.
- Faith Empowered, developing local lay leaders in evangelism.

Significant developments for our resources have been:

- The first print run of the Faith Pictures Leader's Box, which is now for sale from the Church Army website. It has been well received as a high-quality addition to our offer.
- The signing of a three-year agreement to license our Church Resources to the Diocese of Ely's learning framework for the development of lay ministries.

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- The development of a standalone Faith Empowered website, through which our trained facilitators access the resource, engage with us and one-another through a forum, and through which we can easily rollout updates to content.
- In September 2023 we gathered FE Facilitators in WCC for our second annual conference. It was a time for networking, sharing wisdom, and working through common challenges. We are planning another conference for September 2024.

Leadership Development identified 3 main priorities for our ongoing work - Growing leadership capacity & culture, enhancing organisational learning & developing our offer to the wider church

- Our Reflective Supervision offer was regularly at capacity, and we saw some increase in numbers engaging in at least one LEAD module
- We began licensing diocese to run LEAD in house through our Facilitators' training days.

The Wilson Carlile Centre (WCC)

The Wilson Carlile Centre in Sheffield has been the home of Church Army for the past 12 years. Located in the heart of the city, the building is a modern looking, multi-purpose centre offering: a public café; a theological library; 30 ensuite bedrooms; a spacious three-bedroom apartment; day and residential conference facilities; a chapel; garden and city centre parking.

Highlights from the last financial year include:

Accommodation:

Having been closed for much of 2020 and 2021 due to Covid restrictions it has been immensely encouraging to see record levels of occupancy and income throughout 2022, 2023 and 2024, maintaining high guest scores and excellent reviews on booking.com (currently 8.3).

Conference & Catering

There continues to be less demand for events and conferencing post Covid and an objective for 2024-25 is to identify new opportunities to meet the changing needs for meeting spaces in Sheffield.

Café

This has seen a gradual increase in sales as the public has returned to Sheffield City Centre, the increased use of our Accommodation. To find out more, visit www.wilsoncarlilecentre.org.uk

Flexible working

The new ways of working forced upon us by Covid have been embraced, but we have also recognised the significant benefits of in person working for collaboration and expression of our community and values as the home of Church Army. Building community and developing culture have been at the heart of our discussions as we've continued to navigate the next steps of our journey in this area.

Objective 4: Enabling Evangelism

Initial Training Programme

Initial Training is a key part of our DARE strategy, enabling more people to be resourced and equipped as CA Evangelists. At the end of March 2024, we had 23 Evangelists-in-Training (EiTs) to be Commissioned and 1 diocesan sponsored candidate. The September 2023 entry of new EiTs numbered 8 (one of whom is employment with Church Army and has since taken up training opportunities elsewhere). We will welcome 13 people starting their training in September 2024, 7 of whom are Church of Ireland Pioneer ministers, whose training is sponsored by the Church of Ireland.

In July 2024 we Admitted and Commissioned 7 new Evangelists, and we anticipate we will Admit and Commission 9 more in July 2025.

Envoy

We are excited about the work of Envoy across the UK and Ireland. Church Army rebranded Envoy as the evolution and merging of 10 years of coaching in evangelism (we already have over 80 members), which is a stunning development.

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The Envoy community remains committed to equipping the church to share the good news of Christ effectively. An Envoy member said these words:

'Envoy gave me an opportunity to discover the breadth of evangelism. To recognise that there is not a 'one size fits all model'

The Chaplaincy and Vocations Team

The Chaplains exist to support the life and people of Church Army in a variety of ways, but most importantly through prayer. Members of the Church Army Mission Community continued to meet through the year online for Middy Prayers. This provides an opportunity for prayerfully supporting each other and Church Army and is a much-appreciated contact point for people spread across the UK and Ireland.

Towards the end of the year plans were presented for restructuring the Church Army Mission Community, however, these have since been paused whilst a group investigates different options for moving forward.

In the meantime, a new pattern of 'retreats' and 'recharge sessions' have been introduced and well supported. These, and other initiatives have been part of supporting the community of evangelists, staff, and supporters across Church Army.

The world needs more evangelists and the Chaplain with responsibility for vocations, Neil Thomson, is working hard to find them. A programme of Church Army run Discovery Events, as well as participating in Diocesan run events is seeing more and more people consider if God is calling them to be a Church Army Evangelist.

Public benefit statement

The Trustees have considered the Charity Commission guidance on public benefit and are satisfied that both the aims of the Society and what it delivers meet the public benefit test.

Church Army meets the criteria through:

- the advancement of the Christian religion
- provision of services for homeless people
- its youth and community work

Church Army does not discriminate between those who profess a Christian faith and those of no faith. Our work is open to those of all faiths and no faith. Examples of how we do this can be found on pages 4 to 20.

Objectives for the coming year

Anybody reading this report will realise that Church Army is never short of good news to share or new ideas to develop. Whilst we celebrate enthusiasm and innovation, we also acknowledge that if we want to 'do more' and 'share more', we must proceed from a secure financial footing. Therefore, this year we have begun planning for how we can refine and refocus our work to achieve a more sustainable financial model and to see more lives transformed and faith ignited in areas of deprivation. The work so far is bringing us to a position where doing, advocating, resourcing, and enabling evangelism is central to all we do. The 2024-25 year will see us implement more of these plans as we restructure both our work and management structures.

In the meantime, alongside our plans for the future shape of Church Army, this year our objectives continue to build on the success of previous years in these ways:

Doing evangelism

- We will continue to share God's love in word and action to people in marginalised communities through our Centres of Mission?

- Further develop the initiatives of Envoy as ways of releasing around 100 people in evangelism in their context. We will continue to develop the profile of Envoy as a resource to make evangelism as a way of life.
- To develop new Missional Youth Churches across England through our partnership with the Archbishop of York's office and the Archbishop of York's Youth Trust and new partnerships.
- We will develop a theory of change and strategy for each of our Key Projects that can then be used to define the difference they make. This will then be used to advocate for the work that they do and attract new income generation.
- Explore finding a patron for each of our Key Projects.
- We will further develop the impact of Waterways Chaplaincy in doing evangelism in a community affected by deprivation and marginalisation.

Measures

- Evidenced by our impact on communities, growing of new Christian communities and stories of changed lives.
- The effectiveness of the support we offer to vulnerable people in their existing situations to gain the skills and confidence to move into the next stage of independent living, maintain tenancies, deal with ongoing issues and fulfil their potential
- The provision of accommodation for those who are homeless and through the increase in the numbers of people we are able to move towards independent living.

Advocating evangelism

- We will continue to challenge and inspire individuals and the church to reach out to their communities, sharing their faith through words and action.
- Our Research Unit, working in partnership with others, will continue to challenge and resource the wider church in its mission through research projects and publications on online church, pioneering, urban estates leadership and other topics.
- We will continue to advocate evangelism through the development of media opportunities.
- We will create resources that encourage individuals and churches to undertake evangelism.

Measures

- Increased number of strategic opportunities to inspire leaders in mission and the number of invitations from dioceses to help them in their evangelism.
- Numbers of completed research projects on mission and evangelism
- Strategically working with partners to influence positive change in the church.
- In the number of speaking engagements, which offer the opportunity to promote evangelism and the work we do.
- Increased press and media opportunities and engagement with our social media presence.
- The number of people exploring evangelism through our resources.

Resourcing evangelism

- Through delivering a digital strategy that will help us communicate better, training greater numbers and increase our reach.
- We will continue to develop LEAD to resource leaders and the wider church in mission.
- By continuing to develop new evangelism resources, both on our own and in partnership with others, for the wider church to get involved in evangelism.
- Through our partnerships with other Christian organisations, where together we can add value to each other's work.
- Through the evidence-based research, which assists the wider church to look strategically at new ways of being Christian community.

Measures

- The success of the above through the uptake of our resources.
- The increasing numbers engaging with LEAD resources both within Mission Community and diocese we work with.
- Increased capacity for delivering LEAD action learning groups
- Pilot LEAD within a diocese and within a diverse national office team
- Increase the additional LEAD modules available
- The number of training opportunities and the impact of our research and partnerships.
- The numbers in our training programmes, both local and national.

Enabling evangelism

- Through increased numbers of people being trained and resourced by our evangelists and national training staff for evangelism in their local contexts.
- Through increased numbers of participants on our Envoy programme.
- Through increased numbers of people training through our commissioned pathway with our Initial Training team.
- Through developing training relationships with dioceses and national churches across the UK and Ireland

Measures

- The number of churches that use our resources as a stepping-stone for their own programmes
- The success of our training programmes in enabling those who complete it to engage more effectively in reaching out to their communities
- Increased numbers of people training for our commissioned pathway, including more people from regional churches across the UK and Ireland
- Increased number of people sponsored for training by dioceses and churches across the UK and Ireland
- Number of formal or informal training partnerships with dioceses and churches across the UK and Ireland

Financial review

The review below covers the financial position for the year from 1 April 2023 to 31 March 2024.

This has been a further very challenging year with major external factors affecting people and organisations across the UK and the world, including:

- Inflation at a record 40-year high impacting almost every cost of our work
- The continuing high cost of living reducing donation income and making it harder than ever to attract new donors - while at the same time increasing demand for our services
- War in Ukraine - impacting cost of goods
- Political turbulence - with resulting volatility in financial markets

We started the year budgeting for an operating deficit of £3.2m as we continued to invest our reserves in growing our work, while we also started developing plans to work towards longer-term financial sustainability. The difficult external environment had a significant impact on income and costs, and this led to a higher than planned operating deficit of £3.8m for the year.

Continuing instability in the financial markets led to us seeing losses on our financial investments but as the property market started to recover, we saw small gains on our investment properties, offsetting the losses on financial investments.

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Here are some of the key points from our accounts:

Income - total income increased by £1.1m to £7.3m (2023: £6.2m). The key drivers for this were a significant increase in legacies up £0.8m to £1.1m (2023: £0.3m) and income from rents at our homeless projects up £0.3m, following an uplift in rent levels funded by Housing Benefit.

Donations - increased slightly to £2.2m (2023: £2.1m) including a £500k gift to help fund the Sanctuary 24-7 centre at our Marylebone Homelessness project - giving to Church Army continued to decline down £0.3m at £1.1m (2023: £1.4m).

Legacies - increased to £1.1m reversing a 2-year decline and returning the 5-year average to c £0.75m pa. The timing of legacy receipts is outside of our control, but this is an income stream which continues to reflect Church Army's historic connections; a rich heritage and blessing which has clearly left a mark on people's lives.

Income from our partners for Charitable Activities - declined slightly to £0.67m (2023: £0.69m) as a few projects closed during the year.

Research income from external clients - lifted to £57k (2023: £45k) due to more external work.

Income from other trading activities - continued to rise to £434k (2023: £400k) as the Wilson Carlile Centre focused on increasing usage of the accommodation by external guests.

Rental income from investment properties - reduced to £408k (2023: £451k) as we continued to sell the properties as part of our planned disposal strategy.

Expenditure

Costs of Raising funds increased to £1.84m (2023: £1.50m) as we started to invest in delivering our step-change in Fundraising strategy to deliver a significant increase in Fundraising income over the next 5 years to help move us towards operating financial sustainability.

Spend on **Charitable activities** increased by £0.6m to £9.2m (2023: £8.6m) primarily due to higher costs in our Marylebone homeless project with total spend on homelessness up £0.3m to £4.0m (2023: £3.7m). Spend on Centres of Mission rose slightly to £0.1m due to the impact of inflation on costs.

Apart from the above, overall expenditure remained well controlled, despite pressures on all cost areas due to higher inflation, with monthly management accounts reviewed by every budget holder and the Management Group to ensure an effective and efficient use of financial resources.

Major capital works

No major capital works were undertaken during the year.

Investment policy and performance

Church Army's investments comprise properties which are rented out for income and funds invested with investment managers with the primary goal of capital growth. Investments are liquidated from time to time to provide the cash needed to fund the planned deficits.

During the year all our financial investments were withdrawn as we continued to invest our reserves in funding our ongoing operating deficit. A disposal strategy was also agreed to sell all our investment properties over a 3-year term, to move all of our reserves into more liquid assets.

Investment properties

Church Army's investment properties were previously used as accommodation by employed and retired evangelists. Rental income reduced to £408k (2023: £451k) due to the sale of several properties during the year. In previous years at each year end the investment property portfolio was revalued, but since we are in the process of selling all the properties this year we have used the prices at which they are being sold as the current book value - as at 31 March 2024 this resulted in an increase of £122k (2023: decrease £675k).

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Reserves (Funds) policy

During the year we continued to invest in growing our work, pursuing our DARE strategy and used a further £1.2m of our **DARE Designated Reserve** to fund this work, and the Board decided to transfer the balance of this designated fund into general unrestricted (free) reserves.

At the year end the **Unrestricted Free reserves** of the Charity had reduced to £8.4m (2023: £11.4m including DARE designated funds). These unrestricted free reserves are held to provide a contingency in the event of an unexpected shortfall in income or significant uplift in costs and represent 9 months operating costs.

We have previously worked to a target of £6.5m of Free Reserves but in this season of investing in delivering a step-change in Fundraising and using reserves to fund ongoing work as we move towards financial sustainability over the next 4 years, the Board is monitoring a 5 year finance and reserves model and is planning to use up to £5m of the free reserves during this period as the organisation works to deliver a major change in its operations and income streams to move to a more sustainable model.

The trustees include investment properties within their Free Reserves calculation as these are readily available for sale and are being sold on a planned basis over the next 12-18 months. The Board recognises that, if required, the proceeds from the sales of the investment properties could be obtained within weeks if they were sold at auction but are pursuing a planned disposal strategy to maximise the value obtained.

Restricted Funds, given for specific purposes **reduced to (£6.3m (2023: £6.9m))** as the monies were used for the purposes for which they were given.

Operational Properties (including our Marylebone Homeless project and Wilson Carlile Centre) comprise **£7.0m** of our total reserves - we cannot access these funds without selling the properties and so these are identified separately in the reserves summary below.

In total, our reserves come to £21.7m (2023: £25.5m), but as outlined above £13.3m are tied up in Restricted funds and Operational Properties. The Unrestricted Free Reserves represents 9 months operating costs and provide a contingency to cover any unexpected shortfall in income or uplift in costs.

The following table gives a summary of the funds we hold:

	Target	2024	2023	2022
Restricted Funds	6.3	6.3	6.9	7.2
Operational Properties (buildings used for our work)	7.0	7.1	7.2	7.2
Designated for investment in DARE strategy and step change in Fundraising – transferred to unrestricted funds March 24 year-end	0	0	4.9	6.2
Unrestricted General Reserves	6.5	8.3	6.5	9.4
Total	19.8	21.7	25.5	30.0

Contingent liabilities & assets

In 2019 Church Army provided support to a venture seeking to establish a Community and Retreat centre for young people using the buildings of a former convent. As part of this support Church Army employed the staff and signed the lease for the site, with the expectation that these would be formally transferred across to the new charity once it became established. While refurbishment of the buildings commenced as planned, Covid had a significant impact on the wider plans for the venture and in the spring of 2022 the Trustees of that venture decided to close-down the project. The 2022 Trustees Report recognised a contingent liability of £356,000, being a claim made by the freeholder of the site, but the matter was settled with the freeholder in early 2023 at £150,000 which was included in the loss reported for the year to March 2023. The liquidation of WITH is underway and we hope to receive a dividend of up to £50,000 to reduce the overall loss.

Fundraising activities

Church Army has fully embraced the protocols established by the Fundraising Regulator and laws which came out under General Data Protection Regulations on 25 May 2018.

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Church Army has always maintained a highly competent and professional approach to what is now a strictly regulated sector, balancing the need to generate funds while at the same time, fully respecting the position of both our existing and potential donors. Church Army has adopted a very robust approach to ensure full compliance with the requirements of the Fundraising Regulator and the 2018 GDPR legislation. This is particularly so in the area of donors in vulnerable circumstances, where working practices have been established to respect and protect their position.

Church Army first published a clear policy on donor relationships over five years ago. This has been strengthened to reflect more clearly our relationship with the Fundraising Regulator to state:

- We believe that the way we raise money should model our Christian values, with integrity, accountability and honesty, born out of a genuine two-way relationship; you wouldn't expect anything less. That's why we are not only committed to upholding the Code of Fundraising Practice, we are committed to setting the very highest standards in fundraising.
- We are registered with the Fundraising Regulator whose Fundraising Promise states:
 - We will commit to the highest standards
 - We will be clear, honest and open
 - We will be respectful
 - We will be fair and reasonable
 - We will be accountable and responsible

The complete text can be found on the Church Army website: <https://churcharmy.org/ways-of-giving/fundraise-for-us/our-pledge>

Complaints are defined as any expression of dissatisfaction, whether justified or not. Using this definition, we received six complaints from people on our supporter database, covering five different areas:

- Problems setting up a direct debit
- Changes to publications received
- Incorrect gift allocation and failure to answer a previous question
- Receipt of a fundraising appeal when already donating
- Quality of a Church Army product bought at a festival

All complaints were acknowledged, followed by an investigation and communication to the supporter of our findings and details of the resolution.

We continue to work hard with existing warm individuals, parishes, trusts and foundations to maintain and grow our income and pursue new opportunities. With the arrival of Dan Lane last year began a step-change in our investment and working practices within our fundraising and communications department. We have re-shaped our fundraising team and begun work on new models of acquisition and retention of supporters. We secured an opportunity to be Premier Christian Radio's charity of the year, which will impact in the next financial year but marks a radical change in our approach to reaching new audiences. We have also been reviewing our brand, the proposition we put to supporters, our engagement with Christian festivals and how we approach legacies. It will take time to see the effects of these new ways of working and to recruit the new team members that are joining us in this space.

We recruited a new Trusts Officer in March but due to the nature of trust fundraising, much of the income in the first half of the year was the result of limited proposals when the trusts team were understaffed. There were also delays or postponements to some planned trust proposals due to changes within some of our projects and centres of mission. Consequently, our income from trusts was not as high as we would have hoped but was still higher than pre-Pandemic levels. Major donations were received from The Roland Callingham Foundation and Jerusalem Trust for general funds and to support our centres of mission; other significant major donations were received from Samuel & Freda Parkinson Charitable Trust and the Big Lottery Fund supporting our work at the Marylebone Project. We are extremely grateful for the generosity of these and all our loyal donors.

Church Army uses professional external fundraising for the Marylebone Project and the business involved is signed up to the same working practices that we adopt ourselves.

For further information about the Fundraising Regulator visit www.fundraisingregulator.org.uk

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Working Capital and cashflow

The Board recognises and has committed to investing the charity's reserves to fund planned operating deficits reducing over the next 3 years as the charity moves towards operational financial sustainability in 2027-28. Reserves are currently held primarily in investment properties, and these are all being sold on a phased basis over the next 2 years.

Recognising that it is impossible to predict the timing of these sales, the Board has agreed and drawn a 3-year loan of £2million from Stewardship to provide working capital while the properties are sold. This loan was drawn in August 2024 and is repayable at the rate of 15% of each investment property sold, with full repayment from the sale of the site known as the Bushey flats which comprises 26 individual flats across multiple blocks in Bushey Hertfordshire, currently valued at £6m. The Stewardship loan is secured by a charge on the Wilson Carlile Centre, a charge over the Bushey Flats (as these provide the primary source of repayment) and a debenture.

The Executive Team (SLT) has produced a 3-year cashflow forecast which is monitored and updated weekly to ensure clear visibility and close management of cash and working capital during this period.

Going concern

The cashflow forecast shows that with property sales phased quarterly over the next 2 years and the Stewardship loan in place, the charity has sufficient working capital for the next 3 years, but particularly for the next 12 months which is the period of this Going Concern Review.

The Board has reviewed finance models forecasting the impact on reserves over the next 5 years and having reviewed the plans and reserve models, the Board believes sufficient reserves are in place to support its ongoing work and the planned investment in delivering a step-change in fundraising over the next 3 years with the aim of moving towards operational financial sustainability by 2027-28.

In continuing to spend its reserves the Trustees acknowledge that sales of its investment properties will be required to fund working capital, and the disposal plan is already underway.

After making these appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

Structure, governance and management

Constitution

The Society is both a registered charity and a company limited by guarantee governed by its Articles of Association, which specify that its legal objects are "to bring people to a personal faith in Jesus Christ" by:

- (i) providing trained evangelists and lay agents to assist the advancement of the Christian religion
- (ii) preaching the need of conversion, holiness of life and church membership
- (iii) relieving poverty and distress

The Society is registered with the Office of the Scottish Charity Regulator and the Charities Regulator in the Republic of Ireland.

Appointment, induction and training of Trustees

The Board of Trustees comprises people with relevant expertise including Church Army evangelists. Trustees are co-opted by the Board, following a search based on filling identified gaps in skills and experience and must be elected by the membership at the next Annual General Meeting. Good governance is vital to the effectiveness of the organisation and so training and induction programmes for new Trustees are tailored for each individual.

Following the planned departure of trustees, the results of a skills audit were used to inform a trustee recruitment programme using an external agency which led to the appointment of 4 new trustees to the Board in 2022 bringing skills in key areas, including Digital, PR and Media, Legal and Finance. Each of these trustees comes from a unique background as well as the specific skills and experience they bring.

During the year the Board completed the recruitment of a further trustee with Fundraising expertise, filling the final gap identified in the Board skills audit.

Board diversity

The Board is delighted to have achieved a more diverse membership with 50/50 female/male elected trustees (plus the CEO), a 30% representation from Global Majority Heritage (GMH) backgrounds and 50% aged under 50.

Organisational structure and decision-making

The Board carries overall responsibility for every decision made within the Society and has delegated certain powers to the following committees:

The Finance Committee:

- advises the Board on financial policy and its implications
- monitors the development of financial systems
- approves the purchase and sale of properties and other capital expenditure within parameters determined by the Board
- recommends to the Board the appointment and remuneration of external auditors
- discusses and agrees with the external auditors as to the nature and scope of their activities
- considers with the Chief Executive the implications of the auditors' recommendations as set out in their management letter and monitors progress against agreed action

The Investment Committee monitors and reviews the policy and performance of the Society's investment managers and property portfolio.

The Senior Leadership Team is responsible for implementing Board decisions throughout the Society and the executive management of its operations and resources through its Management Team.

The Marylebone Project Board formulates and implements strategy and oversees all operational matters relating to the Marylebone Project for homeless women on behalf of the Portman House Trust and Church Army as sole Trustee.

The Waterways Chaplaincy Project Board formulates and implements strategy and oversees all operational matters relating to the Waterways Chaplaincy on behalf of the Church Army as sole Trustee.

The Training Committee

The Training Committee monitors and reviews Church Army's training provision for Evangelists on its Commissioned Pathway and academically validated programmes, ensuring it is aligned with vision, values, and strategy, and is of the highest possible quality and standard.

The Society also has a President and Vice-Presidents, who have no formal powers but act in an advocacy role within the wider church. They are listed on page 1.

Church Army International

Church Army continues to support a collective group of societies in Australia, Barbados, Canada, Denmark, Jamaica, New Zealand, the United States of America, various countries across Africa and Vanuatu. Each of these is separately constituted and independent of the others. There is mutual support and regular contact between the leaders as part of the International Leaders, chaired by the UK CEO.

Pay policy for senior staff

During the financial year in review there was no formal remuneration policy for any group of employees, beyond the commitment to pay at least the living wage under The Living Wage Foundation criteria.

In 2023 the Board, through the Treasurer, completed a benchmarking exercise for senior staff and set a remuneration framework, based on that review, to reflect the market forces within the sector. The

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resulting level is adjusted to recognise both the need to recruit and retain staff with the appropriate skills and experience.

Risk management and internal controls

The Board has overall responsibility and regularly reviews all aspects of risk management to ensure that the Society has appropriate systems of internal control, whether strategic, operational, financial, or with regard to legal compliance. Systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustees and detailed monthly management accounts which report actual performance compared to budget
- A monthly Cashflow forecast and 3-year financial model
- A strategic statement of the Society's purpose, values and vision supported by more detailed goals and objectives and financial forecasts looking ahead five years
- Internal policies and procedures
- A process for the identification and management of risks
- An agreed level of delegated authority to committees and management
- Checks to ensure that transactions are properly authorised and recorded
- Carrying out internal audit where appropriate

Following the Board's annual review, the key strategic risks and mitigations are:

Risk	Response
Lack of working capital due to delays in realising property investments	• Disposal strategy being pursued, led by our external Property Advisers with multiple properties being marketed for sale • £2m loan agreed for 3-year term with Stewardship drawn in August 2024 to provide working capital pending property sales to be repaid in lump sums with 15% of each investment property sold • 3 months weekly and 12month monthly Cashflow forecast produced with 3-year model - being monitored weekly to maintain close control of cashflow
Structural budget deficit continues	• Ongoing review and shaping of budgets and costs in the light of income and available reserves. • Board has committed to significant investment to deliver a step-change in fundraised income over the next 3 years • Rolling 3-year financial model in place to manage reduction of any operating deficit in line with reserve policy targets
Step change in Fundraising strategy does not deliver forecast income growth at required pace	• Strategy includes growth across multiple areas of fundraising income mix not relying on one strand, reducing the risk • Agreed investment includes extensive recruitment of experienced staff in both Fundraising and Comms to deliver the ambitious plans • Monthly monitoring of progress against KPIs by SLT and quarterly by Finance Committee and Board

	Reserves in place with 5-year finance modelling updated quarterly and monitored by SLT, Finance Committee and Board to allow time for Strategy to be delivered
Impact of Strategic changes negatively affect Church Army's reputation with its people and external stakeholders	- Clear communications plans established ahead of change processes - Effective engagement with key stakeholders - Establish ongoing listening and feedback opportunities
Safeguarding risks through failure to protect the vulnerable and marginalised	- Culture of Safeguarding embedded across whole of CA - Policies and procedures exist in all CA projects to establish good practice - Safe recruitment of all CA staff and volunteers working with vulnerable adults or children - Safeguarding training mandatory for all staff and volunteers with specialist training for specific frontline roles and those with Safeguarding leadership responsibility
Inability to recruit & retain the right people especially for Centres of Mission Loss of key staff / institutional memory	We are running leadership development training programmes and identifying potential leaders and evangelists among members of key programmes at an early stage in their journey with Church Army
Sustainable funding not achieved for Marylebone Sanctuary 24-7 project	- Increased investment in external fundraising consultancy to drive higher income - Plans being developed for large scale acquisition of new donors

In addition to the Board review, each year there is a formal review of the risks to which Church Army is exposed and systems established by our Senior Leadership Team to mitigate them are updated or added as appropriate.

Budget and financial model

Detailed budgets are prepared for one year in advance and extended into the following 2 years to create a 3-year financial model. Church Army is consciously budgeting an operating loss for the next 3 years drawing on both Designated and Free reserves to support current activity and investment in new work as it pursues its strategy, and at the same time has committed to significant investment in fundraising to deliver a step-change in income over the next 3 years to move us towards financial sustainability.

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Trustees' responsibilities

The Trustees (who are also Directors of Church Army for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the 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 charitable company and of the incoming resources and application of resources, including 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 the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board on 03/12/2024 GMT



Signer ID: TSME4YQXYF...

John Whitfield
Trustee



Signer ID: 70SNXPQRVQ...

The Right Rev Guli Francis-Dehqani
Trustee

Opinion

We have audited the financial statements of Church Army (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and parent charitable company's affairs as at 31 March 2024, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 29-30, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal costs; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of 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 directors 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Signer ID: CZYRUVFAHR...

Nicola Adams (Senior Statutory Auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: 04/12/2024 GMT

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

Church Army (The)
Group Statement of Financial Activities
(Including an Income and Expenditure Account)
Year Ended 31 March 2024

		Unrestricted Funds £000	Restricted Funds £000	2024 Total £000	As restated 2023 Total £000
	Note				
Income and endowments from:					
Donations and legacies	2	1,788	1,455	3,243	2,317
Charitable activities	3	333	2,751	3,084	2,963
Other trading activities	4	387	47	434	400
Investments	5	429	33	462	467
Other	6	9	52	61	42
Total income and endowments		2,946	4,338	7,284	6,189
Expenditure on:					
Raising funds	7	1,652	185	1,837	1,501
Charitable activities	8	3,355	5,898	9,253	8,597
CoE pension scheme movement	23	-	-	-	(23)
Other	10	57	-	57	67
Total expenditure		5,064	6,083	11,147	10,142
Net expenditure for the year before investment gains/(losses)		(2,118)	(1,745)	(3,863)	(3,953)
Net (losses)/gains on financial investments		(59)	(123)	(182)	131
Net gains/(losses) on property investments		84	38	122	(675)
Overall gains/(losses) on investments		25	(85)	(60)	(544)
Net expenditure for the year		(2,093)	(1,830)	(3,923)	(4,497)
Transfers between funds	19	(1,108)	1,108	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		-	-	-	11
Re-measurement gain on defined benefit pension plan	23	-	83	83	2
Net movement in funds		(3,201)	(639)	(3,840)	(4,484)
Reconciliation of funds:					
Total funds brought forward	19	18,547	6,979	25,526	30,010
Total funds carried forward	19	15,346	6,340	21,686	25,526

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Church Army (The)
Society Statement of Financial Activities
(Including an Income and Expenditure Account)
Year Ended 31 March 2024

		Unrestricted Funds £000	Restricted Funds £000	2024 Total £000	As restated 2023 Total £000
	Note				
Income and endowments from:					
Donations and legacies	2	1,788	336	2,124	1,653
Charitable activities	3	333	799	1,132	1,128
Other trading activities	4	387	-	387	366
Investments	5	429	33	462	467
Other	6	9	25	34	41
Total income and endowments		2,946	1,193	4,139	3,655
Expenditure on:					
Raising funds	7	1,652	95	1,747	1,424
Charitable activities	8	3,355	2,466	5,821	5,411
CoE pension scheme movement	23	-	-	-	(23)
Other	10	57	-	57	67
Total expenditure		5,064	2,561	7,625	6,879
Net expenditure for the year before investment gains/(losses)		(2,118)	(1,368)	(3,486)	(3,224)
Net (losses) on financial investments		(59)	(123)	(182)	(62)
Net gains on property investments		84	38	122	(482)
Overall gains/(losses) on investments		25	(85)	(60)	(544)
Net expenditure for the year		(2,093)	(1,453)	(3,546)	(3,768)
Transfers between funds	19	(1,108)	1,108	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		-	-	-	11
Re-measurement gain on defined benefit pension plan	23	-	83	83	2
Net movement in funds		(3,201)	(262)	(3,463)	(3,755)
Reconciliation of funds:					
Total funds brought forward		18,547	5,809	24,356	28,111
Total funds carried forward		15,346	5,547	20,893	24,356

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Church Army (The)
Balance Sheets
Year Ended 31 March 2024

		Group	As restated Group	Society	As restated Society
	Note	2024 £000	2023 £000	2024 £000	2023 £000
Fixed assets					
Tangible assets	14	8,432	8,677	7,065	7,262
Investments	15	12,201	16,396	12,201	16,396
		<u>20,633</u>	<u>25,073</u>	<u>19,266</u>	<u>23,658</u>
Current assets					
Debtors	16	1,139	471	1,681	665
Cash at bank and in hand		744	719	744	719
		<u>1,883</u>	<u>1,190</u>	<u>2,425</u>	<u>1,384</u>
Creditors: amounts falling due within one year	17	<u>(830)</u>	<u>(737)</u>	<u>(798)</u>	<u>(686)</u>
Net current assets		<u>1,053</u>	<u>453</u>	<u>1,627</u>	<u>698</u>
Total assets less current liabilities		<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</u>
Creditors: amounts falling due after more than one year	18	-	-	-	-
Net assets excluding pension liability		<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</u>
Defined benefit pension liability	23	-	-	-	-
Net assets	21	<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</u>
Charity funds					
General funds		8,281	6,500	8,281	6,500
Designated funds (including revaluation Reserve) £8,890,000 (2023: £8,890,000)		7,065	12,047	7,065	12,047
		<u>15,346</u>	<u>18,547</u>	<u>15,346</u>	<u>18,547</u>
Restricted funds		6,340	6,979	5,547	5,809
		<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</u>
Total funds excluding pension reserves		<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</u>
Pension liabilities		-	-	-	-
Total charity funds	19	<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</u>

Signed on behalf of the Board of Trustees on 03/12/2024 GMT


 Signer ID: TSME4YQXYF...
John Whitfield
 Trustee


 Signer ID: 70SNXPQRVQ...
The Rt Rev Guli Francis-Dehqani
 Trustee

The notes on pages 40 to 65 form part of these financial statements.

Company registration number: 00037169

Church Army (The)
Group Statement of Cash Flows
Year Ended 31 March 2024

	Note	2024 £000	2023 £000
Cash flow from operating activities:			
Net cash flow used in operating activities	22	(4,422)	(4,640)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(12)	(275)
Payments to acquire investments		-	-
Receipts from sales of investments		3,997	4,243
Interest received		9	-
Dividends received		44	16
Rents received from investment properties		409	451
Net cash flow from investing activities		4,447	4,435
Net (decrease)/increase in cash and cash equivalents		25	(205)
Cash and cash equivalents brought forward		719	924
Cash and cash equivalents carried forward		744	719
Cash and cash equivalents consist of:			
Cash at bank and in hand		744	719
		744	719

Church Army (The)
Society Statement of Cash Flows
Year Ended 31 March 2024

	Note	2024 £000	2023 £000
Cash flow from operating activities:			
Net cash flow used in operating activities	22	(4,434)	(4,640)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		-	(275)
Payments to acquire investments		-	-
Receipts from sales of investments		3,997	4,243
Interest received		9	-
Dividends received		44	16
Rents received from investment properties		409	451
Net cash flow from investing activities		4,459	4,435
Net (decrease)/increase in cash and cash equivalents		25	(205)
Cash and cash equivalents brought forward		719	924
Cash and cash equivalents carried forward		744	719
Cash and cash equivalents consist of:			
Cash at bank and in hand		744	719
		744	719

1 Accounting policies

(a) Basis of preparation

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Church Army meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £'000.

The Statement of Financial Activities (SoFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The company (referred to as the Society) includes the results of Church Army, its linked charities and special trusts as disclosed in note 20 to these financial statements.

(b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All income is included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Similarly, no value is attached to gifts in kind that although graciously acknowledged, are not material for separate calculation or inclusion.

For Legacies, entitlement is the earlier of the charity being notified of an impending distribution with probate granted or the Legacy being received. At this point income is recognised. On occasion, Legacies will be notified to the charity, however it is not possible to measure the amount expected to be distributed. On these occasions, the Legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants under Supporting People funding operating within our homeless projects in London and Cardiff and No Recourse to Public Funds grants to support people in our homeless project in London. Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes gains on disposals of tangible fixed assets and miscellaneous income which has been recognised in the period for which the claim was made.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities include office costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out centrally. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a headcount basis and other overheads have been allocated similarly.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Assets with a cost of less than £5,000 are not capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold and long leasehold land	Nil
Freehold buildings	75 years
Leasehold buildings	75 years or lease term if shorter
Freehold improvements	10 to 20 years
Other fixed assets	3 to 7 years

(g) Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

(h) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their gains/losses on investments' in the Statement of Financial Activities. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(i) Debtors

Trade and other debtors transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case they are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

(j) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(l) Creditors and provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(m) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(n) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(o) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

(p) Pensions

The charity operates two defined contribution plans for the benefit of some of its employees. Contributions are expensed as they become payable.

The charity operates a defined benefit plan (CAPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The charity also contributes to a defined benefit plan (CEFPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period.

(q) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(r) Going concern

The Board recognises and has committed to investing the charities reserves to fund planned operating deficits reducing over the next 3 years as the charity moves towards operational financial sustainability in 2027-28. Reserves are currently held primarily in investment properties, and these are all being sold on a phased basis over the next 2 years.

Recognising that it is impossible to predict the timing of these sales, the Board has agreed and drawn a 3-year loan of £2million from Stewardship to provide working capital while the properties are sold. This loan was drawn in August 2024 and is repayable at the rate of 15% of each investment property sold, with full repayment from the sale of the site known as the Bushey flats which comprises 26 individual flats across multiple blocks in Bushey Hertfordshire, currently valued at £6m. The Stewardship loan is secured by a charge on the Wilson Carlile Centre, a charge over the Bushey Flats (as these provide the primary source of repayment) and a debenture.

The Executive Team (SLT) has produced a 3-year cashflow forecast which is monitored and updated weekly to ensure clear visibility and close management of cash and working capital during this period.

The cashflow forecast shows that with property sales phased quarterly over the next 2 years and the Stewardship loan in place, the charity has sufficient working capital for the next 3 years, but particularly for the next 12 months which is the period of this Going Concern Review.

The Board has reviewed finance models forecasting the impact on reserves over the next 5 years and having reviewed the plans and reserve models, the Board believes sufficient reserves are in place to support its ongoing work and the planned investment in delivering a step-change in fundraising over the next 3 years with the aim of moving towards operational financial sustainability by 2027-28.

In continuing to spend its reserves the Trustees acknowledge that sales of its investment properties will be required to fund working capital, and the disposal plan is already underway.

Based on the above, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

(s) Financial instruments

The Society holds a variety of basic financial instruments as part of its day-to-day activities, principally investments, bank deposits and accounts, and trade creditors and debtors. The investment managers at times use hedges as part of a cautious investment strategy to reduce the underlying risks in the portfolio, but do not actively seek to invest in hedge funds. The Society has no significant exposure to credit risk, liquidity risk or cash flow risk, and its price risk exposure largely relates to the value of investments. Investments are monitored by an investment committee and cash flow is monitored as part of the financial management of the Society's operation.

(t) Judgements and estimations policy

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The present value of the pension schemes both depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liabilities.

Other key estimates are property values and depreciation. The useful life and residual value of an asset is subject to judgement. Property values are also subject to judgement on their state of repair, future rental yield and estimated cost to sell.

Church Army (The)
Notes to the Financial Statements
Year Ended 31 March 2024

2 Income from donations and legacies

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Donations	2,192	2,057	1,073	1,393
Legacies	1,051	260	1,051	260
	3,243	2,317	2,124	1,653

In 2024, of the total Group income from donation and legacies, £1,788k (2023: £1,062k) was to unrestricted funds and £1,455k (2023: £1,255k) was to restricted funds. Of the total Society income from donation and legacies, £1,788k (2023: £1,062k) was to unrestricted funds and £336k (2023: £591k) was to restricted funds.

3 Income from charitable activities

	Group 2024 £000	As restated Group 2023 £000	Society 2024 £000	Society 2023 £000
Fees for services (Housing Benefit)	1,862	1,755	190	171
Contractual payments	671	697	671	697
Performance related grants (Supporting People)	494	466	214	215
Research and Training	57	45	57	45
	3,084	2,963	1,132	1,128

In 2024, of the total Group income from charitable activities, £333k (2023: £443k) was to unrestricted funds and £2,751k (2023: £2,520k) was to restricted funds. Of the total Society income from charitable activities, £333k (2023: £371k) was to unrestricted funds and £799k (2023: £757k) was to restricted funds.

4 Income from other trading activities

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Accommodation	287	282	287	282
Room hire	67	49	29	25
Catering	80	69	71	59
	434	400	387	366

In 2024, of the Group income from other trading activities, £387k (2023: £366k) was attributable to unrestricted funds and £47k (2023: £34k) to restricted funds. All of the Society income from other trading activities, £387k (2023: £366k) was to unrestricted funds.

5 Income from investments - Group and Society

	Total 2024 £000	Total 2023 £000
Listed investments	44	16
Bank interest	9	-
Rental income	409	451
	<u>462</u>	<u>467</u>

In 2024, of the total Group and Society income from investments, £429k (2023: £447k) was to unrestricted funds and £33k (2023: £20k) was to restricted funds.

6 Other income

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Other	<u>61</u>	<u>42</u>	<u>34</u>	<u>41</u>

In 2024, of other Group income, £9k (2023: £18k) was attributable to unrestricted income and £52k (2023: £24k) restricted. Society income, £9k (2023: £18k) was attributable to unrestricted funds and £25k (2023: £23k) to restricted funds.

7 Expenditure on raising funds

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Costs of generating voluntary income	477	431	456	427
Costs of generating trading income	948	922	878	849
Investment and investment properties management costs	412	148	413	148
	<u>1,837</u>	<u>1,501</u>	<u>1,747</u>	<u>1,424</u>

In 2024, of Group expenditure on raising funds, £1,652k (2023: £1,317k) was unrestricted and £185k (2023: £184k) restricted. Society expenditure on raising funds, £1,652k (2023: £1,317k) was unrestricted and £95k (2023: £107k) to restricted funds.

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8 Expenditure on charitable activities

Group	Activities Undertaken directly £000	Support costs £000	Total 2024 £000	As restated Total 2023 £000
Centres of Mission	1,867	1,052	2,919	2,828
Fresh expressions	48	10	58	58
Other field evangelism	274	223	497	442
Homeless projects	3,541	450	3,991	3,718
Training	514	308	822	694
Community	309	165	474	420
National Operations	338	154	492	437
	<u>6,891</u>	<u>2,362</u>	<u>9,253</u>	<u>8,597</u>
2023	<u>6,402</u>	<u>2,195</u>	<u>8,597</u>	

Of the above costs £3,355k (2023: £3,240k) were attributable to unrestricted funds and £5,898k (2023: £5,357k) were attributable to restricted funds.

Society	Activities Undertaken directly £000	Support costs £000	Total 2024 £000	As restated Total 2023 £000
Centres of Mission	1,865	1,052	2,917	2,828
Fresh expressions	48	10	58	58
Other field evangelism	274	223	497	442
Homeless projects	215	450	665	550
Training	514	308	822	694
Community	309	165	474	420
National Operations	234	154	388	419
	<u>3,459</u>	<u>2,362</u>	<u>5,821</u>	<u>5,411</u>
2023	<u>3,216</u>	<u>2,195</u>	<u>5,411</u>	

Of the above costs, £3,355k (2023: £3,240k) were attributable to unrestricted funds and £2,466k (2023: £2,171k) were attributable to restricted funds.

9 Allocation of support costs - Group and Society

	Total 2024 £000	As restated Total 2023 £000
Senior management	262	360
Communications	481	390
Administration (finance/personnel/volunteering/IT)	1,223	1,015
Strategic development	203	170
General unrestricted costs	155	225
Welfare	28	20
Housing	10	15
Total	2,362	2,195

The allocation of support costs is in line with the accounting policy in note 1(e).

10 Other expenditure

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Trustee expenses	14	22	14	22
Auditor's remuneration	43	45	43	45
	57	67	57	67

In both years all the total Group and Society other expenditure was on unrestricted funds.

11 Net income/(expenditure) for the year

Net income/(expenditure) is stated after charging/(crediting):

	2024 £000	2023 £000
Depreciation of tangible fixed assets	257	254
Auditor's remuneration - audit	36	32
Auditor's remuneration - non-audit	-	6

12 Trustees' and key management personnel remuneration and expenses

All 9 (2023: 11) members of the Board who are not Church Army employees (including the Chair) provide their services free of charge, but 7 incurred expenses totalling £1,612 (2023: 11 trustees, £8,289) for filing fees, travel costs and residential training costs. As permitted by the Society's Articles of Association, during the year four (2023: three) members of the Board who are, or were, Church Army employees received emoluments (including benefits in kind but excluding pension contributions) of £186,320 in total (2023: £154,886). Three Board members benefited from contributions of £19,649 (2023: £18,191 for three Board members) to a defined contribution scheme. Aggregate donations received from trustees during the year was £6,194 (2023: £14,235).

12 Trustees' and key management personnel remuneration and expenses (continued)

The total amount of employee benefits received by key management personnel is £499k (2023: £362k). The Trustees consider its key management personnel comprises of the Senior Leadership Team made up of the Chief Operating Officer, the Director of Mission Operations, the Director of Community & Vocations, the Director of Learning and Development who are salaried employees. There are two additional members of the SLT in 2024 compared to 2023.

The CEO is also a member of the board so his emoluments and pension contributions are included in both disclosures above.

13 Staff costs and employee benefits

The total staff costs and employees' benefits were as follows:	2024	2023
	£000	£000
Wages and salaries	5,412	3,850
Employer's NI	507	478
Employer's pension costs	297	298
	6,216	4,626
Agency staff costs	989	1,234
	7,205	5,860

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000 is as follows:

	2024	2023
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1

Total redundancy and termination payments amount to £75,380 (2023: £30,432).

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2024	2024	2023	2023
	Number	FTE	Number	FTE
Raising funds	31	23	38	19
Charitable activities	149	130	152	101
Support	14	10	15	7
	194	163	205	127

The above FTE numbers include 3.1 commissioned officers who are employed by the diocese in which they work but are partly or wholly funded by the Society. Part-time or part-funded staff are counted as appropriate fractions of a full-time or fully-funded post.

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14 Tangible fixed assets

Group	Land and buildings (at cost) £000	Land and buildings (valuation) £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:					
At 1 April 2023	7,285	1,200	2,705	1,139	12,329
Additions	-	-	-	12	12
Revaluation	-	-	-	-	-
Transfers to investment property	-	-	-	-	-
At 31 March 2024	7,285	1,200	2,705	1,151	12,341
Depreciation:					
At 1 April 2023	1,068	-	1,449	1,135	3,652
Charge for the year	97	-	158	2	257
Revaluation	-	-	-	-	-
At 31 March 2024	1,165	-	1,607	1,137	3,909
Net book value:					
At 31 March 2024	6,120	1,200	1,098	14	8,432
At 31 March 2023	6,217	1,200	1,256	4	8,677
Society	Land and buildings (at cost) £000	Land and buildings (valuation) £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:					
At 1 April 2023	5,943	1,200	2,320	460	9,923
Additions	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfer to investment property	-	-	-	-	-
At 31 March 2024	5,943	1,200	2,320	460	9,923
Depreciation:					
At 1 April 2023	869	-	1,333	459	2,661
Charge for the year	79	-	118	-	197
Revaluation	-	-	-	-	-
At 31 March 2024	948	-	1,451	459	2,858
Net book value:					
At 31 March 2024	4,995	1,200	869	1	7,065
At 31 March 2023	5,074	1,200	987	1	7,262

14 Tangible fixed assets (continued)

The group has adopted a policy of revaluation for the investment properties held within land and buildings. They have been valued at the balance sheet date at open market value and on an 'existing use' basis based on the asking prices for properties currently being sold and publicly available data for those properties not yet being marketed. The Directors have adopted this basis of valuation.

The net book value of land and buildings comprised:

	Group		Society	
	2024 £000	2023 £000	2024 £000	2023 £000
Operational properties (included above)				
Freehold	6,680	6,777	5,555	5,634
Long leasehold	640	640	640	640
	<u>7,320</u>	<u>7,417</u>	<u>6,195</u>	<u>6,274</u>
Investment properties (included in investments)				
Freehold	11,938	13,451	11,938	13,451
	<u>11,938</u>	<u>13,451</u>	<u>11,938</u>	<u>13,451</u>

The historic cost equivalent of land and buildings (including investment properties) included at valuation are as follows:

	Group		Society	
	2024 £000	2023 £000	2024 £000	2023 £000
Cost	7,689	8,277	7,689	8,277
Depreciation	(1,761)	(1,909)	(1,761)	(1,909)
Net book value	<u>5,928</u>	<u>6,368</u>	<u>5,928</u>	<u>6,368</u>

15 Fixed asset investments

	Group		Society	
	2024 £000	2023 £000	2024 £000	2023 £000
Cost or valuation:				
At 1 April 2023	16,396	20,786	16,396	20,786
Additions	-	248	-	248
Disposals	(4,135)	(4,156)	(4,135)	(4,156)
Revaluation	(60)	(544)	(60)	(544)
Transfer from tangible fixed assets	-	62	-	62
At 31 March 2024	12,201	16,396	12,201	16,396

Investments at fair value comprise:

	Group		Society	
	2024 £000	2023 £000	2024 £000	2023 £000
Listed investments	263	2,945	263	2,945
Investment properties	11,938	13,451	11,938	13,451
	12,201	16,396	12,201	16,396

Investment properties are revalued every year at the balance sheet date to reflect market value. They have been valued at the balance sheet date at open market value and on an 'existing use' basis based on the asking prices for properties currently being sold and publicly available data for those properties not yet being marketed. The Directors have adopted this basis of valuation.

The cost of fixed asset investments is £4,467,740 (2023: £7,410,946).

Principal subsidiaries

Portman House Trust operates the Marylebone Project and Church Army is the sole Trustee. The Trust is a Registered Provider of Social Housing registered with the Tenant Services Authority and registered with the Charity Commission through Church Army (registered number 226226, subsidiary 67).

Waterways Chaplaincy is a registered charity (registered number 1200492) and Church Army is the sole trustee.

The Society has two other subsidiary companies which have been dormant since incorporation and which have no paid-up share capital.

The financial results of the active subsidiaries for the year were:

Name	Income £000	Expenditure £000	Profit/(Loss) for the year £000	Net assets £000
Portman House Trust	3,042	(3,417)	(375)	771
Waterways Chaplaincy	103	(104)	(1)	23

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16 Debtors

	Group As restated		Society	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade debtors	482	307	380	207
Other debtors	43	8	41	6
Prepayments and accrued income	614	156	612	156
Amounts owed by subsidiary undertakings	-	-	648	296
	<u>1,139</u>	<u>471</u>	<u>1,681</u>	<u>665</u>

17 Creditors: amounts falling due within one year

	Group As restated		Society As restated	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade creditors	180	189	177	186
Other tax and social security	159	118	159	118
Amounts owed to subsidiary undertakings	-	-	-	-
Amount due to Church Army Pension Scheme	106	(6)	106	(6)
Other creditors	107	208	107	208
Accruals and deferred income	278	228	249	180
C of E pension scheme (note 23)	-	-	-	-
	<u>830</u>	<u>737</u>	<u>798</u>	<u>686</u>

Deferred income

	Group 2024 £000	Society 2024 £000
Opening deferred income	64	20
Resources deferred during year	88	64
Amounts released from previous years	(64)	(20)
Closing deferred income	<u>88</u>	<u>64</u>

Deferred income relates to grant income received in advance.

18 Creditors: amounts falling due after more than one year

	Group		Society	
	2024	2023	2024	2023
	£000	£000	£000	£000
C of E pension scheme (note 23)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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19 Charity Funds - current year

	As restated 1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2024 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets	7,262	-	(257)	60	-	7,065
DARE strategy	4,903	465	(1,234)	(4,134)	-	-
Total designated funds	12,165	465	(1,491)	(4,074)	-	7,065
General reserves	6,382	2,481	(3,573)	2,966	25	8,281
Total unrestricted funds	18,547	2,946	(5,064)	(1,108)	25	15,346
Restricted funds						
Portman House Trust	1,147	3,042	(3,064)	(354)	-	771
Waterways Chaplaincy	24	103	(104)	-	-	23
Special trusts including linked charity:						
Discretionary Grant Fund	944	9	(29)	-	(66)	858
Gurney Trust	2,113	12	-	-	(49)	2,076
Ketterson	187	9	-	-	13	209
Tebbs	165	6	-	-	3	174
Other restricted funds including linked charity:						
Retirement fund	1,728	(2)	(22)	-	14	1,718
Greenwich Centre of Mission	29	-	-	-	-	29
YSRF Small Grant	4	-	(4)	-	-	-
Amber/Hussey fund	248	11	(1)	(10)	-	248
Frontline activities	-	540	(2,095)	1,472	83	-
Other	390	608	(764)	-	-	234
CAPS pension liability	6,979	4,338	(6,083)	1,108	(2)	6,340
	-	-	-	-	-	-
Total restricted funds	6,979	4,338	(6,083)	1,108	(2)	6,340
Total funds	25,526	7,284	(11,147)	-	23	21,686

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19 Charity Funds - prior year - as restated

	1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2023 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets	7,234	-	(254)	282	-	7,262
DARE strategy	6,211	546	(1,231)	(623)	-	4,903
Total designated funds	13,445	546	(1,485)	(341)	-	12,165
General reserves	9,372	1,718	(3,139)	(1,071)	(498)	6,382
Total unrestricted funds	22,817	2,264	(4,624)	(1,412)	(498)	18,547
Restricted funds						
Portman House Trust	1,898	2,481	(2,878)	(354)	-	1,147
Waterways Chaplaincy	-	53	(29)	-	-	24
Special trusts including linked charity:						
Discretionary Grant Fund	952	-	(18)	-	10	944
Gurney Trust	2,106	-	-	-	7	2,113
Ketterson	193	-	-	-	(6)	187
Tebbs	169	-	-	-	(4)	165
Other restricted funds including linked charity:						
Retirement fund	1,758	20	(8)	-	(42)	1,728
Greenwich Centre of Mission	29	-	-	-	-	29
YSRF Small Grant	12	4	(12)	-	-	4
Amber/Hussey fund	-	248	-	-	-	248
Frontline activities	-	751	(2,230)	1,479	-	-
Other	128	368	(393)	287	-	390
	7,245	3,925	(5,568)	1,412	(35)	6,979
CAPS pension liability	-	-	(2)	-	2	-
CoE pension liability	(52)	-	52	-	-	-
Total restricted funds	7,193	3,925	(5,518)	1,412	(33)	6,979
Total funds	30,010	6,189	(10,142)	-	(531)	25,526

19 Charity Funds (continued)

Reserves	Group		Society	
	2024	As restated 2023	2024	As restated 2023
	£000	£000	£000	£000
Income and expenditure account	13,952	16,540	13,159	15,370
Revaluation reserve	7,734	8,986	7,734	8,986
Pension reserve	-	-	-	-
	<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</u>

The designated funds comprise the amounts tied up in fixed assets (net of any related borrowing) plus an amount set aside for commitment to the DARE strategy.

Portman House Trust, a subsidiary, operates the project for homeless women at Marylebone.

Waterways Chaplaincy activities were acquired from EPI Ltd t/a Workplace Matters on 1 Jan 2024 and integrated into Church Army; the activities are run through a separate charity of which Church Army is the sole trustee.

The Discretionary Grants Fund is an amalgamation of various restricted funds for the welfare of current and retired officers and staff.

The Gurney Trust is for the benefit of women in need, and the income from its investments provide additional income for the Marylebone Project.

Ketterson Trust is historically linked with work in Northern Ireland.

Tebbs trust is an historic fund established to support 'general religious purposes'.

The retirement fund is to support retired officers and widows of commissioned officers, the fund is made up of properties bequeathed to Church Army or subsequent properties purchased with the proceeds, and a small cash holding.

Greenwich Centre of Mission, Frontline activities (money given specifically for frontline activities) and other restricted funds are used to fund specific projects in accordance with the instructions of the donors, settlors or Trustees.

YRSF Small Grant is funding received from the Welsh Government to safeguard an Amber Project Support Worker post.

Amber/Hussey fund is a residential property which was donated to Church Army, the net income from which is restricted to support the work of the Amber project, although in the event of that project ceasing the monies can be used to support young people in need.

Frontline activities represent the activity in the centres of mission across the UK and Ireland.

Other funds represent grant funding from various trusts and other organisations.

Transfers have been made between funds for the following:

- contribution to frontline activities from General Funds
- to reflect the changes in operational property and other fixed assets designated funds
- to account for management charges between Portman House Trust and Church Army
- to reflect a change in designated funds

20 Special trusts and linked charities

Over many years, Church Army has been appointed to, and continues to administer a number of special trusts, many of which have now expired, but some still exist and are managed in furtherance of the purpose under which they were established.

Within these trusts are two that are linked charities per The Charity Commission website. The Hearn Fund (included within the retirement fund) and The Patterson Holiday Fund (included within the discretionary grant fund). These linked charities and special trusts are combined within the Church Army's results and are accounted for as a component of restricted funds. Separate accounts are not maintained but are recorded so they can be isolated for monitoring and reporting purposes.

The activity and funds held by each linked charity are as follows:

	The Hearn Fund £000	The Patterson Holiday Fund £000
Funds at 1 April 2023	207	186
Income	2	2
Expenditure	(6)	(6)
Gains/(losses)	(15)	(13)
Funds at 31 March 2024	188	169

21 Analysis of net assets between funds

Current year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,065	1,367	8,432
Investments	10,871	1,330	12,201
Current assets	(2,487)	4,370	1,883
Creditors due within one year	(103)	(727)	(830)
Creditors due after more than one year	-	-	-
Total	15,346	6,340	21,686

Prior year - as restated	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,262	1,415	8,677
Investments	12,655	3,741	16,396
Current assets	(1,053)	2,243	1,190
Creditors due within one year	(317)	(420)	(737)
Creditors due after more than one year	-	-	-
Total	18,547	6,979	25,526

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

Group	2024	2023
	£000	£000
Net (expenditure) for the year	(3,923)	(4,497)
Rents received from investment properties	(409)	(451)
Income from investments	(53)	(16)
Depreciation of tangible fixed assets	257	254
Losses/(gains) on investments	60	544
Donated investment property	-	(248)
Profit on disposal of investments	138	(85)
Movement in pension scheme	83	(52)
(Increase)/decrease in debtors	(668)	136
Increase/(decrease) in creditors	93	(225)
Net cash flow used in operating activities	<u>(4,422)</u>	<u>(4,640)</u>

Society	2024	2023
	£000	£000
Net (expenditure) for the year	(3,546)	(3,768)
Rents received from investment properties	(409)	(451)
Income from investments	(53)	(16)
Depreciation of tangible fixed assets	197	196
Losses/(gains) on investments	60	544
Donated investment property	-	(248)
Profit on disposal of investments	138	(85)
Movement in pension scheme	83	(52)
(Increase) in debtors	(1,016)	(148)
Increase/(decrease) in creditors	112	(612)
Net cash flow used in operating activities	<u>(4,434)</u>	<u>(4,640)</u>

Analysis of changes in net debt - Group and Society

	At 1 April	Cash	At 31 March
	2023	Flows	2024
	£000	£000	£000
Short term borrowings	-	-	-
Total liabilities	-	-	-
Cash at bank	719	25	744
Total net debt	<u>719</u>	<u>25</u>	<u>744</u>

23 Pensions and other post-retirement benefits

Church Army Pension Scheme (CAPS)

Church Army operates the Church Army Pension Scheme (the Scheme), a UK registered trust-based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members: Active members: currently employed by the Church Army and accruing benefits in the Scheme Deferred members: former active members of the Scheme who are not yet in receipt of a pension Pensioner members: in receipt of pension.

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustees as at 31 March 2023. This valuation revealed a funding shortfall of £2.1m (2020 £657,000).

As part of the agreed deficit recovery plan Church Army has agreed to continue to pay annual contributions of £50,000 - split as: £37,500 in respect of the deficit in the Scheme; and 30.6% pensionable salary (expected to average £12,500 per annum over the period of the Recovery Plan) from 1 June 2024 to 31 May 2027 and £2.4m between 1 June 2027 and 30 November 2028 to help improve the funding position. These payments include an allowance to cover the cost of new benefits being built up in the Scheme over the period until 30 November 2028.

Church Army has also agreed to contribute additional payments of £50,000 per annum to meet the expenses of administering the Scheme and the cost of levies, where such expenses are met from the Scheme assets. Church Army therefore expects to pay a total of £100,000 to the Scheme during the accounting year beginning 1 April 2024.

Church of England Funded Pensions Scheme (CEFPS)

Commissioned staff are members of the Church of England Funded Pensions Scheme administered by the Church of England Pensions Board which holds the assets of the schemes separately from those of the Responsible Bodies. The total contribution to this scheme during the year was £160k (2023: £210k).

Stakeholder Scheme provided by Clerical Medical

The stakeholder scheme was established to meet statutory legislation ruling at the time and provide pension provisions for new and existing employees who were not eligible to join the CEFPS or CAPS schemes. The total contribution to this scheme during the year was £19k (2023: £18k).

Auto-enrolment scheme provided by People's Pension (B&CE)

The auto-enrolment scheme was established to conform to current legislation regarding the provision of pension opportunities to all qualifying employees. The total contribution to this scheme during the year was £120k (2023: £70k).

The defined contribution expenses are allocated to activities per staff allocation and all expenses and liabilities are allocated to restricted funds.

23 Pensions and other post-retirement benefits - continued

Church Army Pension Scheme (CAPS)

The total cost recognised in the period was as follows:

	2024	2023
	£000	£000
Past service cost	-	6
Current service cost	9	15
Admin costs, past introductions, changes, curtailments and settlements	172	81
Net interest (income)/expense	(22)	-
Recognised in net income/expenditure	183	102
Recognised in other (gains)/losses	(83)	(2)
Total cost recognised	100	100

The surplus/(deficit) at the balance sheet date is as follows:

	2024	2023
	£000	£000
Fair value of plan assets	7,347	8,017
Present value of funded obligations	(7,244)	(7,505)
Net pension surplus/(deficit)	103	512

The net pension surplus in the current year, in accordance with FRS 102, is not recognised in the balance sheet as the company is unable to recover this surplus from the pension scheme.

Changes in the fair value of the pension plan assets were as follows:

	2024	2023
	£000	£000
Opening plan assets	8,017	10,115
Interest income	365	253
Actual return on plan assets (excluding interest income)	(514)	(1,901)
Administration expenses	(172)	(81)
Contributions by charity	100	100
Contributions by scheme participants	3	3
Benefits paid	(452)	(472)
Closing plan assets	7,347	8,017

23 Pensions and other post-retirement benefits - continued

Changes in the present value of the defined benefit obligations were as follows:

	2024 £000	2023 £000
Opening defined benefit obligation	7,505	9,581
Current & past service cost	9	555
Interest expense	343	253
Contributions by scheme participants	3	3
Benefits paid	(452)	(472)
Actuarial (gains)/losses	(164)	(2,415)
Closing defined benefit obligation	7,244	7,505

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2024 £000	2023 £000
Bonds	-	635
Cash	19	47
Pooled investment vehicle	-	3,241
Liability driven investments	1,555	1,704
Diversified credit funds	1,162	2,390
Buyout aware funds	4,611	-
	7,347	8,017

The return on plan assets was as follows:

	2024 £000	2023 £000
Interest income	365	253
Actual return on plan assets (excluding interest income)	(514)	(1,901)
Total return on plan assets	(149)	(1,648)

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	4.8%	4.7%
RPI inflation	3.2%	3.2%
CPI inflation	2.8%	2.8%
Expected rates of salary increases	2.5%	2.5%
Expected rates of pension increases RPI linked	3.2%	3.2%
Expected rates of pension increases CPI linked	2.8%	2.8%
Expected rates of pension increases (5% or RPI if less)	3.1%	3.1%
Expected rates of pension increases (5% or CPI if less)	N/A	N/A

23 Pensions and other post-retirement benefits - continued

Mortality after retirement 100% S3PMA_H/100% S3PFA_M 100% S3PMA_H/100% S3PFA_M
CMI_2021_M/F [1.25%] (yob) CMI_2021_M/F 1.25% (yob)

Mortality before retirement As per post retirement As per post retirement

Life expectancy for a current individual aged 65:

Males 19.2 (2023: 19.8)

Females 23.3 (2023: 23.8)

Life expectancy at age 65 for a current individual aged 45:

Males 20.5 (2023: 21.2)

Females 24.8 (2023: 25.3)

Church of England Funded Pension Scheme (CEFPS)

The total movements recognised in the period were as follows:	2024 £000	2023 £000
Net interest income/expense	-	-
Deficit contribution paid	-	(29)
Re-measurement of the balance sheet liability	-	(23)
Total	-	(52)

Church Army participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in the year and were £159k (2023: £210k), of which £nil (2023: £29k) were towards the scheme deficit.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

23 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) continued

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

% of pensionable stipends	January 2021 to December 2022	31 December 2022 31 December 2023
Deficit repair contributions	7.1%	nil

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2024 £000	2023 £000
Opening balance sheet liability	-	52
Deficit contribution paid	-	(29)
Interest cost recognised in SOFA)	-	-
Remaining change to the balance sheet liability* (recognised in SOFA)	-	(23)
Closing balance sheet liability	-	-

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

23 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) continued

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2023 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known:

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% pa	1.6% pa

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

24 Operating lease commitments

At 31 March 2024 the group had lease agreements in respect of various properties, for which the payments extend over a number of years. The total future minimum lease payments are as follows:

	2024 £000	2023 £000
Not later than one year	12	19
Later than one and not later than five years	-	-
Later than five years	-	-
	<u>12</u>	<u>19</u>

The lease payments recognised as an expense in the year were £87k (2023: £51k).

25 Capital commitments

There are capital commitments of £nil for refurbishment at the Sheffield premises at 31 March 2024 (2023: £12k).

26 Contingent assets

A balance is also probable from WITH Community relating to part payment of balances owed, however this distribution has not yet been confirmed. This balance may range from £nil to £70k.

At the reporting date, it is probable that additional legacy income of approximately £295k is to be received however this did not entirely meet the income recognition criteria for inclusion in the current year and therefore will be recorded as income in the next financial year.

27 Related party transactions

Trustee and key management personnel transactions are disclosed in note 12.

Transactions with the Church Army Pension Scheme (CAPS) are disclosed in note 23. At the year end a balance is due to the scheme of £nil (2023: £nil).

Church Army acts as sole trustee to Portman House Trust and also landlord for two of the three properties which make up the project. The rent for the properties is negotiated on an arm's length basis using third party professional valuations and on a five yearly review cycle, in the year 2023/24 rent amounted to £234k (2023: £234k). Church Army also apportions some of its own administrative and management costs to the Portman House Trust covering services such as building management, health and safety, accounting and payroll which are calculated on a time basis as is senior management. Group incurred insurance is apportioned based on employee costs. The total of these recharges for the year was £120k (2023: £120k).

Church Army also acts as sole trustee of Waterways Chaplaincy. Church Army provides certain services to Waterways Chaplaincy, including executive leadership, accounting, payroll and other HR services, policies, and other support services. No charges are made for these services. A balance of £48,328 (2023: £72,214) is owed to Waterways Chaplaincy at the year end.

28 Prior year adjustment

The comparative figures have been restated to account for a correction in the balance between the Charity and the Church Army Pension scheme. The impact on the charity balance sheet as at 31 March 2023 is to increase the value of creditors and reduce net assets and general reserves by £118,000. The impact on the statement of financial activities is to increase charitable expenditure and increase the deficit in 2023 by £118,000.

The comparative figures have been restated for the subsidiary entity to include income that related to this financial year. The impact on the consolidated balance sheet as at 31 March 2023 is to increase the value of debtors, net assets and the revenue reserves by £72,000. The impact on the statement of financial activities for the Group is to increase income and reduce the deficit in 2023 by £72,000.

Accounts

Church Army (The)
Reports and Financial Statements
Year Ended 31 March 2023

Charity registration numbers:
England & Wales: 226226
Scotland: SC040457
Republic of Ireland: 20152604

Company registration number: 00037169

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**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2023**

Patron	Formerly the late HM Queen Elizabeth II (Awaiting contact from Royal Household re future)
President	The Rt Rev & Rt Hon Lord Williams of Oystermouth
Vice Presidents	The Rt Rev Bruce Cameron The Most Rev Dr Richard Clarke The Most Revd John Davies The Rt Rev Lord Eames of Armagh (resigned 23 July 2023) The Rt Rev Dr Alan Harper OBE The Most Rev Dr Michael Jackson Dr Bill Lattimer The Most Rev Barry Morgan Pam Rhodes The Most Rev & Rt Hon John Sentamu June Simpson The Most Revd Mark Strange Roy Totten The Rt Rev Michael Turnbull The Most Rev & Rt Hon Justin Welby
Trustees and Board	Chair: The Most Rev & Rt Hon Stephen Cottrell (resigned 28 November 2022 as Trustee and Chair) Chair: The Rt Rev Guli Francis-Dehqani (was Vice Chair, appointed Chair 28 November 2022) Honorary Treasurer: John Whitfield The Rt Rev Alan Abernethy Trevor Douglas (resigned 23 August 2022) Ravi Gidoomal (appointed 18 January 2023) The Rt Rev Dr Robert Gillies (resigned 28 November 2022) Sister Kathy Green CA (resigned 2 March 2023) The Rt Rev Lusa Nsenga-Ngoy (resigned 4 August 2022) Dr Sol Osagie (appointed 18 January 2023) The Rt Revd Joanna Penberthy (resigned 3 August 2023) The Ven Dr Peter Rouch Patricia Russell (appointed 18 January 2023) Rosie Slater-Carr (appointed 7 October 2022) Sister Karen Webb CA (resigned 28 November 2022, re-appointed 18 January 2023) Captain Andrew Payne CA Rev Karen West (appointed 18 Jan 2023)
Chief Executive	The Ven Dr Peter Rouch
Company Secretary	Robin Webb
Senior Leadership Team	The Ven Dr Peter Rouch Chief Executive The Rev Jude Davis Director of Community and Vocations Dan Lane Director of Fundraising & Communications (appointed 15 May 2023) Dr Timothy Ling Director of Organisational Development Faye Popham Associate Director of Organisational Development Robin Webb Director of Finance & Services Captain Neville Willerton CA Director of Mission Operations

Registered office	Wilson Carlile Centre 50 Cavendish Street Sheffield S3 7RZ Telephone 0300 123 2113 Email: info@churcharmy.org
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD
Solicitors	Cooper Burnett LLP Napier House 14-16 Mount Ephraim Road Tunbridge Wells TN1 1EE Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
Bankers	Barclays Bank PLC Leicester LE87 2BB Unity Trust Bank PLC Four Brindleyplace Birmingham B1 2JB
Actuaries	First Actuarial PLC Mayesbrook House Lawswood Business Park Leeds LS16 6QY
Investment Managers	Ruffer LLP 80 Victoria Street London SW1E 5JL CCLA Investment Managers Limited 1 Angel Lane London EC4R 3AB
Charity registration numbers	England & Wales: 226226 Scotland: SC040457 Republic of Ireland: 20152604
Company registration number	00037169

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2023**

Introduction

Someone of broad vision who knows Church Army's work well recently said to me, "The country's on fire! People are desperate. Church Army is needed now more than ever." The needs we encounter have indeed intensified in the last year. As I reflect on that year, I find myself both celebrating positive growth and important outcomes, and also noting the broad-based cost to people and resource budgets of remaining engaged in so much challenging work. If you live and serve close to the fire, at times you might get singed, I suppose.

Church Army is a Christian mission organisation irrevocably committed to the idea that our actions and our words belong together. The way in which we serve and what we say about our service and the lives we lead, should express the same thing - God's unconditional welcome, and invitation to faith to all people. Our mission is constituted by actions that express in tangible ways the words that we speak. The words of our evangelism are meaningless and inappropriate without the actions that demonstrate their meaning.

As the financial year commenced, the Board of Church Army made a commitment to ongoing developments in our strategic direction. These are designed to ensure that we sustain areas of success, focus additional attention in areas deflected by the demands of pandemic life, offer direction to areas omitted from our earlier strategy, and respond positively to changes in our wider environment. We named this refreshing of our strategy 'Resetting the Compass' and the Compass priorities include:

Centres of Mission - to ensure that growth is pursued on a fully sustainable basis, and that we use our research expertise to grow understanding of the factors that promote effective outcomes.

Key Projects - to develop a clear "theory of change" in each project to guide our work, provide meaningful measures of outcomes, and inform supporters. Additionally, to explore the potential of wider public comment on areas of concern, and also what might be offered by individual project patronage.

Fundraising - to address with energy the need to develop the scale of our supporter base and the benefit derived from a more balanced portfolio of income streams, and so deliver a step-change in fundraising performance.

These are not the sum total of our strategic objectives, but they are crucial elements intended to ensure that we deliver what our strategy is intended to achieve.

Perhaps the most widely known dimension of our work amongst churches in the UK & Ireland is our Centres of Mission. Located within some of the most challenging environments, pairs of CA Evangelists are engaged in practical service to empower local people to address life's challenges. This quite naturally goes hand in hand with our work to build self-esteem and enable people to respond to the Christian faith. I say "naturally" because that is how it works. It is natural for people to ask why CA people have chosen to invest their lives in practical service in the kind of context that many others seek to escape. It is natural also because for this work to have integrity, CA Evangelists have to be themselves, and they are people of Christian faith. This faith dimension is never, ever a condition of the support Church Army offers, but it should never be hidden. Those who are supported by us have a right to understand our motivations so that they can be empowered to make their own life choices. This integrity is important to us, but it is also one of the ways we live out our value commitment to unconditionality in our service.

In the last year we have seen several new Centres of Mission come to life, while others have ended their terms. The net result has been a small growth which is in any case eclipsed by the ongoing catalogue of individuals and communities receiving direct material support and experiencing transformation through the work of our Evangelists. Looking forwards, even whilst we continue to manage the growth of our work with a careful eye to sustainability, plans are developing for further expansion fully supported by new funding streams.

Our Key Projects, Amber, Ruby, Ty Bronna, Waterways Chaplaincy and Marylebone span a range of social needs. They have continued to deliver strong outcomes, but done so in a most challenging environment. Taking Marylebone as an example, we continue to exceed our targets for women experiencing homelessness who are empowered to move through our work into sustainable independent living in their own homes. This year Marylebone achieved the Homeless Link, Excellence in Homelessness award. Yet this was a year in

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2023**

which the combined pressures of general inflation and higher staff costs driven by shortages in the labour market, coupled with an extremely challenging environment for fundraising, pushed Marylebone to a significant financial deficit. Other organisations working in the sector have faced the same pressures. Some have had no option but to cut frontline services even as need increases, others have faced the almost unheard of event of staff strikes. At Marylebone our staff surveys indicate that staff satisfaction remains high, and the project has been supported through severe challenge by the strong covenant of Church Army. Nevertheless, challenge continues at acute levels and is requiring active management to minimise risks to our valuable work.

There is growing demand for the resources and expertise of Church Army in training people to engage in "Church Army style" Christian mission, which I have described above. Our Envoy programme continues to receive levels of interest and applications beyond our capacity to accommodate, and beyond the UK & Ireland, the programme has continued its overseas expansion most especially in Germany. Faith Suite, which equips individuals, local churches and wider denominational units like dioceses for Christian mission is also growing. Once again this is within the UK & Ireland with a significant growth of our work with the Church of Ireland, but noticeably beyond these islands as well. The expansion of this programme into New Zealand evidences both how we are able to collaborate creatively with charities in the Church Army network overseas, and also to use our experience, hard-won during the pandemic, to extend our training offering at distance. These developments offer a glimpse of the potential for growth already existing within the diverse portfolio of Church Army's work.

Yet, we are in the most challenging circumstances that the UK charitable sector has faced for many years. Donated income to charitable work has fallen dramatically as the wider public has faced into pressures on incomes and the rising trends of business closure and consolidation. The contraction of frontline charitable work is a direct consequence of this.

Church Army has not contracted its frontline work and has no intention of doing so, indeed we continue to work hard at ways to grow our work. Nevertheless, the impact of adverse operating conditions is plain to see in this year's accounts. It is important for me to comment on the ways in which we are working to address the annual deficit. This is in three ways:

1. Measures are already in hand that will deliver a 10% reduction in our operating costs. This is not without impact, and there is work that we cannot do or will need to schedule differently in order to achieve this. Importantly however, none of this will be delivered by reducing our existing investment in frontline work.
2. The growth and diversification of fundraising income has been an integral aspect of Church Army's strategy, but one that has not received either the attention or investment that it needs. This is now being rectified. It will take time, but the necessary elements for success are being put in place.
3. A significant part of the reserves of Church Army are tied up in operational assets, in land and buildings directly used in our work. We are engaged in reviewing all of our larger assets to ensure that we are using the funds we have invested in this way to drive maximum benefit for the beneficiaries of Church Army's work.

It is both usual and important that I offer thanks from Church Army for all those who support what we do with their time, energies, prayers and funding. Without you, nothing! I also want to thank the staff of Church Army, including my senior colleagues, who work tirelessly in our mission, and those who serve as trustees. Those with a keen eye will note a significant change in the composition of our Board of Trustees. This is the result of a focused programme of refreshment, drawing into the oversight and guidance of Church Army, those who bring the skills and understanding needed for the next chapter of our life. Our trustees now hold portfolios to which they have been recruited, and are one of the most diverse and engaged boards you will find anywhere in the UK & Ireland charitable world. It is a joy to serve with you all.

Church Army exists to enable transformation in lives and communities, most especially those who are pushed to the margins of life. Those who engage in transformation must be continually transformed themselves, and I am pleased to witness to the signs of that within Church Army, which it remains an honour to lead with my senior colleagues.

Peter Rouch
CEO

Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2023

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the Annual Report and Financial Statements of the charity.

The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 the Republic of Ireland published in October 2019.

Who is Church Army?

Church Army is a mission-focused community of people who are transforming lives and neighbourhoods through the work of evangelists, staff and supporters. We are committed to sharing the Christian faith through words and action in a variety of contexts across the British Isles and Ireland. Our evangelists and staff work beyond church buildings among some of the most broken, rejected and hurting people in society. We are also committed to building new forms of Christian community to reach people who have little or no experience of church. Much of our frontline work is carried out through our centres of mission. A centre of mission is a community of evangelists working together to enable evangelism and mission across a host diocese. They have four key strands to them:

- Centres of mission seek to implement the Church Army strategy across the UK and Ireland.
- They are in strategic partnership with the host diocese.
- They develop fresh expressions of church for the unchurched.
- They resource and equip the church for evangelism.

We also carry out other frontline activities including Envoy, the Marylebone Project, Cardiff Residential Services, the Amber Project and Ruby, all in fulfilment of our charitable objectives.

Our work includes:

- preventing homelessness and caring for those who have been homeless
- supporting women caught up in prostitution
- building community on housing estates
- helping people trapped in debt
- working with young people who are experiencing self-harm
- night-time street ministry
- chaplaincy
- local church ministry
- children and young people's ministry including school outreach
- working with people with drug and alcohol addictions
- bus projects to reach people where they live
- older people's ministry
- family breakdown prevention

Other key work includes:

- researching into evangelistic initiatives
- church planting and fresh expressions
- providing evangelism training and resources for the wider church

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2023**

Our mission:

To enable people to come to a living faith in Jesus Christ and relieving poverty and distress.

Our vision:

For everyone everywhere to encounter God's love and be empowered to transform their communities through faith shared in words and action.

Our values:

Generous: God is generous, and we want to model that generosity to others.

Risk-taking: We have a long heritage as a pioneering movement, prepared to take risks and give colleagues permission to succeed or fail as they seek to do new things.

Accountable: We are accountable to God and others, living reliably and responsibly to high professional standards.

Collaborative: We are committed to partnership with those who share our values; we believe it enhances our work.

Expectant: We are hopeful, expecting God to do new things amongst us.

Unconditional: God loves everyone, and everyone is significant in His eyes; we will serve anyone regardless of their age, gender, race, sexuality, faith, ability, status or circumstances.

Prayerful: Listening to God, being obedient to God; we want to be like Jesus in our life and witness.

Objectives and activities including achievements and performance

Our DARE strategy: doing, advocating, resourcing and enabling evangelism

The following sections of this Annual Report will look at each of the four DARE objectives and how we are fulfilling them.

Objective 1:

Doing Evangelism

Centres of Mission

Across 2022/23, there were 32 active Centres of Mission (CoM). Quantitative data was collected at two time-points over the course of the year - 19 CoM provided usable data at both collection points, 10 provided usable data at just one collection point, while 3 CoM were unable to provide data this financial year.

Headlines

Activity

- CoM have been involved in around 21,500 hours of organised activity during this period.
- This is 2,130 hours for every month active.
- The average CoM has been involved in approximately 72 hours of organised activity every month.
- Approximately 40% (13 out of 32) of all CoM provide assemblies in local schools. Assemblies provided by CoM have been attended by over 6,000 children, which means that over 15% of the people who interact with our centres of mission are attenders at school assemblies.
- There will undoubtedly be other less organised activity that was not captured (e.g. pastoral and crisis support etc.)
- CoM have interacted with over 41,000 people through organised activity over the course of the financial year.
- The 'average' CoM has interacted with about 1,000 people (although this ranges from 139 to 3,672 people).
- 55% of those interacted with were children (under 18 years old).

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2023

Activity by type

Evangelists are asked to categorise activities into 'social impact', 'faith development' or 'advocating and resourcing evangelism' activities. The table below summarises the key statistics for all activities of each type combined:

Activity type	Hours activity	Monthly hours activity	People interacted with	% Children	% Adults
Social impact activities*	13,680	1,263	15,200	53%	47%
Faith development activities	6,460	692	19,450	71%	29%
Advocating, resourcing & enabling evangelism	1,400	175	6,800	20%	80%

*Note that many (perhaps most) CoM activities fulfil both 'social impact' and 'faith impact' functions, and that 'social impact' is the first option that evangelists are presented with when they are completing their returns.

Provision

- Most CoM are involved with food provision in some form and in total they have provided/distributed over 24,600 meals or boxes of food.
- CoM are also involved with providing other essential items such as school uniform, household appliances, haircuts and hygiene packs. In total they have provided/distributed over 3,000 items.

Signs of Faith

More 'formal' signs of faith:

- CoM were involved in the baptisms of 55 children or adults.
- CoM were involved in 78 infant baptisms or thanksgivings.
- CoM were involved with 34 people going forward for confirmation.

Funerals

- 41% of responding CoM said that they had been involved in assisting with a funeral - demonstrating a huge level of trust and valuing of the CoM by family and community. In total they have assisted with 44 funerals.

Exploring and growing:

- CoM report that approximately 580 people are exploring faith with them.
- CoM report that approximately 630 people are growing in their faith with them.

Faith commitments:

- CoM reported that they had seen approximately 80 people make faith commitments for the first time.
- CoM also reported that they had seen approximately 45 people rediscover their faith or make a faith recommitment.

Social media videos

- 38% of CoM posted videos online that offered short devotional thoughts, reflections or similar. In total, these videos received over 27,000 views.

**Church Army (The)
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Year Ended 31 March 2023**

Volunteering

- There were 572 volunteers in total across all CoM
- The number of volunteers in a CoM ranges from 0 to 75 - the average is 16
- The Christian/Church-background of volunteers is:

Background	% of volunteers
Regular church-goer	57%
Occasional church-goer	11%
Historical church-goer	8%
Never church-goer	24%

- This means that 43% of volunteers are not regular church-goers

The Dundee centre of Mission is led by Kerry Dixon and works in partnership with Diocese of Brechin, Signpost international and St Luke's Downfield. Dundee is Scotland's fourth largest city and has some of the highest rates of unemployment and drug-related deaths in the UK. In the Centre of Mission there is a focus on addiction recovery and helping people who are struggling with mental health problems. The Centre of Mission operates a recovery support group called Pirate Monks, and there are groups for men and another group for women. The groups meet weekly, have a meal, go through the 12 Steps (as used by Alcoholics Anonymous) and pray for one another. Gavin is a regular attendee to Pirate Monks having struggled with mental health problems for 25 years. Gavin says 'Pirate Monks has helped me immensely in my faith journey and my mental health; giving me the confidence to become a mentor to others....it has helped me to understand that I am not alone - it is so welcoming...No matter what your background or where you are, you can come and be accepted....Church Army being in Dundee has had such a positive impact on me. Christ wants to help people in this area and CA is helping that to happen'. Gavin has grown and flourished as a result of coming to Pirate Monks and has now become a mentor for others who suffer from problems similar to himself.

Missional Youth Church Network (MYCN):

MYCN is a partnership set up by Church Army and the Archbishop of York's Office. MYCN also works with Fresh Expressions UK, Dioceses, Diocesan Youth advisors/missioners and Growing Faith Foundation. It's through partnerships, that they are able to create and sustain the development of new missional youth churches.

A Church Army review of the work of the Missional Youth Church Network (MYCN) has shown it is making good progress towards its target of establishing 30 missional youth churches in 5 years. The Missional Youth Churches enable 11-18 year olds to build community and discover faith in Christ, and each is particular to their own context.

MYCN now has contact with more than 100 leaders across the country with an interest in the principles of building church with young people where they are. And since the Learning Community for youth leaders, clergy, pioneers and school leaders, began online in 2020, 25 MYCs have begun developing and growing.

The Church Army Review has discovered that leaders have grown the most in their confidence and capability in building community with young people, sharing faith with them, and in discipleship with young people. One youth worker said:

"I've found it helpful to hear stories and methods of how to move unchurched young people from relationships and drop-ins into small groups where they explore faith."

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Positive discussions are taking place for the next phase of growth across the whole country. The Church Army review of MYCN concludes that there is considerable potential for MYCN to contribute to the delivery of the Church of England's 'Vision and Strategy for the 2020s' and to help more dioceses establish Missional Youth Churches.

Jenny Colby is an experienced CA Evangelist, having been active within the CA family for almost 50 years. She is now retired but continues to serve God in many activities using her many years of experience to benefit others. Despite being retired, Jenny is very much still involved with Church Army and feels it is deeply rooted in her heart. Jenny is passionate about growing the congregation at the family service of her local church St. Mary's where she is working hard with leaders there to help this happen. Jenny is also keenly involved with the under-five's group at her local parish church where she is using her experience as a CA evangelist to help the group flourish and continue. Jenny is a vocal advocate for Church Army and remains steadfast in her encouragement for others to become involved with CA by using her vast experience as a CA Evangelist.

Centres of Mission

Despite all the challenges of the past 12 months we have still managed to launch a new Centre of Mission in the 2022/2023 financial year. Kildare Centre of Mission was launched as our centre of mission in the diocese of Meath and Kildare. This centre of mission is led by Philip McKinley, with pioneer evangelist Kelly Bermingham joining the Centre of Mission.

One of the objectives of the Centre of Mission is to deliver of a range of community outreach initiatives, programmes and Pioneer Contextually appropriate Fresh Expressions of Church for all ages that enables people's faith journey.

In launching new centres of mission, we appoint a Lead Evangelist, later appointing a Pioneer Evangelist with unique skills to work with the Lead Evangelist to identify and address the needs of the area.

Where are we doing evangelism Activities in England, Ireland, Scotland and Wales

- We have 218 Commissioned Evangelists of working age in the UK and Ireland (not all of these are employed by Church Army).
- In England we have 176 commissioned Evangelists and 14 Centres of Mission in Attercliffe and Darnall (Sheffield), Gloucester, Langley, Scunthorpe, Sheffield, Bradford (Sorted), Leeds, Rochdale, Selby, Suffolk, Greenwich, Medway, Southampton and North Sutton.
- In Wales we have 10 commissioned evangelists and 7 Centres of Mission in Cross Hands, Haverfordwest, Llandaff, Llanelli, Gwent Valley, North Coast of Wales and Wrexham.
- In Scotland we have 5 commissioned evangelists and 4 Centres of Mission in Argyll & The Isles, Central Fife, Dundee and the Edinburgh (A7 Centres of Mission).
- In Ireland we have 27 commissioned evangelists; 19 in Northern Ireland and eight in the Republic of Ireland. We have six Centres of Mission in Ireland in North Belfast, Ballina, Sligo (was Drumcliffe), Cork, Newry and Kildare. North Belfast partners with the charities Baby Basics and Transforming Lives for Good. Church Army is also registered with the Charities Regulator Authority in the Republic of Ireland.
- In addition to the evangelists recorded above, one Church Army evangelist works within the Diocese of Europe and 177 are retired from stipendiary ministry, although many are still active in their local churches and communities.
- In addition to our Commissioned Evangelists we have 173 staff appointed to evangelist posts in centres of mission and projects and the national office.

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Church Army has long and often been involved in prison work, with CA Evangelists serving as chaplains in a number of UK prisons. Commissioned Church Army Evangelists can use their training in many fields and forms of ministry beyond roles within Church Army but where their training and evangelistic gifts are desirable and prison chaplaincy is one of these roles. CA Evangelist Gill Martin is a chaplain at HMP Eastwood Park in South Gloucestershire. The service that she and her fellow chaplains provide is an essential part of helping prisoners move beyond their past mistakes and toward a brighter future. It is a vital service that provides much-needed support to both prisoners and prison staff. It has been shown to reduce reoffending rates and improve prisoner health and wellbeing. For many prisoners, the relationship they develop with their chaplain is one of the most positive relationships they will have while in prison.

Gill says 'I have been at this prison for almost three years now...When I was training, I did a placement at Holloway Prison and I loved it. When I began trying to pursue this calling I couldn't find the right thing....Later, when the role of being a prison chaplain came out of the blue, I knew I was being led by God.

Whilst prisons are full of people, they are often lonely places and those feelings of loneliness become magnified when a prisoner doesn't have anyone to visit them. As prison chaplains that is one of the things we can help with as there is a volunteer visitor scheme.

We arrange volunteer visitors, answer requests for spiritual support; this can be anything from lighting candles for anniversaries and birthdays, to providing prayer for difficult situations or pastoral support for prisoners with ill relatives or suffering a bereavement. COVID was a difficult time, visitations, group meetings and fellowship stopped. To keep contact with the prisoners we wrote weekly reflections and delivered them to cells. We reached people who wouldn't normally visit the chapel but looked forward to receiving their reflection.

It's a very privileged position to be in. Some of the prisoners have suffered abuse and are really broken. Our constant message is that we can't change what happened, but we can walk with them, and support them through the next steps. Every day I am reminded that it could be any one of us in that prison and I feel blessed to be able to share with these prisoners that God loves us and loves each of us equally. There is nothing we can do to spoil his plan because he is more powerful than us. I have seen and felt God work in my life and I am not the only person whose life He can work in. I want to share that message with others who feel they are beyond God's love because no one is. God won't forget about them.'

Marylebone Project

This past year saw a return to a more normal pattern of work in supporting our residents and service users, following the latest Government guidance on encouraging that we all need to live with COVID-19 and return to a more normal way of life.

We did not lose sight of the need to continue to focus on the safety of all; staff, residents and service users; and have kept as many of the safety measures in place as possible as these proved to be effective in keeping everyone safe during Covid. We also did not lose sight of the fact that many of our women suffer generally from vulnerable health of illnesses, ill health and life-threatening issues due to their lifestyles and activities so keeping these safety measures in place safeguards all our women in the longer term.

We also became aware of the growing need from our residents and service users to provide them with the full range of support of face-to-face contact, group activities, wider support activities, and progression to move on and independent living. This is especially important for those women who have reached a crisis point in their life due to experiencing domestic abuse, mental health issues and/or substance abuse issues etc.

Our Social Enterprise has rebuilt its client base and worked to achieving the specific business targets set for the work of Space and Munch. One of these targets was to have at least one space room booking per week and this has been achieved for every week of the year, with many weeks exceeding this target with all rooms being booked for whole weeks. This has resulted in an associated increase in revenue for the Social Enterprise.

The Sanctuary

This continues to provide a 24/7 service for women in crisis and continues to see an overall changing clientele with some women moving on into independence and new women accessing the support. Due to this ever-changing picture of women accessing the Sanctuary and the needs they present, we continue to conduct regular reviews, ensuring that the service provided meets the needs of this specific rough sleeping group and we monitor the use of the Sanctuary space so that it continues to be the best service that it can be for the women it serves.

The Resettlement Team continue to support all women who have moved into independent living for a period of three months and then the women can contact the Project for any further support they may need. We are pleased to report that there remains a 100% success of women who have moved out maintaining their tenancy and accommodation and this is the sixth consecutive year that we've been able to report a 100% success in this service. This is testament to the compassion and commitment of the Resettlement Workers who have taken on this element of support work and is due to the consistency of support and the reassurance that there is someone available to help the women in times of further need or crisis.

We continue to work in partnership with Westminster Council in providing residential support to 25 women with complex needs and we have increased our partnership working with various health professionals to provide specialist health support to this cohort of women. The complexity of the needs of the women requires an intense support provision and occasions of exhaustive non-stop interaction with the women. We are aware that this can take its toll on front line support staff so we have set up a staff breakout and relaxation room where staff can spend time away from the intensity of situations and have some space and peace. This room has comfortable furniture and a variety of equipment and resources to help alleviate stress and restore calm.

We also provide 5 bed spaces for women with no recourse to public funds (NRPF) and these bed spaces are funded by Westminster Council. These 5 NRPF bed spaces are part of a five-year funding programme within the Westminster Council Rough Sleeping Initiative. Westminster Council also spot purchase additional NRPF bed spaces and health needs bed spaces as needed by women who present to the Council.

These continued service level agreements have ensured that our partnership with Westminster Council continues and that we remain a valuable service for homeless women in Westminster.

Every year we set ourselves a challenge to support as many women as possible into moving into independent living and this year we resettled 68 women into independent accommodation, beating our newly set target of 50 women and more than double the 36 women resettled in the previous year. The lower figure in the previous year was caused by the availability of properties from the local authority and Housing Associations and movement restrictions related to the pandemic.

This successful move on was helped by a Rent Deposit Scheme and Home Starter Pack Scheme, which is funded by Westminster Almshouses. Moving home can be stressful, complicated, and expensive - even more so if you've recently experienced homelessness. The Starter Pack initiative is designed to help make the transition from homelessness to more settled accommodation easier; recognising that after a period of homelessness, service users have lost many if not all their material possessions. This funding has enabled us to run a scheme where service users can move into more settled accommodation in the private rented sector and make a new start and we are working towards engaging more women to take the private rented sector route as their move-on option.

One of the biggest challenges we have faced this year has been recruitment and retention of staff. We have had numerous front-line staff leave and have struggled to recruit to fill these positions. Whilst it has been acknowledged that staff retention and recruitment within the wider health and social care sector has been difficult, it resulted in us needing to use a greater number of agency workers, which come at an increased cost. Great efforts have been made over the year, to reduce our use and dependency on agency workers and to recruit permanent staff and I am pleased to say that, towards the end of this reporting period (March 2023), a number of permanent staff have been recruited and plans are in place for all vacancies to be recruited to in the coming year.

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Two specific resignations in January 2023; the General Manager and the Housekeeping and Maintenance Team Leader; provided the opportunity for an external management review being commissioned to identify what management structure is required for the future. As part of this management review, we have been able to appoint a permanent Operations Manager and a Services Manager who form part of the Senior Leadership Team and who will help lead the Project into the future. At the time of writing we are advertising for an Executive Manager to lead the project going forward.

We were also successful in recruiting a Marketing Co-Ordinator with responsibility for helping to raise the profile of the Project, promote our work, increase our supporter/donor database and develop our use of all social media platforms to celebrate all that we do.

With the help of our Volunteer Co-Ordinator, we have increased our partnerships with corporate volunteers and many more groups have visited the Project to help with redecoration, upgrading décor and donating to the women. These visits are helping us give the Project a fresh feel and includes office spaces, women's living spaces and communal areas.

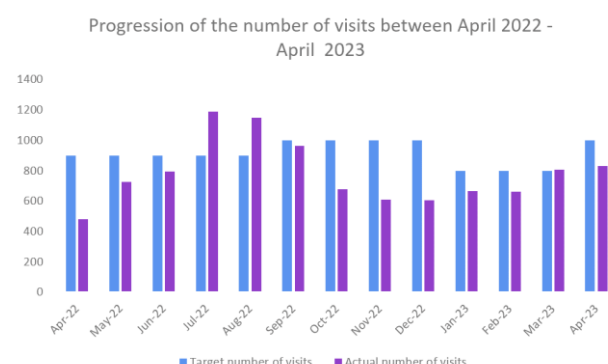
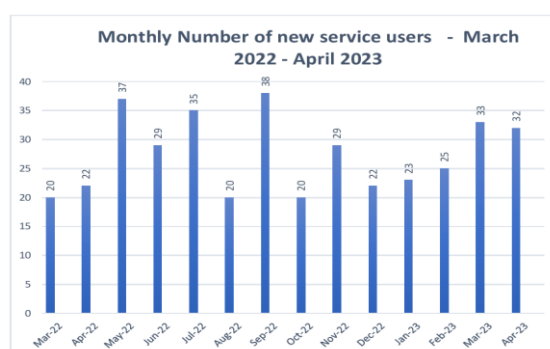
Despite the challenges and changes that we have experienced this year, the remaining permanent staff team continue to be committed in offering their skills and specialist support to address the variety of challenges and demands so that the women's lives can be transformed.

No matter how big or how small, all achievements have an impact on the lives of the women we serve so all are valued in the wider work that we do and are helping us to shape the future.

Reach and Impact

Overall during the year the Marylebone Project provided:

- 39,000 nights of accommodation offering shelter, hope, safety and support to women who would otherwise have remained on the streets or in situations detrimental to their well-being
- 25 beds to women with complex needs
- support to 535 women who visited the Sanctuary Centre, 353 of whom were first-time visitors
- 5,000 individual activity sessions in 50 different areas/subjects
- 134 women enrolled on educational courses
- 12 women secured employment
- supported 41 women in engaging in volunteering
- supported 57 women in engaging with accredited courses



Although we have been able to make great developments and achievements challenges still remain within securing long term staff and staff retention and financial sustainability. Despite the challenges and changes, the staff team continue to be committed in offering their skills and specialist support to address the variety of challenges and demands so that the women's lives can be transformed.

Please continue to journey with us so that we can continue to provide safety for our women and develop our services to make more positive changes and transform more women's lives.

Semhar's story*

Semhar was recommended to the Marylebone Project by a friend. She was residing in a night shelter at the time but needed a safe space to spend her days. Furthermore, the night shelter was due to close soon, and she was anxious and worried about the future. Semhar started coming to the Sanctuary, sometimes covering the distance between the night shelter and the Project on foot, which could take nearly 2 hours.

Semhar's Support Worker encouraged her to join the classes and activities in the Project. Semhar was unemployed and not taking part in any education and training at the time but was keen to develop her knowledge and skills. She joined the sewing beginners' group as she wanted to learn how to use the sewing machine. She had prior experience of doing hand stitching but wanted to refresh her skills. Not only has Semhar learnt some new skills but she has also combated social isolation by meeting a new group of women who she now attends other activities with.

Attending the sewing class has, not only resulted in Semhar learning new skills, but this has also been great for Semhar's confidence building and helped her to reduce social isolation. Semhar has met a new group of women and the experience has inspired her to participate in other classes. Semhar is now attending our internal ICT Beginners course and is learning to type on the computer for the very first time.

Semhar is now accommodated in one of the residential beds within the Project and is looking forward to engaging with other classes and activities to help build her skills for employment and independent living.

***name changed to protect identity**

Financial Sustainability for the Sanctuary

Having invested in refurbishing the drop-in centre to create and launch the Sanctuary 24-7 in November 2021 we were delighted to receive a grant of £473k from Barclays via the London Evening Standard / London Community Foundation to fund the first year's operating costs. This grant funded the Sanctuary to May 2022. Growing our fundraised income to cover the increased costs of running the Marylebone Project including the Sanctuary has been an immense challenge during the last year, with high inflation creating a cost of living crisis that made fundraising even more difficult. This led to a significant deficit for the year at the Marylebone Project which Church Army has funded and continues to provide ongoing support while we work to make the project financially sustainable.

For more information or to make a donation please visit <https://www.maryleboneproject.org.uk>

Church Army Ty Bronna

Ty Bronna provides residential support to 13 homeless young people aged 16 - 21 years old. The provision includes:

- Emergency bed - offering short term emergency respite support across the partnership.
- Church Army Visiting Support (CAVS) - to 6 young people living in short-term self-contained flats in Cardiff that are owned and managed by Salvation Army. Support is usually provided for a six-month period.
- Training Tenancy support (TT) - to young people who have moved on from CAVS flats and/or residential projects within the partnership. Support is provided for 12 months after which the young person can be confirmed in their long-term tenancy
- All young people are allocated a designated Personal Development Support Worker who provides them with the one-to-one support they need.
- All young people in CAVS and TT are allocated a Visiting Support Worker who provides them with the one-to-one tenancy management support they need.
- All support is provided in a person-centred support, client focussed , needs led and psychologically informed way.
- The support is delivered via a variety of formal weekly support sessions, informal ad hoc support, accompanying young people to appointments and providing advocacy, practical life skills support, education, training, and employment sessions.
- This support benefits the young people in building their self-esteem, self-confidence, feelings of self-worth and the opportunity to heal from the trauma that they have experienced from their adverse childhood experiences.

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- This further helps the young people put in place coping mechanisms to help them deal with crises when they are on their own, reducing the risk of tenancies failing, mental health breaking down and then entering the cycle of support services again.
- We deliver in house activities to the young people via a structured programme, some work and education related, some creative and therapeutic related and some health and wellbeing related.
- We currently work in partnership with a number of services to best support the young people and these include; Young Person Gateway, Social Services Social Workers and Personal Assistants, Youth Offending Service, Miles Project, Mental Health Support Services, Into Work.

The project's mission is:

Hospitality - Providing hospitality to all young people referred to our service.

Empowerment - Equipping all young people to make informed choices and take control of their lives and work in partnership to achieve their goals.

Accepting - all young people for who and what they are in a non-judgemental and anti-discriminatory environment.

Resettlement - Facilitating and encouraging young people to move on to independent living and enter education, training and/or employment.

It's aims as a Supported Housing service, are to:

- Prevent homelessness wherever possible by working in partnership with the local authority.
- Ensure sufficient accommodation of a good standard is available for young people who are, or may become, homeless.
- Ensure the provision of appropriate support for homeless young people in developing the skills required for them to move on and live successfully in independent living and to access the more specialist support to assist them with their specific needs, in addition to supporting the young people in entering education, training and employment.

During the year key achievements at Church Army Ty Bronna included:

- 4,713 nights of accommodation provided to homeless young people.
- 36 young people have received support and accommodation.
- 32 new referrals received for accommodation and support.
- 26 young people offered accommodation and support.
- 23 young people accepted the offer and moved in.
- 8 young people accessed the emergency bed for a total of 51 nights.
- 11 young people supported in their own homes of independent living in the visiting support scheme.
- 17 young people supported in their own homes of independent living in the training tenancy scheme.
- 6 new young people moved into the visiting support scheme.
- 6 new young people moved into the training tenancy scheme.
- 1 young person reached the 12-month point in the training tenancy and has been confirmed in their long-term tenancy.

Ty Bronna continued to support young people into education, training and employment (ETE) and reached an 80% engagement target this year.

During the year Ty Bronna celebrated its 20th anniversary and staff engaged young people to create the invitations for the day, special decorations, and young people helped create a collage of Ty Bronna. A walk-around timeline was then created for all our supporters and outside agencies to become more informed as to Church Army's beginnings back in 1882. In order for guests to access the timeline they firstly had to walk through the "Ty Bronna's Butterfly Room."

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There were 885 butterflies created altogether by young people, staff, and volunteers and perhaps most specially by the young people in a centre of mission in St. David's, Pembrokeshire. Each butterfly represented one young person who has passed through Ty Bronna since its opening in 2002. Previous to the day itself Ty Bronna connected with Cardiff Scan Club who came and supported Ty Bronna to retrieve time-capsules planted back in 2002. It was remarkable in that everything stored in the capsule was kept in mint-condition for all this time and below is what was discovered in the capsule. We also purchased new time-capsules which were to be planted for the next 20 years. Young people came up with a range of items which were important to them and what they wanted the future generations of young people at Ty Bronna to be aware of in 20 years' time. Peter Rouch (Church Army, CEO) buried the new time capsule and Neville Willerton (Church Army, Director of Mission Operations) planted a magnolia tree in the garden.

Cali's story*

Cali had undiagnosed learning difficulties, due to not being encouraged to attend school by her parents, where she could have been provided with a Statement of Education Need (SEN) for her future. Consequently, this went on to affect all aspects of Cali's life, as family around her could not cope with her low cognitive function and services became unaware of Cali after she legally left school.

Cali became unhappy at home and a friend's mother supported Cali to present as homeless where she was referred into Ty Bronna. Whilst living at Ty Bronna, it was quickly observed by staff that Cali had no money management skills and was possibly being financially exploited by her own family.

A local trust fund organisation was sourced to support Cali to ensure she had rights over her own money and could manage this safely. This permitted Cali to have her Universal Credit and Personal Independence Payment paid into her bank account each week in small instalments by the trust, to reduce the possible temptation and exploitation from her family of accessing her money.

Cali had no self-care or living skills and so staff worked very slowly with Cali to take the time she needed to learn why looking after herself and her home were important.

The service then referred Cali into local dogs' charity as Cali had a passion for dogs and wanted to help them. Cali is now an established and trusted member of the volunteer team and enjoys the hours she donates each week with the dogs. Cali said that at home the only thing to understand her was her dog, Kim. So, this was why she wanted to help other dogs as she could no longer see Kim anymore at the family home.

When Cali took control over her finances, her family withdrew any form of contact with her. The service understood that Cali needed more time to adjust to independent living and so has lived with the service for almost 2 years. Cali has grown in confidence during this time and Ty Bronna is now preparing Cali to live in one of its Church Army's training flats.

Cali always said her family didn't think she would have anything in life as she wasn't clever enough. Additionally, living at Ty Bronna was the first time in Cali's life where she had access to her own money, chose what shopping she could buy and what clothes to wear and how she spent her time. However, with a bit of patience and encouragement, Cali has proven herself to be just as deserving and capable as any other young person who walked through Ty Bronna's door.

Cali's Church Army Visiting Support Worker is aware of Cali and her vulnerabilities so will be providing Cali with additional support in the community, for Cali to achieve what she is capable of.

***name changed to protect identity**

An ex-resident called Chris, who lived with Church Army Cardiff Services over 20 years ago, spoke of his time at the project and how Church Army had helped him. Chris spoke of a CD which had been recorded by young people at the project, which had music and poems on and which supported young people process their emotions. This CD was discovered in the time-capsule and became a very meaningful and emotional moment for Chris and all those who shared his story.

A recent residents survey provided the following feedback:

- ✓ 91% Felt they had a warm welcome.
- ✓ 81% Felt they had access to activities and learning.
- ✓ 91% Felt that their physical well-being was addressed.

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- ✓ 100% Felt that their mental wellbeing was addressed.
- ✓ 78% Felt their substance misuse issues were addressed.
- ✓ 100% Felt they were kept safe and protected during the Covid-19 Pandemic.

Ruby - serving vulnerable women in South Yorkshire

Our team works with vulnerable women in a trauma informed way to build a relationship of trust, to help fight with them for their ultimate freedom from chaotic lifestyles, drug addiction and abuse. As we seek to achieve the long-term goal of social justice for the women, we work with patience and hope, within realistic expectations of what changes are possible. Our staff team is relatively small (1 full time worker and 3 part time) with a few dedicated volunteers and we actively support around 50 women at any one time. We run a drop in, offer in community support and street outreach.

Our drop-in provides a safe space to access, to experience respite from a chaotic and unstable lifestyle. We have recently made some changes at the drop in; we are the only female only washing space in our city for homeless women so we provide something that is really valued by the women. We have moved the clothes bank to make it a space women can look for clothes. One of the women after the changes commented it felt like a boutique and it was special for her to come to it. Several of our women have commented on how it brings them dignity. Women can wash their clothes (which means they are able to hold onto their belongings this is something that is really hard when you don't have stable or safe housing, you experience so much loss, if we can help women keep hold of some of their stuff then it helps for emotional and mental well being) we also have some lockers for other important belongings. We offer food parcels: joint working with the food bank we are able to give out food parcels to our women, we also give out snack bags (for women who have no stable/ safe accommodation so no access to cooking facilities). The house is also a sanctuary - a place to explore faith, receive prayer and enjoy fellowship.

We are experiencing a surge in demand and our drop-in is being accessed more than ever before. We have had a real increase in women who experience domestic violence and so having a safe space to come to which is women only has been invaluable to many.

Tam's story - from the perspective of one of the Ruby project staff

I was particularly impacted by how important our love for the women is through a recent outreach interaction. A reflection of the love of God for us. We hadn't seen this woman for a long while because she had been very poorly (suffering from psychosis) and she was very cautious approaching us. We greeted her warmly, reinforcing how wonderful it was to see her and emphasizing how much we had missed her. She described how rubbish she had felt, and how being so poorly had caused her to feel embarrassed about engaging with us. Looking out the car window, I could see how much she had deteriorated, she looked so different to months ago when we had helped her to appointments and helped her move into a new house. Due to physical health decline and years of trauma her mental health dramatically declined. I explained that she could come to us anytime, good day or bad; whether she was well or not didn't change our love for her. She was obviously struggling with this idea, so we asked her whether knowing that we were poorly would change how she felt about us? "Oh no", she said, "I would still love you a lot".

"Exactly" we said, and went on to explain that this was how we felt about her, that her being poorly hadn't changed how much we loved and cared for her. It was at this point that she welled up; she made the connection and understood the illustration. I wonder if this woman has ever been loved like this or when was the last time? Unconditionally, without exception, regardless of whether it's a good day or a bad day, or whether she's well or not. We have seen her twice at the drop-in since this interaction, and really believe that God is doing something in her heart and life.

Jackie's story*

"I was assaulted last night at where I live so I ended up walking the streets all night. No money, no phone - I only have what I am standing in, I can't go back to get my stuff. I was waiting for it to get light because I knew I could go to the drop-in, they would help me. I was greeted and went into the warm. I knew I would get a hot drink and some food. I was bundled in blankets and was able to get it off my chest what had happened last night as I tried to make sense of it. Over the next 2 days they helped me - report to police and sort out temporary accommodation."

*Name changed to protect identity

The Amber Project

As The Amber Project celebrated its 20th birthday earlier this year, we are reflecting on what has undoubtedly been our most challenging year to date. One of the unfortunate legacies of Covid is what has been termed 'a post pandemic mental health tsunami' which has led to significant rise in young people referring to the project with issues around self-harm. Currently more than 200 young people on the waiting list to access the project.

Young people are presenting with increasingly complex issues which in turn impacts on the degree of support they need, the project works by offering young people safe space, a community within which they can gradually develop skills that they will continue to use long after they have left the project.

We want to express our thanks to Caryl Stock who has led this amazing project for over 20 years until she retired in August 2023. Earlier this year we interviewed and appointed Tim Crahart as the new operations Manager for Amber.

.... I was very suicidal when I was referred, deep in self harm and bulimia, struggling with keeping the secret that I had been groomed online a few years earlier. I wasn't seen as worth anyone's time. CAMHS said I didn't have any problems, the school just shouted at me for self-harming in the toilets, my family didn't understand and made me feel alone, and I lost all my friends. I was the weird girl that cut herself. And I was hiding such deep pain. So much self-hatred. The Amber project gave me a place to connect with others. I was accepted. Cared for. Included. I will forever be grateful for that. I really do believe it saved my life. (shared with consent).

Objective 2: Advocating Evangelism

Our second objective is Advocating Evangelism. Simply, this is being champions for the spreading the Gospel. As advocates for evangelism we encourage and promote the sharing of the message of salvation through Jesus and encouraging individuals, churches and leaders to share their faith with those around them, whether through personal relationships or evangelistic outreach opportunities.

As part of Advocating Evangelism we promote living life in such a way that others can see Christ in us and be drawn to Him. It requires being intentional about sharing the good news of Jesus with others and being willing to step out in faith and trust God with the results.

There are a few ways that we do this:

Our Communications Team is a key player in promoting evangelism, using various platforms such as print, online videos, websites and social media. Through sharing stories of lives transformed, the diverse range of work we do, and creating new avenues for interactive engagement, Church Army's Communications Team are responsible for giving our work a platform to external audiences, as well as our large internal network. Our evangelists are also making a local impact by utilising online communication to share their amazing work, including the impactful projects we fund.

Inspiring church leaders

Our DARE strategy relies on church leaders embracing evangelism, which is essential. Our Senior Leadership, Research, and Training teams have actively participated in a myriad of events across the United Kingdom

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	2021/22		2022/23	
Page Views	154k	Page Views	193k	+25%
Users	41k	Users	60k	+46%
New Users	41k	New Users	59k	+44%
Device Type	Desktop 54%	Device Type	Mobile 51%	+10%
	Mobile 41%		Desktop 44%	-10%
	Tablet 5%		Tablet 5%	0%
Top 3 Pages	Home Page 28K	Top 3 Pages	Home Page 30K	+7%
	Jobs 13K		Jobs 16K	+23%
	Not Found 8.5K		My CA 7.1K	

and Ireland. We have been honoured to speak at conferences, theological colleges, and diocesan events, spreading the message far and wide.

Encouraging the wider church: Church Army speaking engagements

Our Evangelist's captivating speaking engagements empower churches across the UK and Ireland. These engagements, held at Sunday morning services and other weekly events, are crucial for increasing financial and prayerful support. They provide a unique opportunity to share the importance of our Evangelist's Kingdom work, inspiring and encouraging other Christians in various settings. Each year, we reach approximately 100 platforms, spreading our impactful message far and wide.

Our new website facility continued to expand and produce increased engagement with visitors - up 25% by page views and up 46% by users on the previous year:

Platform	Project	Reach	Reactions (Likes & Comments)	Shares/ Retweets	Click- Throughs	New Followers	Total Followers (As of 31/3/23)
Facebook	Church Army	509,372	5,274	935	10,845	328	4,091
Twitter	Church Army	500,700	5,476	628	896	217	10,246
Instagram	Church Army	44,062	4,836		314	229	2,190
Facebook	Centres of mission	303,636				1,054	6,064
Instagram	Centres of mission	2,050				136	136
Facebook	Key Projects (MBP, MIM)	36,600				100	880
Twitter	Key Projects (MBP, MIM)	46,099				-3	3,398
Instagram	Key Projects (MBP, MIM)	21,561				165	2,064
Facebook	WCC	29,690				30	369
Instagram	Wilson's Café	2,456				41	252

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Facebook	Wilson's Café	667				13	75
Facebook	LEAD	716				40	72
Twitter	LEAD	15,275				487	547
Facebook	Envoy	5,759				8	81
Twitter	Envoy	2,496				13	74
Instagram	Envoy	551	124		4	9	181
Meta Paid Ads	All	617,447	1,357	111	17,070		
Totals	All	2,139,137	17,067	1,674	29,129	+2,727	30,720
vs 2021/22		-17%	+11%	-33%	+52%	+5%	+10%

Facebook (organic)	All	886,440				+1,573	
Twitter	All	564,570				+714	
Instagram	All	70,680				+415	

Objective 3: Resourcing Evangelism

The Research Unit

The Research Unit continues to resource evangelism by working to show how God is active in mission and increase understanding in why churches' participation may falter or flourish. This is done by conducting excellent and innovative research and consultancy whilst growing the team's network and partnerships with churches and dioceses across the British Isles and Ireland.

For more information, please visit www.churcharmy.org/research

During the year, the Research Unit produced two high profile national reports:

- Paid Pioneers: From the Margins to the Mainstream? (June 2022)
- Growing Leaders on Urban Estates (February 2023)

The research team have also worked on external research projects for a range of clients including:

- National Estate Churches Network - evaluation of urban training pathways in the dioceses of Birmingham and London
- The Arthur Rank Centre - evaluations of courses and training initiatives for rural mission
- The Church of England's 'Living with Love and Faith' initiative - qualitative research feeding into the report 'Listening with Love and Faith'
- Short-term (3-month) and longer-term (5-year) research and consultancy projects for various other dioceses

The team are also conducting increasing amounts of internal research for Church Army. Over the past year, this has included:

- Recording the Journey - a project which gathers statistics and stories from centres of mission
- Triennial Reviews of Centres of Mission and other key projects (facilitated by the research team with the help of a wider team of Reviewers from across Church Army)
- Designing evaluation tools for LEAD and Missional Youth Church Network
- Staff survey design, analysis and reporting

Towards the end of the reporting period (March 2023), the team also commenced a major new research project on effective evangelism. This represents the introduction of a third strand of work for the research team (alongside internal and external research) over the years ahead.

Church Resources and Leadership Development

We have continued to Resource and Enable Evangelism through the development and implementation of our Church Resources and Leadership Development offer.

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Over the last year our core Faith Suite of resources, i.e. Pictures, Shared, Empowered, have undergone further development taking into account feedback from evangelists and users. Following this process of refinement, we have started to explore how to significantly grow our user groups.

Faith Empowered facilitator training has been delivered to five English dioceses and one Welsh diocese, with a further fifteen having ongoing conversations as to how it could fit into their lay training scheme. We are also exploring how it could be used in the Church of Ireland to train lay pioneers.

We have begun development of a network of Faith Empowered Facilitators, gathering them in WCC for a 24 hour conference in September. Over the course of our time together we gathered their thoughts and reflections on the resource, challenges they are facing in rolling it out, and gave space for them to offer support and advice to one another. This was well attended and received, and will be repeated in September 2023.

We are also delivering Faith Empowered to a cohort in the Diocese of Christchurch, New Zealand. Facilitated monthly online by our resources team, it is a chance to engage a new audience with the resource, as well as help our resources team further refine the content.

A fourth component of the Faith Suite is in development, building on the previous apologetics resource 'Why on Earth?'. Titled 'Faith Questions', it is based on the structure of Faith Shared, and will be released in the next year once development and testing are completed.

Following on from a successful Lent 2022 resource development, Lent 2023 was planned to grow engagement, building on the cross-team learning that took place.

LEAD is Church Army's online leadership development resource for growing leaders. In April 2022 LEAD online learning portal and website was officially launched. As part of this official launch we have developed our offer to Evangelists, and CAMC members. We continue to offer a rolling programme of online learning groups.

In September 2022 we also launched a Reflective Supervision offer to our Evangelists to complement our Leadership Development offer. This very quickly became fully subscribed.

The Wilson Carlile Centre (WCC)

The Wilson Carlile Centre in Sheffield has been the home of Church Army for the past ten years. Located in the heart of the city, the building is a modern looking, multi-purpose centre offering: a café; a theological library; 30 en-suite bedrooms; a spacious three-bedroom apartment; day and residential conference facilities; a chapel; garden and city centre parking.

Highlights from the last financial year include:

Accommodation:

- Having been closed for much of 2020 and 2021 due to Covid restrictions it has been immensely encouraging to see record levels of occupancy and income throughout 2022-23
- Maintaining high guest scores and excellent reviews on booking.com (currently 8.2) despite the challenges.

Conference & Catering

- There has been a slow return to events and conferencing

Café

- This has seen a gradual increase in sales as the public has returned to Sheffield City Centre, the increased use of our Accommodation and as more staff have been working from the offices

To find out more, visit www.wilsoncarlilecentre.org.uk

Flexible working

The new ways of working forced upon us by Covid have been embraced, but we have also recognised the significant benefits of in person working for collaboration and expression of our community and values as

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the home of Church Army. Building community and developing culture have been at the heart of our discussions as we've continued to navigate the next steps of our journey in this area.

Objective 4: Enabling Evangelism

Initial Training Programme

Initial Training is a key part of our DARE strategy, enabling more people to be resourced and equipped as CA Evangelists. At the end of March 2023, we had 34 Evangelists-in-Training (EiTs) to be Commissioned and 1 diocesan sponsored candidate. The September 2022 entry of new EiTs numbered 14 (of these, 1 deferred training for a year, 1 is on maternity leave, and 1 is no longer working with Church Army). We welcomed 8 people starting their training in September 2023. In July 2023 we Admitted and Commissioned 14 new Evangelists, and we anticipate we will Admit and Commission 7 more in July 2024. Alongside this we have started planning to train Church of Ireland Pioneers from September 2024.

Envoy

We are excited about the work of Envoy across the UK and Ireland. Church Army rebranded Envoy as the evolution and merging of 10 years of coaching in evangelism (we already have over 80 members), which is a stunning development. The Envoy community remains committed to equipping the church to share the good news of Christ effectively. An Envoy member said these words:

'Envoy gave me an opportunity to discover the breadth of evangelism. To recognise that there is not a 'one size fits all model'

Mission Community

The Church Army Mission Community was established over 10 years ago and continues to develop and understand its identity. During the past year the Church Army Mission Community has continued to grow in number and activity. The small 'clusters' of evangelists and supporters meeting together to encourage each other, learn more, and pray for the work of Church Army have established new patterns of meeting after the disruption of the pandemic. New groups of evangelists working in similar contexts (such as prisons, or healthcare environments) have begun to meet to share good practice and support each other in their ministry. A new programme of 'Discovery Days' and 'Discovery Evenings' has ensured a steady flow of new members to the community and the work of Church Army being profiled to a wider audience. The Church Army Mission Community continues to support and uphold all the people and work of Church Army in prayer.

Public benefit statement

The Trustees have considered the Charity Commission guidance on public benefit and are satisfied that both the aims of the Society and what it delivers meet the public benefit test.

Church Army meets the criteria through:

- the advancement of the Christian religion
- provision of services for homeless people
- its youth and community work

Church Army does not discriminate between those who profess a Christian faith and those of no faith. Our work is open to those of all faiths and no faith. Examples of how we do this can be found on pages 5 to 21.

Objectives for the coming year

Many of these objectives build on the success of the last year. We have already started working on reaching these objectives in the year ahead.

Doing evangelism

- We will continue to explore exciting new developments in evangelism and social action through our centres of mission, projects, partnerships and opportunities provided through other organisations.

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- Further develop the initiatives of Envoy as ways of releasing around 100 people in evangelism in their context. We will continue to develop the profile of Envoy as a resource to make evangelism as a way of life.
- To develop new Missional Youth Churches across England through our partnership with the Archbishop of York's office and the Archbishop of York's Youth Trust and new partnerships.
- We will continue to demonstrate God's love unconditionally to all, particularly through our work in communities, with the homeless and with vulnerable people.
- We will develop a theory of change and strategy for each of our Key Projects that can then be used to define the difference they make. This will then be used to advocate for the work that they do and attract new income generation.
- With increasing amounts of dioceses seeking partnerships for our Centres of Mission we will seek to prioritise where we go into partnership and we will evaluate the effectiveness of existing partnerships.
- Explore finding a patron for each of our Key Projects.
- We will further develop the integration of Waterways Chaplaincy into the family of Church Army as part of our front-line work.

Measures

- ✓ Evidenced by our impact on communities, growing of new Christian communities and stories of changed lives.
- ✓ The effectiveness of our partnerships to set up new centres of mission in areas where need is identified.
- ✓ The effectiveness of the support we offer to vulnerable people in their existing situations to gain the skills and confidence to move into the next stage of independent living, maintain tenancies, deal with ongoing issues and fulfil their potential.
- ✓ The provision of accommodation for those who are homeless and through the increase in the numbers of people we are able to move towards independent living.

Advocating evangelism

- We will continue to challenge and inspire individuals and the church to reach out to their communities, sharing their faith through words and action.
- Our Research Unit, working in partnership with others, will continue to challenge and resource the wider church in its mission through research projects and publications on online church, pioneering, urban estates leadership and other topics.
- We will continue to advocate evangelism through the development of media opportunities.
- We will create resources that encourage individuals and churches to undertake evangelism.

Measures

- ✓ Increased number of strategic opportunities to inspire leaders in mission and the number of invitations from dioceses to help them in their evangelism.
- ✓ Numbers of completed research projects on mission and evangelism.
- ✓ Strategically working with partners to influence positive change in the church.
- ✓ In the number of speaking engagements, which offer the opportunity to promote evangelism and the work we do.
- ✓ Increased press and media opportunities and engagement with our social media presence.
- ✓ The number of people exploring evangelism through our resources.

Resourcing evangelism

- Through delivering a digital strategy that will help us communicate better, training greater numbers and increase our reach.
- We will continue to develop LEAD to resource leaders and the wider church in mission.

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- By continuing to develop new evangelism resources, both on our own and in partnership with others, for the wider church to get involved in evangelism.
- Through our partnerships with other Christian organisations, where together we can add value to each other's work.
- Through the evidence-based research, which assists the wider church to look strategically at new ways of being Christian community.
- We will run lifelong learning events to resource and refresh our evangelists' skills in evangelism.
- We will seek to increase the numbers of people engaging with the Church Army Mission Community.

Measures

- ✓ The success of the above through the uptake of our resources.
- ✓ The increasing numbers engaging with LEAD resources both within Mission community and diocese we work with.
- ✓ Increased capacity for delivering LEAD action learning groups.
- ✓ Pilot LEAD within a diocese and within a diverse national office team.
- ✓ Increase the additional LEAD modules available.
- ✓ The number of training opportunities and the impact of our research and partnerships.
- ✓ The numbers in our training programmes, both local and national.
- ✓ The number of enquiries and applications made to the Mission Community.

Enabling evangelism

- Through increased numbers of lay people being trained and resourced by our frontline evangelists and national training staff for evangelism in their local contexts.
- Through increasing the number of participants on our Envoy programme for 18 to 30 year olds.
- By offering volunteering opportunities in our centres of mission and helping volunteers engage with the Church Army Mission Community.
- Through the increase in numbers of people training through our commissioned pathway.
- Through developing training relationships with dioceses and national churches across the UK and Ireland
- We will begin delivering our new volunteering strategy, which will support and better equip existing volunteers and work toward doubling the number of those who volunteer with us.

Measures

- ✓ The uptake of our volunteering, Envoy opportunities
- ✓ The number of churches that use our resources as a stepping-stone for their own programmes
- ✓ The success of our training programmes in enabling those who complete it to engage more effectively in reaching out to their communities
- ✓ Increased numbers of people training for our commissioned pathway, including more people from regional churches across the UK and Ireland
- ✓ Increased number of people sponsored for training by dioceses and churches across the UK and Ireland
- ✓ Number of formal or informal training partnerships with dioceses and churches across the UK and Ireland

Financial review

The review below covers the financial position for the year from 1 April 2022 to 31 March 2023.

This has been a very challenging year with major external factors affecting people and organisations across the UK and the world, including:

- War in Ukraine - impacting cost of goods
- Political turbulence - with resulting volatility in financial markets
- Inflation rising to a record 40 year high impacted almost every cost of our work

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- The rising cost of living reducing donation income and making it harder than ever to attract new donors - while at the same time increasing demand for our services

We started the year planning for an operating deficit of £3.0m as we continued to invest our reserves in growing our work, while we also started developing plans to work towards longer-term financial sustainability. The difficult external environment had a significant impact on income and costs, and this led to a higher than planned operating deficit of £3.91m for the year.

The economic challenges and turbulence in the financial markets resulted in us seeing losses on our investment properties and just nominal gains on our financial investments increasing the overall deficit for the year to £4.44m. This is a significant change from previous years when we benefited from strong gains (2022: £2.14m, 2021: £2.13m) to help fund our operating deficit.

High inflation has continued into the new financial year and while it has started to ease at the time of writing this review (in the summer of 2023) increasing the cost of all supplies and the higher cost of living has created a very difficult environment as we work to increase our fundraised income.

There was only a nominal change in the liability relating to our defined benefit pension scheme this year, compared to a £613k benefit last year.

Here are some of the key points from our accounts:

Income - total income reduced to £6.12m down £0.25m from the previous year (2022: £6.37m).

Donations - reduced to £2.06m (2022: £2.41m) - in the previous year we benefited from £373k of a £473k one-year grant from Barclays / Evening Standard / London Community Foundation to enable the new Sanctuary, our 24 hour a day drop-in centre at our Marylebone homeless project which opened in November 2021, to set up and run for the first year. Finding ongoing funding has proved very difficult.

Legacies - income dropped for the second year in a row to just £260k (2022: £428k), well below the average of the last ten years. The timing of legacy receipts is outside of our control, but this is an income stream which continues to reflect Church Army's historic connections; a rich heritage and blessing which has clearly left a mark on people's lives.

Income from our partners for Charitable Activities - increased slightly to £2.89m (2022: £2.79m). This was principally a result of increased housing benefit income at our homeless projects £1.68m (2022: £1.54m). Research income from external clients - reduced to £45k (2022: £63k) as the team had a greater focus on internal Church Army projects during the year.

Income from other trading activities - bounced back above pre-Covid levels to £400k (2022: £179k) with record levels of occupancy and income delivered from the accommodation at the Wilson Carlile Centre.

Non-charitable trading: SPACE & MUNCH - Social Enterprise activity at our Marylebone Project was slower to restart, as we took a cautious approach to protect our vulnerable residents, but it has been good to see activities resuming and new bookings coming in with income levels rising during the year.

Expenditure

Costs of Raising funds increased to £1.50m (2022: £1.28m) primarily due to increased direct costs of trading activities (up £0.17m) reflecting the higher levels of activity and income, filling vacancies in the fundraising team and increased costs (up £60k) invested in our fundraising for the Marylebone project through our contracted fundraising consultancy to help sustain the Sanctuary 24-7 project after the initial one-year funding expired.

Spend on **Charitable activities** increased by £1.0m to £8.48m (2022: £7.42m) primarily due to higher costs in our Marylebone homeless project with total spend on homelessness up £0.71m to £3.67m (2022: £2.96m). Part of this was a full year of additional costs running the Sanctuary, and £0.26m was due to the higher costs of agency staff used to cover roles where we struggled to recruit permanent staff. Spend on Centres

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of Mission rose £0.22m as we opened new centres. Also included in the increase is the cost of settling the WITH contingent liability (£0.15m) described under contingent liabilities on page 27.

Apart from the above, overall expenditure remained well controlled, despite pressures on all cost areas due to higher inflation, with monthly management accounts reviewed by every budget holder and the Management Group to ensure an effective and efficient use of financial resources.

Re-measurement gain on the defined benefit pension plan - For many years up to and including March 2021, the balance sheet carried a liability being the actuarial shortfall of the assets of Church Army Pension Scheme (CAPS) Defined Benefit pension plan to meet future liabilities. As a result of investment actions and future arrangements agreed by the Board working with CAPS trustees, the scheme moved to surplus, and the 2022 accounts included a reversal of earlier provisions. There is now no liability in the Balance Sheet. There are more details in note 23 to the accounts.

Although the market volatility in the autumn of 2022 and rise in gilt yields affected many pension funds, the arrangements in place for the CAPS scheme were robust. The value of the investments held by CAPS was affected but so was the value of liabilities, reducing the overall funding deficit. The 2023 updated valuation shows that the fund remains in surplus.

The changes that have been made over the past two years mean that Church Army results and spending plans are no longer affected by unpredictable fluctuations in the CAPS financial position.

Major capital works

No major capital works were undertaken during the year.

Investment policy and performance

Church Army's investments comprise properties which are rented out for income and funds invested with investment managers with the primary goal of capital growth. Investments are liquidated from time to time to provide the cash needed to fund the planned deficits.

The total return on investments, (dividends, rental income and capital growth) was a loss of £77k (2022: gains of £2.637m), comprising income of £467k (2022: £502k) and losses on investments of £544k - a very different result to the previous year when we saw exceptional capital gains of £2.135m. The continuing cost of living crisis, record high inflation and bank interest rates has depressed the property market and current forecasts indicate limited capital gains in the next 2 years.

Investment properties

Church Army's investment properties were previously used as accommodation by employed and retired evangelists. Rental income reduced to £451k (2022: £458k) due to the sale of several properties during the year. At each year end the investment property portfolio is revalued - the revaluation at 31 March 2023 resulted in the value decreasing by £675k (2022: increase £1,580k), reflecting the decline seen in the housing market nationally.

Funds with specialist charity investment managers

The Church Army general investment portfolio is placed with two high performing funds, one run by Ruffer LLP and the other by CCLA, both specialists in charity fund management. The Investment Sub-Committee receive quarterly updates and meet the managers each year to review results, investment strategies and prospects. They also make use of charity investment comparators, including the quarterly Multi-Asset Charity Fund Review published by ARC Research Ltd. The Investment Sub-committee then provide guidance to the board when they consider that change is required.

Church Army Funds with Ruffer are invested in the Charity Assets Trust, a cautious that aims to preserve capital and deliver positive growth. Church Army funds with CCLA are invested in the CBF Church of England Investment Fund which aims for consistent dividend returns. In the past year's review by ARC of the Charity Assets Trust was the top performer and the CBF CofE Investment fund the third best out of 21 charity funds. The comparative returns between Ruffer and CCLA are shown below together with the benchmark for the per group.

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Year ended:	31 March 2023	31 March 2022	31 March 2021
Ruffer – Charity Assets Trust	1.2%	8.2%	24.1%
CCLA – CBF Church of England Investment Fund	(0.8%)	11.4%	24.3%
ARC Balanced Asset Charity Index	(4.5%)	(3.4%)	17.4%

Balance of Investment portfolio

The Investment sub-committee met in August 2022 and took advice from the fund managers and the property manager. The allocation of the portfolio between property and investment funds is being re-balanced better to cope with the need to liquidate investments on a regular basis to fund working capital, current uncertainties in the markets and forthcoming rental property regulations.

An active ethical investment policy

In 2019/20 the Board adopted the investment policies set by EIAG - the Ethical Investment Advisory Group of the Church of England. That policy not only sets out areas where there should be no direct investment (e.g. tobacco, gambling, non-military firearms, or high interest rate lending) but also expects the investee “to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice”. The policy, which is considered to be a leader in this area, requires investors to be active, engaging with investee companies to seek improvement in ethical standards in these areas.

The CCLA CBF Church of England fund is compliant with EIAG. The Ruffer Charity Assets Trust fund's responsible investment policy has been shaped by the concerns of many charities. It imposes strict restrictions on investment in alcohol, armaments, gambling, pornography, tobacco, oil sands and thermal coal. It also follows a proactive voting and engagement approach with companies held within the fund. The fund is monitored against UN Global Compact principles, MSCI's ESG Metrics and the managers also monitor the fund's carbon metrics.

Reserves (Funds) policy

At the year end the **Unrestricted Free reserves** of the Charity had reduced to £6.5m (2022: £9.4m) reaching our target figure. These unrestricted free reserves are held to provide a contingency in the event of an unexpected shortfall in income or significant uplift in costs and represent less than 7 months operating costs.

During the year we continued to invest in growing our work, pursuing our DARE strategy and used a further £1.3m of our **DARE Designated Reserve** to fund this work, reducing this fund to £4.9m. This fund continues to be used to support the growth of our work:

- Establishing new Centre of Mission partnerships. Many of our partners look for 3 to 5-year agreements, designating the funds for these partnerships strengthens our relationship opportunities and allows us to plan forward with more confidence.
- Enabling significant investment in delivering a step-change in Fundraising to generate an extra £2m pa by 2026 to help move us towards financial sustainability.
- Supporting our training growth, which is anticipated to double each year, and for the next few years at least and will support the growth in centres of mission.
- Developing the additional training programmes and the related digital mechanisms needed to support the expansion in staff and volunteer numbers.

The free reserves include unrestricted investment property (which is non-liquid in nature) of £11.8m (2022: £12.8m). The Trustees are aware of this and arrangements are in place to convert the investment property into liquid funds.

Restricted Funds, given for specific purposes **reduced to £6.9m** (2022: £7.2m) as the monies were used for the purposes for which they were given.

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Operational Properties (including our Marylebone Homeless project and Wilson Carlile Centre) comprise **£7.3m** of our total reserves - we cannot access these funds without selling the properties and so these are identified separately in our reserves summary below.

In total, these reserves come to £25.6m, but as outlined above £14.2m are tied up in Restricted funds and Operational Properties. £4.9m is designated for our ongoing investment in growing our work while we move towards financial sustainability - and having set a deficit budget of £3.5m for the current financial year this will see over half of this designated reserve used up in the current year. The Unrestricted Free Reserves represents less than 7 months operating costs and provide a contingency to cover any unexpected shortfall in income or uplift in costs.

The following table gives a summary of the funds we hold:

	Target	Actual 2023	Actual 2022
Restricted Funds	6.9	6.9	7.2
Operational Properties (buildings used for our work)	7.3	7.3	7.2
Designated for investment in DARE strategy and step change in Fundraising	4.9	4.9	6.2
Unrestricted Free reserves	6.5	6.5	9.4
Total	25.6	25.6	30.0

Contingent liabilities & assets

In 2019 Church Army provided support to a venture seeking to establish a Community and Retreat centre for young people using the buildings of a former convent. As part of this support Church Army employed the staff and signed the lease for the site, with the expectation that these would be formally transferred across to the new charity once it became established. While refurbishment of the buildings commenced as planned, Covid had a significant impact on the wider plans for the venture and in the spring of 2022 the Trustees of that venture decided to close-down the project. The 2022 Trustees Report recognised a contingent liability of £356,000, being a claim made by the freeholder of the site. The matter has now been settled with the freeholder at £150,000 which is included in the year end results. Church Army expects to reclaim some funds from the WITH charity towards this cost, but the amount is not known at the date of signing these accounts.

Fundraising activities

Church Army has fully embraced the protocols established by the Fundraising Regulator and laws which came out under General Data Protection Regulations in 25 May 2018.

Church Army has always maintained a highly competent and professional approach to what is now a strictly regulated sector, balancing the need to generate funds while at the same time, fully respecting the position of both our existing and potential donors. Church Army has adopted a very robust approach to ensure full compliance with the requirements of the Fundraising Regulator and the 2018 GDPR legislation. This is particularly so in the area of donors in vulnerable circumstance, where working practices have been established to respect and protect their position.

Church Army first published a clear policy on donor relationships over five years ago. This has been strengthened to reflect more clearly our relationship with the Fundraising Regulator to state:

- We believe that the way we raise money should model our Christian values, with integrity, accountability and honesty, born out of a genuine two-way relationship; you wouldn't expect anything less. That's why we are not only committed to upholding the Code of Fundraising Practice, we are committed to setting the very highest standards in fundraising. We are registered with the Fundraising Regulator whose Fundraising Promise states:
 - We will commit to the highest standards
 - We will be clear, honest and open
 - We will be respectful
 - We will be fair and reasonable
 - We will be accountable and responsible

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The complete text can be found on the Church Army website: <https://churcharmy.org/ways-of-giving/fundraise-for-us/our-pledge>

We received one complaint from an existing donor. The complaint related to the wording of our Spring Appeal, which turned out to be simply a misinterpretation of the wording intention. Since this was resolved the donor has made his first four-figure donation for five years.

We continue to work hard with existing warm individuals, parishes and trusts and foundations to maintain and grow our income, as well as pursuing new opportunities. Funding from businesses and corporates is still an area we want to push into in the future.

Trust income was adversely affected by being one trust fundraiser down for much of the year. We recruited a replacement towards the end of the financial year. However, in the circumstances we still saw a solid performance.

Major donations were received from The Roland Callingham Foundation and Jerusalem Trust for general funds and to support our centres of mission; other significant major donations were received from London Community Foundation, The Julia and Jans Rausing Trust and Mrs S Walker supporting our work at the Marylebone Project. We are extremely grateful for the generosity of these and all our loyal donors.

We'd also like to recognise and thank grants given by:

- Halifax Foundation (NI) - £4,000 to Newry CoM towards the Lifeguards Programme in June 2022
- Welsh Government ("VSRF Small Grants") - £16,792 to safeguard an Amber Support Worker post given in 2 instalments - 21 February 2022 & 16 May 2022

Individual donors remain our most loyal and long-standing contributors and we continue to look for creative and innovative ways to maintain and grow this critical support group. We tested a fresh approach to donor acquisition using an external marketing and fundraising agency. This was largely unsuccessful for various reasons but there has been learning for us in the process. We will use this learning to inform our work in future.

It has continued to be difficult to engage churches following the COVID-19 pandemic, with many churches but we have begun to increase the number of speaking engagements with 28 during the year. Many traditional churches struggle with attendance and finance and this affects their ability to give at previous levels. However, we still have a huge opportunity to grow income from churches by raising our profile to engage more churches as well as diversifying our approach in future to other denominations.

We had planned a fundraising challenge campaign in September to commemorate 140 years of Church Army but this was cancelled following the death of our Patron, Her Late Majesty Queen Elizabeth II.

Church Army uses professional external fundraising for the Marylebone Project and the business involved is signed up to the same working practices that we adopt ourselves.

For further information about the Fundraising Regulator visit www.fundraisingregulator.org.uk

Going concern

The trustees agreed a deficit operating budget of £3.5m for 2023-24 as it moved forward with plans to recruit a Director of Fundraising and Communications to lead the development of a strategy to deliver a Step-Change in Fundraising income over the next 3 years. The new Director of Fundraising was appointed in May 2023 and brought forward plans for significant investment in Fundraising and Communications to deliver the planned step-change in income. These plans were agreed by the Board in September 2023, alongside plans from the Senior Leadership Team to reduce operating costs by 10% to reduce the annual deficit and provide time for the investment in Fundraising to deliver the anticipated results.

The Board has reviewed finance models forecasting the impact on reserves over the next 5 years and having reviewed the plans and reserve models, the Board believes sufficient reserves are in place to support the continued investment in the organisation's DARE strategy and the planned investment in delivering a step-

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change in fundraising over the next 3 years with the aim of moving towards operational financial sustainability by 2027.

In continuing to spend its reserves the Trustees acknowledge that continuing sales of its investment properties will be required to fund working capital and a plan is in place for these disposals and the Board plans to make use of borrowing if needed to bridge the sale of investment assets.

After making these appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

**Structure, governance and management
Constitution**

The Society is both a registered charity and a company limited by guarantee governed by its Articles of Association, which specify that its legal objects are “to bring people to a personal faith in Jesus Christ” by:

- (i) providing trained evangelists and lay agents to assist the advancement of the Christian religion
- (ii) preaching the need of conversion, holiness of life and church membership
- (iii) relieving poverty and distress

The Society is registered with the Office of the Scottish Charity Regulator and the Republic of Ireland and is applying for registration in Northern Ireland.

Appointment, induction and training of Trustees

The Board of Trustees comprises people with relevant expertise including Church Army evangelists. Trustees are co-opted by the Board, following a search based on filling identified gaps in skills and experience and must be elected by the membership at the next Annual General Meeting. Good governance is vital to the effectiveness of the organisation and so training and induction programmes for new Trustees are tailored for each individual.

Following the planned departure of trustees during the year, the results of a skills audit were used to inform a trustee recruitment programme using an external agency which led to the appointment of 4 new trustees to the Board bringing skills in key areas, including Digital, PR and Media, Legal and Finance. Each of these trustees comes from a unique background as well as the specific skills and experience they bring.

Board diversity

The Board is delighted to have achieved a more diverse membership with 50/50 female/male elected trustees (plus the CEO), a 30% representation from GMH backgrounds and 40% aged under 40. Recruitment of a further trustee with Fundraising expertise is close to completion at the time of signing this report.

Organisational structure and decision-making

The Board carries overall responsibility for every decision made within the Society and has delegated certain powers to the following committees:

The Finance Committee:

- advises the Board on financial policy and its implications
- monitors the development of financial systems
- approves the purchase and sale of properties and other capital expenditure within parameters determined by the Board
- recommends to the Board the appointment and remuneration of external auditors
- discusses and agrees with the external auditors as to the nature and scope of their activities
- considers with the Chief Executive the implications of the auditors' recommendations as set out in their management letter and monitors progress against agreed action

The Investment Committee monitors and reviews the policy and performance of the Society's investment managers and property portfolio.

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The Senior Leadership Team is responsible for implementing Board decisions throughout the Society and the executive management of its operations and resources through its Management Team.

The Marylebone Project Board formulates and implements strategy and oversees all operational matters relating to the Marylebone Project for homeless women on behalf of the Portman House Trust and Church Army as sole Trustee.

The Society also has a President and Vice-Presidents, who have no formal powers but act in an advocacy role within the wider church. They are listed on page 1.

Church Army International

Church Army continues to support a collective group of societies in Australia, Barbados, Canada, Denmark, Jamaica, New Zealand, the United States of America, various countries across Africa and Vanuatu. Each of these is separately constituted and independent of the others. There is mutual support and regular contact between the leaders as part of the International Leaders, chaired by the UK CEO.

Pay policy for senior staff

During the financial year in review there was no formal remuneration policy for any group of employees, beyond the commitment to pay at least the living wage under The Living Wage Foundation criteria.

Subsequent to the year-end the Board, through the Treasurer, has undertaken a benchmarking exercise for senior staff and set a remuneration framework, based on that review, to reflect the market forces within the sector. The resulting level is adjusted to recognise both the need to recruit and retain staff with the appropriate skills and experience.

Risk management and internal controls

The Board has overall responsibility and regularly reviews all aspects of risk management to ensure that the Society has appropriate systems of internal control, whether strategic, operational, financial, or with regard to legal compliance. Systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustees and detailed monthly management accounts which report actual performance compared to budget
- A strategic statement of the Society's purpose, values and vision supported by more detailed goals and objectives and financial forecasts looking ahead five years
- Internal policies and procedures
- A process for the identification and management of risks
- An agreed level of delegated authority to committees and management
- Checks to ensure that transactions are properly authorised and recorded
- Carrying out internal audit where appropriate

Risk	Response
Structural budget deficit continues	• Ongoing review and shaping of budgets and costs in the light of income and available reserves • Board has committed to significant investment to deliver a step-change in fundraised income over the next 3 years • Rolling 3-year financial model in place to manage reduction of any operating deficit in line with reserve policy targets
Safeguarding risks through failure to protect the vulnerable and marginalised	• Culture of Safeguarding embedded across whole of CA • Policies and procedures exist in all CA projects to establish good practice

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	• Safe recruitment of all CA staff and volunteers working with vulnerable adults or children • Safeguarding training mandatory for all staff and volunteers with specialist training for specific frontline roles and those with Safeguarding leadership responsibility
Inability to recruit & retain the right people especially for Centres of Mission Loss of key staff / institutional memory	• We are running leadership development training programmes and identifying potential leaders and evangelists among members of key programmes at an early stage in their journey with Church Army
Sustainable funding not achieved for Marylebone Sanctuary 24-7 project	• Increased investment in external fundraising consultancy to drive higher income • Plans being developed for large scale acquisition of new donors from general public

In addition to the Board review, each year there is a formal review of the risks to which Church Army is exposed and systems established by our Senior Leadership Team to mitigate them are updated or added as appropriate.

Financial records at Portman House Trust (PHT)

PHT is a subsidiary charity of Church Army and operates the Marylebone Project.

During the second half of the year, we became aware that the rent accounting system used at the project to record rent income due and Housing Benefit and Personal Share receipts was not being maintained effectively, leading to uncertainty regarding actual rental income. Church Army's Finance Manager undertook significant work in partnership with key staff at Marylebone to rebuild the records and debtor ledger to produce robust income and debtor figures for the year end. The issue we had identified was reported to the auditors in the audit planning stage and the work was completed during the audit process enabling the Board and the auditor's confidence in the year-end figures.

We are aware this is a matter which the auditors have included in their report, but we are confident that the work undertaken has provided robust figures for this report and a sound basis for the current financial year. A new Finance Administrator has now been appointed to the project and the Church Army Finance Manager continues to work closely with them to ensure correct records are maintained going forward. The Church Army Finance Committee has also agreed to implement a programme of internal audit starting in the final quarter of the financial year to provide additional assurance to the Board and to the Board of Church Army.

Plans for future periods

Church Army continues working to a rolling five-year forward plan. Detailed budgets are prepared for one year in advance and extended into the following 2 years to create a 3-year financial model. Church Army is consciously budgeting an operating loss for the next 3 years drawing on both Designated and Free reserves to support current activity and investment in new work as it pursues its strategy, and at the same time has committed to significant investment in fundraising to deliver a step-change in income over the next 3 years to move us towards financial sustainability.

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2023**

Trustees' responsibilities

The Trustees (who are also Directors of Church Army for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the 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 charitable company and of the incoming resources and application of resources, including 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 the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board on 27 September 2023:



John Whitfield
Trustee


+Guli Chelmsford (Nov 22, 2023 16:37 GMT)

The Right Rev Guli Francis-Dehqani
Trustee

Opinion

We have audited the financial statements of Church Army (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and parent charitable company's affairs as at 31 March 2023, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 group and parent 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 group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Arising from our knowledge and understanding of the entity and its environment obtained during the course of the audit sufficient accounting records were not kept and a satisfactory system of control over certain income and certain debtor transactions was not maintained.

For Portman House Trust (subsidiary 67), during the period from October 2022 to 31 March 2023 (and ongoing after date) income was accrued as an estimate for each month within this period and monies received from and overpayments returned for housing benefit and personal share income were posted into a debtor nominal ledger with no reconciliations or identification of which individuals the monies related to. Therefore, a detailed debtor's listing showing the balance owed per individual service user was not maintained.

In July and August 2023, records were retrospectively generated from information available at this time. A debtor listing at 31 March 2023 showing amounts due per individual was produced and these debtors were agreed to after date receipts, after date requests for overpayments or to a bad debt provision. Accordingly, the amounts in the financial statements have been proven and therefore, there is no qualification to our audit report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal costs; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of 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 directors 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Nov 27, 2023 14:05 GMT)

Jane Marshall (Senior Statutory Auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: Nov 27, 2023

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

Group Statement of Financial Activities
(Including an Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2023 Total £000	2022 Total £000
Income and endowments from:					
Donations and legacies	2	1,062	1,255	2,317	2,834
Charitable activities	3	371	2,520	2,891	2,785
Other trading activities	4	366	34	400	179
Investments	5	447	20	467	502
Other	6	18	24	42	73
Total income and endowments		2,264	3,853	6,117	6,373
Expenditure on:					
Raising funds	7	1,317	184	1,501	1,276
Charitable activities	8	3,122	5,357	8,479	7,421
CoE pension scheme movement	23	-	(23)	(23)	(5)
Other	10	67	-	67	30
Total expenditure		4,506	5,518	10,024	8,722
Net expenditure for the year before investment gains/(losses)		(2,242)	(1,665)	(3,907)	(2,349)
Net (losses)/gains on investments		(509)	(35)	(544)	2,135
Net expenditure for the year		(2,751)	(1,700)	(4,451)	(214)
Transfers between funds	19	(1,412)	1,412	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		11	-	11	95
Re-measurement gain on defined benefit pension plan	23	-	2	2	613
Net movement in funds		(4,152)	(286)	(4,438)	494
Reconciliation of funds:					
Total funds brought forward	19	22,817	7,193	30,010	29,516
Total funds carried forward	19	18,665	6,907	25,572	30,010

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Society Statement of Financial Activities
(Including an Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2023 Total £000	2022 Total £000
Income and endowments from:					
Donations and legacies	2	1,062	591	1,653	1,896
Charitable activities	3	371	757	1,128	1,148
Other trading activities	4	366	-	366	173
Investments	5	447	20	467	502
Other	6	18	23	41	63
Total income and endowments		2,264	1,391	3,655	3,782
Expenditure on:					
Raising funds	7	1,317	107	1,424	1,129
Charitable activities	8	3,122	2,171	5,293	4,838
CoE pension scheme movement	24	-	(23)	(23)	(5)
Other	10	67	-	67	30
Total expenditure		4,506	2,255	6,761	5,992
Net expenditure for the year before investment gains/(losses)		(2,242)	(864)	(3,106)	(2,210)
Net (losses)/gains on investments		(509)	(35)	(544)	2,135
Net expenditure for the year		(2,751)	(899)	(3,650)	(75)
Transfers between funds	19	(1,412)	1,412	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		11	-	11	95
Re-measurement gain on defined benefit pension plan	24	-	2	2	613
Net movement in funds		(4,152)	515	(3,637)	633
Reconciliation of funds:					
Total funds brought forward		22,817	5,294	28,111	27,478
Total funds carried forward		18,665	5,809	24,474	28,111

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Church Army (The)
Year Ended 31 March 2023

Balance Sheets

	Note	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Fixed assets					
Tangible assets	14	8,677	8,707	7,262	7,234
Investments	15	16,396	20,786	16,396	20,786
		<u>25,073</u>	<u>29,493</u>	<u>23,658</u>	<u>28,020</u>
Current assets					
Debtors	16	399	607	665	517
Cash at bank and in hand		719	924	719	924
		<u>1,118</u>	<u>1,531</u>	<u>1,384</u>	<u>1,441</u>
Creditors: amounts falling due within one year	17	<u>(619)</u>	<u>(1,009)</u>	<u>(568)</u>	<u>(1,345)</u>
Net current assets/(liabilities)		<u>499</u>	<u>522</u>	<u>816</u>	<u>96</u>
Total assets less current liabilities		<u>25,572</u>	<u>30,015</u>	<u>24,474</u>	<u>28,116</u>
Creditors: amounts falling due after more than one year	18	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>(5)</u>
Net assets excluding pension liability		<u>25,572</u>	<u>30,010</u>	<u>24,474</u>	<u>28,111</u>
Defined benefit pension liability	23	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets	21	<u>25,572</u>	<u>30,010</u>	<u>24,474</u>	<u>28,111</u>
Charity funds					
General funds		6,500	9,372	6,500	9,372
Designated funds (including revaluation reserve £8,890,000 (2022: £9,962,000))		12,165	13,445	12,165	13,445
		<u>18,665</u>	<u>22,817</u>	<u>18,665</u>	<u>22,817</u>
Restricted funds		6,907	7,245	5,809	5,346
		<u>25,572</u>	<u>30,062</u>	<u>24,474</u>	<u>28,163</u>
Total funds excluding pension reserves		<u>25,572</u>	<u>30,062</u>	<u>24,474</u>	<u>28,163</u>
Pension liabilities		<u>-</u>	<u>(52)</u>	<u>-</u>	<u>(52)</u>
Total charity funds	19	<u>25,572</u>	<u>30,010</u>	<u>24,474</u>	<u>28,111</u>

Signed on behalf of the Board of Trustees on 27 September 2023.



John Whitfield
Trustee


 +Guli Chelmsford (Nov 22, 2023 16:37 GMT)

The Rt Rev Guli Francis-Dehqani
Trustee

The notes on pages 38 to 63 form part of these financial statements.

Company registration number: 00037169

Group Statement of Cash Flows

	Note	2023 £000	2022 £000
Cash flow from operating activities:			
Net cash flow used in operating activities	22	(4,640)	(2,777)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(275)	(28)
Payments to acquire investments		-	(9)
Receipts from sales of investments		4,243	2,829
Interest received		-	1
Dividends received		16	43
Rents received from investment properties		451	458
Net cash flow from investing activities		4,435	3,294
Net (decrease)/increase in cash and cash equivalents		(205)	517
Cash and cash equivalents brought forward		924	407
Cash and cash equivalents carried forward		719	924
Cash and cash equivalents consist of:			
Cash at bank and in hand		719	924
		719	924

Society Statement of Cash Flows

	Note	2023 £000	2022 £000
Cash flow from operating activities:			
Net cash flow used in operating activities	22	(4,640)	(2,777)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(275)	(28)
Payments to acquire investments		-	(9)
Receipts from sales of investments		4,243	2,829
Interest received		-	1
Dividends received		16	43
Rents received from investment properties		451	458
Net cash flow from investing activities		4,435	3,294
Net (decrease)/increase in cash and cash equivalents		(205)	517
Cash and cash equivalents brought forward		924	407
Cash and cash equivalents carried forward		719	924
Cash and cash equivalents consist of:			
Cash at bank and in hand		719	924
		719	924

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Church Army meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £'000.

The Statement of Financial Activities (SoFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The company (referred to as the Society) includes the results of Church Army, its linked charities and special trusts as disclosed in note 20 to these financial statements.

(b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All income is included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Similarly, no value is attached to gifts in kind that although graciously acknowledged, are not material for separate calculation or inclusion.

Notes to the financial statements

For Legacies, entitlement is the earlier of the charity being notified of an impending distribution with probate granted or the Legacy being received. At this point income is recognised. On occasion, Legacies will be notified to the charity, however it is not possible to measure the amount expected to be distributed. On these occasions, the Legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants under Supporting People funding operating within our homeless projects in London and Cardiff and No Recourse to Public Funds grants to support people in our homeless project in London. Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes gains on disposals of tangible fixed assets and CJRS income which has been recognised in the period for which the claim was made.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities include office costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out centrally. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a headcount basis and other overheads have been allocated similarly.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Notes to the financial statements

(f) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Assets with a cost of less than £5,000 are not capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold and long leasehold land	Nil
Freehold buildings	75 years
Leasehold buildings	75 years or lease term if shorter
Freehold improvements	10 to 20 years
Other fixed assets	3 to 7 years

(g) Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

(h) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case they are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/losses on investments' in the Statement of Financial Activities. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(i) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

(j) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(l) Creditors and provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the financial statements

(m) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(n) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(o) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

(p) Pensions

The charity operates two defined contribution plans for the benefit of some of its employees. Contributions are expensed as they become payable.

The charity operates a defined benefit plan (CAPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The charity also contributes to a defined benefit plan (CEFPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period.

(q) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(r) Going concern

The trustees have agreed a deficit operating budget of £3.5m for 2023-24 and has agreed significant investment into delivering a step-change in fundraising income in future years as part of our strategic plans to move towards financial sustainability. In addition to an annual budget the Board reviews and agrees a 3-year financial model that forecasts income and expenditure, taking into account strategic plans.

Reserves are in place to support the continued investment in the organisation's DARE strategy and the planned investment in delivering a step-change in fundraising over the next 3 years with the aim of moving towards operational financial sustainability by 2027.

Notes to the financial statements

(r) Going concern - continued

After making these appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

(s) Financial instruments

The Society holds a variety of basic financial instruments as part of its day-to-day activities, principally investments, bank deposits and accounts, and trade creditors and debtors. The investment managers at times use hedges as part of a cautious investment strategy to reduce the underlying risks in the portfolio, but do not actively seek to invest in hedge funds. The Society has no significant exposure to credit risk, liquidity risk or cash flow risk, and its price risk exposure largely relates to the value of investments. Investments are monitored by an investment committee and cash flow is monitored as part of the financial management of the Society's operation.

(t) Judgements and estimations policy

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The present value of the pension schemes both depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liabilities.

Other key estimates are property values and depreciation. The useful life and residual value of an asset is subject to judgement. Property values are also subject to judgement on their state of repair, future rental yield and estimated cost to sell.

2 Income from donations and legacies

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Donations	2,057	2,406	1,393	1,468
Legacies	260	428	260	428
	2,317	2,834	1,653	1,896

In 2023, of the total Group income from donation and legacies, £1,062k (2022: £1,359k) was to unrestricted funds and £1,255k (2022: £1,475k) was to restricted funds. Of the total Society income from donation and legacies, £1,062k (2022: £1,359k) was to unrestricted funds and £591k (2022: £537k) was to restricted funds.

Notes to the financial statements

3 Income from charitable activities

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Fees for services (Housing Benefit)	1,683	1,543	171	168
Contractual payments	697	712	697	712
Performance related grants (Supporting People)	466	455	215	205
Other statutory grants	-	12	-	-
Research and Training	45	63	45	63
	2,891	2,785	1,128	1,148

In 2023, of the total Group income from charitable activities, £371k (2022: £394k) was to unrestricted funds and £2,520k (2022: £2,391k) was to restricted funds. Of the total Society income from charitable activities, £371k (2022: £394k) was to unrestricted funds and £757k (2022: £754k) was to restricted funds.

4 Income from other trading activities

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Accommodation	282	144	282	144
Room hire	49	8	25	6
Catering	69	27	59	23
Other trading	-	-	-	-
	400	179	366	173

In 2023, of the Group income from other trading activities, £366k (2022: £173k) was attributable to unrestricted funds and £34k (2022: £6k) to restricted funds. All of the Society income from other trading activities, £366k (2022: £173k) was to unrestricted funds.

5 Income from investments - Group and Society

	Total 2023 £000	Total 2022 £000
Listed investments	16	43
Bank interest	-	1
Rental income	451	458
	467	502

In 2023, of the total Group and Society income from investments, £447k (2022: £478k) was to unrestricted funds and £20k (2022: £24k) was to restricted funds.

Notes to the financial statements

6 Other income

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
COVID grants	-	42	-	42
Other	42	31	41	21
	<u>42</u>	<u>73</u>	<u>41</u>	<u>63</u>

In 2023, of other Group income, £18k (2022: £53k) was attributable to unrestricted income and £24k (2022: £20k) restricted. Society income, £18k (2022: £53k) was attributable to unrestricted funds and £23k (2022: £10k) to restricted funds.

7 Expenditure on raising funds

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Costs of generating voluntary income	431	384	427	281
Costs of generating trading income	922	750	849	706
Investment and investment properties management costs	148	142	148	142
	<u>1,501</u>	<u>1,276</u>	<u>1,424</u>	<u>1,129</u>

In 2023, of Group expenditure on raising funds, £1,317k (2022: £1,034k) was unrestricted and £184k (2022: £242k) restricted. Society expenditure on raising funds, £1,317k (2022: £1,034k) was unrestricted and £107k (2022: £95k) to restricted funds.

8 Expenditure on charitable activities

Group	Activities Undertaken directly £000	Support costs £000	Total 2023 £000	Total 2022 £000
Centres of Mission	1,833	956	2,789	2,563
Fresh expressions	47	10	57	135
Other field evangelism	247	189	436	423
Homeless projects	3,280	387	3,667	2,956
Training	427	257	684	620
Dean of Community	271	143	414	362
National Operations	297	135	432	362
	<u>6,402</u>	<u>2,077</u>	<u>8,479</u>	<u>7,421</u>
2022	<u>5,615</u>	<u>1,806</u>	<u>7,421</u>	

Of the above costs £3,122k (2022: £2,748k) were attributable to unrestricted funds and £5,357k (2022: £4,673k) were attributable to restricted funds.

Notes to the financial statements

8 Expenditure on charitable activities (continued)

Society	Activities Undertaken directly £000	Support costs £000	Total 2023 £000	Total 2022 £000
Centres of Mission	1,833	956	2,789	2,563
Fresh expressions	47	10	57	135
Other field evangelism	247	189	436	423
Homeless projects	123	387	510	373
Training	427	257	684	620
Dean of Community	271	143	414	362
National Operations	268	135	403	362
	<u>3,216</u>	<u>2,077</u>	<u>5,293</u>	<u>4,838</u>
2022	<u>3,032</u>	<u>1,806</u>	<u>4,838</u>	

Of the above costs, £3,122k (2022: £2,748k) were attributable to unrestricted funds and £2,171k (2022: £2,090k) were attributable to restricted funds.

9 Allocation of support costs - Group and Society

	Total 2023 £000	Total 2022 £000
Senior management	343	229
Communications	374	245
Administration (finance/personnel/volunteering/IT)	965	937
Strategic development	155	217
General unrestricted costs	209	154
Welfare	18	8
Housing	13	16
Total	<u>2,077</u>	<u>1,806</u>

The allocation of support costs is in line with the accounting policy in note 1(e).

10 Other expenditure

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Trustee expenses	22	5	22	5
Auditor's remuneration	45	25	45	25
	<u>67</u>	<u>30</u>	<u>67</u>	<u>30</u>

In both years all the total Group and Society other expenditure was on unrestricted funds.

Notes to the financial statements

11 Net income/(expenditure) for the year

Net income/(expenditure) is stated after charging/(crediting):

	2023 £000	2022 £000
Depreciation of tangible fixed assets	254	274
Auditor's remuneration - audit	35	18
Auditor's remuneration - non-audit	10	7

12 Trustees' and key management personnel remuneration and expenses

All 11 (2022: 13) members of the Board who are not Church Army employees (including the Chair) provide their services free of charge, but incurred expenses totalling £8,289 (2022: £4,492) for filing fees, travel costs and residential training costs. As permitted by the Society's Articles of Association, during the year 3 (2022: 3) members of the Board who are, or were, Church Army employees received emoluments (including benefits in kind but excluding pension contributions) of £154,886 in total (2022: £123,594). 3 Board members benefited from contributions of £18,191 (2022: £15,961 for 2 Board members) to a defined contribution scheme.

The total amount of employee benefits received by key management personnel is £362k (2022: £331k). The Trustees consider its key management personnel comprises of the Senior Leadership Team made up of the Chief Operating Officer, the Director of Mission Operations, the Director of Community & Vocations and the Director of Learning and Development who are salaried employees.

The CEO is also a member of the board so his emoluments and pension contributions are included in both disclosures above.

Notes to the financial statements

13 Staff costs and employee benefits

The total staff costs and employees' benefits were as follows:	2023	2022
	£000	£000
Wages and salaries	3,850	3,783
Employer's NI	478	393
Employer's pension costs	298	318
	4,626	4,494
Agency staff costs	1,234	684
	5,860	5,178

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000 is as follows:

	2023	2022
	Number	Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-

Total redundancy and termination payments amount to £30,432 (2022: £25,686).

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2023	2023	2022	2022
	Number	FTE	Number	FTE
Raising funds	38	19	40	20
Charitable activities	152	101	157	89
Support	15	7	18	13
	205	127	215	122

The above FTE numbers include 3.1 commissioned officers who are employed by the diocese in which they work but are partly or wholly funded by the Society. Part-time or part-funded staff are counted as appropriate fractions of a full-time or fully-funded post.

Notes to the financial statements

14 Tangible fixed assets

Group	Land and buildings (at cost) £000	Land and buildings (valuation) £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:					
At 1 April 2022	7,285	976	2,705	1,139	12,105
Additions	-	275	-	-	275
Revaluation	-	11	-	-	11
Transfers to investment property	-	(62)	-	-	(62)
At 31 March 2023	7,285	1,200	2,705	1,139	12,329
Depreciation:					
At 1 April 2022	971	-	1,294	1,133	3,398
Charge for the year	97	-	155	2	254
Revaluation	-	-	-	-	-
At 31 March 2023	1,068	-	1,449	1,135	3,652
Net book value:					
At 31 March 2023	6,217	1,200	1,256	4	8,677
At 31 March 2022	6,314	976	1,411	6	8,707
Society	Land and buildings (at cost) £000	Land and buildings (valuation) £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:					
At 1 April 2022	5,943	976	2,320	460	9,699
Additions	-	275	-	-	275
Revaluation	-	11	-	-	11
Transfer to investment property	-	(62)	-	-	(62)
At 31 March 2023	5,943	1,200	2,320	460	9,923
Depreciation:					
At 1 April 2022	790	-	1,216	459	2,465
Charge for the year	79	-	117	-	196
Revaluation	-	-	-	-	-
At 31 March 2023	869	-	1,333	459	2,661
Net book value:					
At 31 March 2023	5,074	1,200	987	1	7,262
At 31 March 2022	5,153	976	1,104	1	7,234

Notes to the financial statements

14 Tangible fixed assets (continued)

The group has adopted a policy of revaluation for certain classes of tangible fixed assets within land and buildings. They have been valued at the balance sheet date at open market value and on an 'existing use' basis based on publicly available data and expertise through our property consultants Bruton Knowles. The Directors have adopted this basis of valuation.

The net book value of land and buildings comprised:

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Operational properties (included above)				
Freehold	6,777	6,650	5,634	5,489
Long leasehold	640	640	640	640
	<u>7,417</u>	<u>7,290</u>	<u>6,274</u>	<u>6,129</u>
Investment properties (included in investments)				
Freehold	13,451	14,126	13,451	14,126
	<u>13,451</u>	<u>14,126</u>	<u>13,451</u>	<u>14,126</u>

The historic cost equivalent of land and buildings (including investment properties) included at valuation are as follows:

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Cost	8,277	7,789	8,277	7,789
Depreciation	(1,909)	(1,880)	(1,909)	(1,880)
Net book value	<u>6,368</u>	<u>5,909</u>	<u>6,368</u>	<u>5,909</u>

Notes to the financial statements

15 Fixed asset investments

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Cost or valuation:				
At 1 April 2022	20,786	21,355	20,786	21,355
Additions	248	9	248	9
Disposals	(4,156)	(2,713)	(4,156)	(2,713)
Revaluation	(544)	2,135	(544)	2,135
Transfer from tangible fixed assets	62	-	62	-
At 31 March 2023	16,396	20,786	16,396	20,786

Investments at fair value comprise:

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Listed investments	2,945	6,660	2,945	6,660
Investment properties	13,451	14,126	13,451	14,126
	16,396	20,786	16,396	20,786

Investment properties are revalued every year at the balance sheet date to reflect market value. They have been valued at open market value and on an 'existing use' basis based on publicly available data and expertise through our property consultants Bruton Knowles. The Directors have adopted this basis of valuation.

The cost of fixed asset investments is £7,505,636 (2022: £10,824,312).

Principal subsidiaries

Portman House Trust operates the Marylebone Project and Church Army is the sole Trustee. The Trust is a Registered Provider of Social Housing registered with the Tenant Services Authority and registered with the Charity Commission through Church Army (registered number 226226, subsidiary 67).

Waterways Chaplaincy is a registered charity (registered number 1200492) and Church Army is the sole trustee.

The Society has two other subsidiary companies which have been dormant since incorporation and which have no paid-up share capital.

The financial results of the active subsidiaries for the year were:

Name	Income £000	Expenditure £000	Profit(Loss) for the year £000	Net assets £000
Portman House Trust	2,409	(3,233)	(824)	1,075
Waterways Chaplaincy	53	(29)	24	24

Notes to the financial statements

16 Debtors

	Group		Society	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	235	271	207	183
Other debtors	8	21	6	19
Prepayments and accrued income	156	315	156	315
Amounts owed by subsidiary undertakings	-	-	296	-
	<u>399</u>	<u>607</u>	<u>665</u>	<u>517</u>

17 Creditors: amounts falling due within one year

	Group		Society	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	189	522	186	494
Other tax and social security	118	111	118	111
Amounts owed to subsidiary undertakings	-	-	-	364
Amount due to Church Army Pension Scheme	(124)	(29)	(124)	(29)
Other creditors	208	97	208	97
Accruals and deferred income	228	261	180	261
C of E pension scheme (note 23)	-	47	-	47
	<u>619</u>	<u>1,009</u>	<u>568</u>	<u>1,345</u>

Deferred income

	Group	Society
	2023	2023
	£000	£000
Opening deferred income	37	37
Resources deferred during year	64	20
Amounts released from previous years	(37)	(37)
Closing deferred income	<u>64</u>	<u>20</u>

Deferred income relates to grant income received in advance.

18 Creditors: amounts falling due after more than one year

	Group		Society	
	2023	2022	2023	2022
	£000	£000	£000	£000
C of E pension scheme (note 23)	-	5	-	5
	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>

Notes to the financial statements

19 Charity Funds - current year

	1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2023 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets	7,234	-	(254)	282	-	7,262
DARE strategy	6,211	546	(1,231)	(623)	-	4,903
Total designated funds	13,445	546	(1,485)	(341)	-	12,165
Free reserves	9,372	1,718	(3,021)	(1,071)	(498)	6,500
Total unrestricted funds	22,817	2,264	(4,506)	(1,412)	(498)	18,665
Restricted funds						
Portman House Trust	1,898	2,409	(2,878)	(354)	-	1,075
Waterways Chaplaincy	-	53	(29)	-	-	24
Special trusts including linked charity:						
Discretionary Grant Fund	952	-	(18)	-	10	944
Gurney Trust	2,106	-	-	-	7	2,113
Ketterson	193	-	-	-	(6)	187
Tebbs	169	-	-	-	(4)	165
Other restricted funds including linked charity:						
Retirement fund	1,758	20	(8)	-	(42)	1,728
Greenwich Centre of Mission	29	-	-	-	-	29
YSRF Small Grant	12	4	(12)	-	-	4
Amber/Hussey fund	-	248	-	-	-	248
Frontline activities	-	751	(2,230)	1,479	-	-
Other	128	368	(393)	287	-	390
	7,245	3,853	(5,568)	1,412	(35)	6,907
CAPS pension liability	-	-	(2)	-	2	-
CoE pension liability	(52)	-	52	-	-	-
Total restricted funds	7,193	3,853	(5,518)	1,412	(33)	6,907
Total funds	30,010	6,117	(10,024)	-	(531)	25,572

Notes to the financial statements

19 Charity Funds - prior year

	as restated 1 April 2021 £000	Income £000	Expenditure £000	as restated Transfers £000	Gains/(losses) £000	31 March 2022 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets	7,327	-	(204)	111	-	7,234
DARE strategy	6,670	725	(1,184)	-	-	6,211
Total designated funds	13,997	725	(1,388)	111	-	13,445
Free reserves	9,297	1,732	(2,424)	(1,034)	1,801	9,372
Total unrestricted funds	23,294	2,457	(3,812)	(923)	1,801	22,817
Restricted funds						
Portman House Trust	2,038	2,590	(2,386)	(353)	9	1,898
Special trusts including linked charity:						
Discretionary Grant Fund	885	-	(8)	-	75	952
Gurney Trust	1,964	-	-	-	142	2,106
Ketterson	157	-	-	-	36	193
Tebbs	145	4	-	-	20	169
Other restricted funds including linked charity:						
Retirement fund	1,606	20	(15)	-	147	1,758
Greenwich Centre of Mission	29	-	-	-	-	29
Frontline activities	-	1,240	(2,516)	1,276	-	-
Other	138	62	(60)	-	-	140
	6,962	3,916	(4,985)	923	429	7,245
CAPS pension liability	(636)	-	23	-	613	-
CoE pension liability	(104)	-	52	-	-	(52)
Total restricted funds	6,222	3,916	(4,910)	923	1,042	7,193
Total funds	29,516	6,373	(8,722)	-	2,843	30,010

Notes to the financial statements

19 Charity Funds (continued)

Reserves	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Income and expenditure account	8,520	11,483	7,422	9,584
Revaluation reserve	17,052	18,579	17,052	18,579
Pension reserve	-	(52)	-	(52)
	<u>25,572</u>	<u>30,010</u>	<u>24,474</u>	<u>28,111</u>

The designated funds comprise the amounts tied up in fixed assets (net of any related borrowing) plus an amount set aside for commitment to the DARE strategy.

Portman House Trust, a subsidiary, operates the project for homeless women at Marylebone.

The Discretionary Grants Fund is an amalgamation of various restricted funds for the welfare of current and retired officers and staff.

The Gurney Trust is for the benefit of women in need, and the income from its investments provide additional income for the Marylebone Project.

Ketterson Trust is historically linked with work in Northern Ireland.

Tebbs trust is an historic fund established to support 'general religious purposes'.

The retirement fund is to support retired officers and widows of commissioned officers, the fund is made up of properties bequeathed to Church Army or subsequent properties purchased with the proceeds, and a small cash holding.

Greenwich Centre of Mission, Frontline activities (money given specifically for frontline activities) and other restricted funds are used to fund specific projects in accordance with the instructions of the donors, settlors or Trustees.

Waterways Chaplaincy activities were acquired from EPI Ltd t/a Workplace Matters on 1 Jan 2023 and integrated them into Church Army - the activities are run through a separate charity of which Church Army is the sole trustee.

YRSF Small Grant is funding received from the Welsh Government to safeguard an Amber Project Support Worker post.

Amber/Hussey fund is a residential property which was donated to Church Army. The income from which is restricted to support the work of the Amber project, although in the event of that project ceasing the monies can be used to support young people in need.

Transfers have been made between funds for the following:

- contribution to frontline activities from General Funds
- to reflect the changes in operational property and other fixed assets designated funds
- to account for management charges between Portman House Trust and Church Army
- to reflect a change in designated funds.

Notes to the financial statements

20 Special trusts and linked charities

Over many years, Church Army has been appointed to, and continues to administer a number of special trusts, many of which have now expired, but some still exist and are managed in furtherance of the purpose under which they were established.

Within these trusts are two that are linked charities per The Charity Commission website. The Hearn Fund (included within the retirement fund) and The Patterson Holiday Fund (included within the discretionary grant fund). These linked charities and special trusts are combined within the Church Army's results and are accounted for as a component of restricted funds. Separate accounts are not maintained but are recorded so they can be isolated for monitoring and reporting purposes.

The activity and funds held by each linked charity are as follows:

	The Hearn Fund £000	The Patterson Holiday Fund £000
Funds at 1 April 2022	205	184
Income	-	-
Expenditure	-	-
Gains/(losses)	2	2
Funds at 31 March 2023	207	186

21 Analysis of net assets between funds

Current year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,262	1,415	8,677
Investments	12,655	3,741	16,396
Current assets	(1,053)	2,171	1,118
Creditors due within one year	(199)	(420)	(619)
Creditors due after more than one year	-	-	-
Total	18,665	6,907	25,572

Prior year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,234	1,473	8,707
Investments	16,175	4,611	20,786
Current assets	342	1,189	1,531
Creditors due within one year	(934)	(75)	(1,009)
Creditors due after more than one year	-	(5)	(5)
Total	22,817	7,193	30,010

Notes to the financial statements

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

Group	2023 £000	2022 £000
Net income/(expenditure) for the year	(4,451)	(214)
Rents received from investment properties	(451)	(458)
Income from investments	(16)	(44)
Depreciation of tangible fixed assets	254	274
Losses/(gains) on investments	544	(2,135)
Donated investment property	(248)	-
Profit on disposal of investments	(85)	(116)
Movement in defined benefit scheme funding	-	(23)
Movement in CoE pension scheme	(52)	(52)
Decrease in debtors	208	51
Decrease in creditors	(343)	(60)
Net cash flow used in operating activities	<u>(4,640)</u>	<u>(2,777)</u>

Society	2023 £000	2022 £000
Net income/(expenditure) for the year	(3,650)	(75)
Rents received from investment properties	(451)	(458)
Income from investments	(16)	(44)
Depreciation of tangible fixed assets	196	216
Losses/(gains) on investments	544	(2,135)
Donated investment property	(248)	-
Profit on disposal of investments	(85)	(116)
Movement in defined benefit scheme funding	-	(23)
Movement in CofE pension scheme	(52)	(52)
(Increase)/decrease in debtors	(148)	58
Decrease in creditors	(730)	(148)
Net cash flow used in operating activities	<u>(4,640)</u>	<u>(2,777)</u>

Analysis of changes in net debt - Group and Society

	At 1 April 2022 £000	Cash Flows £000	At 31 March 2023 £000
Short term borrowings	-	-	-
Total liabilities	-	-	-
Cash at bank	924	(205)	719
Total net debt	<u>924</u>	<u>(205)</u>	<u>719</u>

Notes to the financial statements

23 Pensions and other post-retirement benefits

Church Army Pension Scheme (CAPS)

Church Army operates the Church Army Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members: Active members: currently employed by the Church Army and accruing benefits in the Scheme Deferred members: former active members of the Scheme who are not yet in receipt of a pension Pensioner members: in receipt of pension.

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustees as at 31 March 2020. This valuation revealed a funding shortfall of £657,000.

With effect from 1 April 2021, Church Army agreed to pay annual contributions of £50,000 - split as: £37,500 in respect of the deficit in the Scheme; and 30.6% pensionable salary (expected to average £12,500 per annum over the period of the Recovery Plan) to meet the cost of future accrual of benefits for the remaining active member.

These contributions are expected to be paid until 30 September 2028. Church Army has also agreed to contribute additional payments of £50,000 per annum to meet the expenses of administering the Scheme and the cost of levies, where such expenses are met from the Scheme assets. Church Army therefore expects to pay a total of £100,000 to the Scheme during the accounting year beginning 1 April 2023. A formal actuarial valuation is being carried out for the Trustees as at 31 March 2023.

Church of England Funded Pensions Scheme (CEFPS)

Commissioned staff are members of the Church of England Funded Pensions Scheme administered by the Church of England Pensions Board which holds the assets of the schemes separately from those of the Responsible Bodies. The total contribution to this scheme during the year was £210k (2022: £240k).

Stakeholder Scheme provided by Clerical Medical

The stakeholder scheme was established to meet statutory legislation ruling at the time and provide pension provisions for new and existing employees who were not eligible to join the CEFPS or CAPS schemes. The total contribution to this scheme during the year was £18k (2022: £19k).

Auto-enrolment scheme provided by People's Pension (B&CE)

The auto-enrolment scheme was established to conform to current legislation regarding the provision of pension opportunities to all qualifying employees. The total contribution to this scheme during the year was £70k (2022: £59k).

The defined contribution expenses are allocated to activities per staff allocation and all expenses and liabilities are allocated to restricted funds.

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church Army Pension Scheme (CAPS)

The total cost recognised in the period was as follows:

	2023 £000	2022 £000
Past service cost	6	-
Current service cost	15	15
Admin costs, past introductions, changes, curtailments and settlements	81	50
Net interest (income)/expense	-	12
Recognised in net income/expenditure	102	77
Recognised in other (gains)/losses	(2)	(613)
Total cost recognised	100	(536)

The surplus/(deficit) at the balance sheet date is as follows:

	2023 £000	2022 £000
Fair value of plan assets	8,017	10,115
Present value of funded obligations	(7,505)	(9,581)
Net pension surplus/(deficit)	512	534

The net pension surplus in the current year, in accordance with FRS 102, is not recognised in the balance sheet as the company is unable to recover this surplus from the pension scheme.

Changes in the fair value of the pension plan assets were as follows:

	2023 £000	2022 £000
Opening plan assets	10,115	9,584
Interest income	253	179
Actual return on plan assets (excluding interest income)	(1,901)	693
Administration expenses	(81)	(50)
Contributions by charity	100	100
Contributions by scheme participants	3	2
Benefits paid	(472)	(393)
Closing plan assets	8,017	10,115

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Changes in the present value of the defined benefit obligations were as follows:

	2023 £000	2022 £000
Opening defined benefit obligation	9,581	10,220
Current & past service cost	555	15
Interest expense	253	191
Contributions by scheme participants	3	2
Benefits paid	(472)	(393)
Actuarial (gains)/losses	(2,415)	(454)
Closing defined benefit obligation	7,505	9,581

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2023 £000	2022 £000
Bonds	635	813
Cash	47	(39)
Pooled investment vehicle	3,241	5,015
Liability driven investments	1,704	1,932
Diversified credit funds	2,390	2,394
	8,017	10,115

The return on plan assets was as follows:

	2023 £000	2022 £000
Interest income	253	179
Actual return on plan assets (excluding interest income)	(1,901)	693
Total return on plan assets	(1,648)	872

The principal actuarial assumptions used were as follows:

	2023	2022
Discount rate	4.7%	2.7%
RPI inflation	3.2%	3.8%
CPI inflation	2.8%	3.3%
Expected rates of salary increases	2.5%	3.1%
Expected rates of pension increases RPI linked	3.2%	3.8%
Expected rates of pension increases CPI linked	2.8%	3.3%
Expected rates of pension increases (5% or RPI if less)	3.1%	3.7%
Expected rates of pension increases (5% or CPI if less)	N/A	3.2%

Mortality after retirement	100% S3PMA_H/100% S3PFA_M CMI_2021_M/F [1.25%] (yob)	100% S3PMA_H/100% S3PFA_M CMI_2021_M/F 1.25% (yob)
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Life expectancy for a current individual aged 65:

Females 23.8 (2022: 23.8)

Males 21.2 (2022: 21.2)

Females 25.3 (2022: 25.2)

The total movements recognised in the period were as follows:	2023	2022
	£000	£000
Net interest income/expense	-	-
Deficit contribution paid	(29)	(47)
Re-measurement of the balance sheet liability	(23)	(5)
Total	(52)	(52)

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in the year and were £210k (2022: £240k), of which £29k (2022: £47k) were towards the scheme deficit.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount · rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. $w_{2020} = 0\%$).

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) continued

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023 £000	2022 £000
Opening balance sheet liability	52	104
Deficit contribution paid	(29)	(47)
Interest cost (recognised in SOFA)	-	-
Remaining change to the balance sheet liability* (recognised in SOFA)	(23)	(5)
Closing balance sheet liability	-	52
Split of liability:	2023 £000	2022 £000
Creditors: amounts falling due within one year (note 17)	-	(47)
Creditors: amounts falling due after more than one year (note 19)	-	(5)
	-	(52)

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

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) continued

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known:

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% pa	1.6% pa

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

24 Operating lease commitments

At 31 March 2023 the group had lease agreements in respect of various properties, for which the payments extend over a number of years. The total future minimum lease payments are as follows:

	2023 £000	2022 £000
Not later than one year	19	45
Later than one and not later than five years	-	6
Later than five years	-	-
	<u>19</u>	<u>51</u>

The lease payments recognised as an expense in the year were £51k (2022: £152k).

25 Capital commitments

There are capital commitments of £12k for refurbishment at the Sheffield premises as at 31 March 2023 (2022: £nil).

26 Contingent assets

As at the reporting date, it is probable that an additional legacy of approximately £10k is to be received. This has not been included within accrued income, as although the income is probable and the charity has entitlement, the amount has not yet been confirmed.

A balance is also probable from WITH Community relating to part payment of balances owed, however this distribution has not yet been confirmed. This balance may range from £Nil to £90k.

A further amount is also likely to be received from the previous charitable organisation who ran the Waterways Chaplaincy before it become a new subsidiary charity of Church Army. The maximum amount of this distribution may be £35k but the amount has not yet been agreed and therefore not included within these financial statements.

Notes to the financial statements

27 Related party transactions

Trustee and key management personnel transactions are disclosed in note 12.

Transactions with the Church Army Pension Scheme (CAPS) are disclosed in note 23. At the year end a balance is due to the scheme of £nil (2022: £nil).

Church Army acts as sole trustee to Portman House Trust and also landlord for two of the three properties which make up the project. The rent for the properties is negotiated on an arm's length basis using third party professional valuations and on a five yearly review cycle, in the year 2022/23 rent amounted to £234k (2022: £234k). Church Army also apportions some of its own administrative and management costs to the Portman House Trust covering services such as building management, health and safety, accounting and payroll which are calculated on a time basis as is senior management. Group incurred insurance is apportioned based on employee costs. The total of these recharges for the year was £120k (2022: £120k).

Accounts

Church Army (The)
Reports and Financial Statements
Year Ended 31 March 2022

Charity registration numbers:
England & Wales: 226226
Scotland: SC040457
Republic of Ireland: 20152604

Company registration number: 00037169

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**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2022**

Patron	Her Late Majesty The Queen
President	The Rt Rev & Rt Hon Lord Williams of Oystermouth
Vice Presidents	The Rt Rev Bruce Cameron The Most Rev Dr Richard Clarke The Most Revd John Davies The Rt Rev Lord Eames of Armagh The Rt Rev Dr Alan Harper OBE The Most Rev Dr Michael Jackson Dr Bill Lattimer The Most Rev Barry Morgan Pam Rhodes The Most Rev & Rt Hon John Sentamu June Simpson The Most Revd Mark Strange Roy Totten The Rt Rev Michael Turnbull The Most Rev & Rt Hon Justin Welby
Trustees and Board	Chair: The Most Rev & Rt Hon Stephen Cottrell Vice Chair: The Rt Rev Guli Francis-Dehqani Honorary Treasurer: John Whitfield The Rt Rev Alan Abernethy The Ven Dr John Applegate (resigned 22 Nov 2021) Trevor Douglas (resigned 23 August 2022) Stephen Eccleston (resigned 22 Nov 2021) The Rt Rev Dr Robert Gillies Rev Sister Kathy Green CA The Rt Rev Lusa Nsenga-Ngoy (resigned 4 Aug 2022) The Rt Rev Joanna Penberthy The Ven Dr Peter Rouch (appointed 1 May 2021) Sister Karen Webb CA Captain Andrew Payne CA Rev Karen West
Chief Executive	The Ven Dr Peter Rouch (appointed 1 May 2021)
Company Secretary	Robin Webb
Senior Leadership Team	The Ven Dr Peter Rouch Chief Executive (appointed 1 May 2021) The Rev Jude Davis Director of Community and Vocations Sister Sheelagh Easby CA Associate Member (resigned 30 Nov 2021) Dr Timothy Ling Director of Learning and Development Robin Webb Chief Operating Officer Captain Neville Willerton CA Director of Mission Operations

Registered office	Wilson Carlile Centre 50 Cavendish Street Sheffield S3 7RZ Telephone 0300 123 2113 Email: info@churcharmy.org
Auditor	BHP LLP Sheffield
Solicitors	Cooper Burnett LLP Anthony Collins Solicitors LLP
Bankers	Barclays Bank PLC Unity Trust Bank PLC
Actuaries	First Actuarial PLC
Investment Managers	Ruffer LLP CCLA Investment Managers Limited
Charity registration numbers	England & Wales: 226226 Scotland: SC040457 Republic of Ireland: 20152604
Company registration number	00037169

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2022**

Welcome

Thank you for reading this Report and Accounts. Whether your eyes are drawn to our work on the ground or the way we have raised and managed resources to make a difference in the lives of those on the margins of life, I hope you will find much that is an encouragement.

Church Army is growing. We are expanding our reach and developing our impact across these islands. Our centres of mission which serve in challenged communities, and do so in partnership with Anglican dioceses, continue to grow in number and impact. Indeed, we have more dioceses in discussion with us about the potential new centres than we have had for a considerable time.

We identify and develop people to become Church Army Evangelists, many of whom go on to serve in these centres of mission. Our training and the vision and values that guide our work can also equip people to serve in many different contexts and organisations. The numbers entering training with Church Army is growing - so much so that we are needing to find a new and larger venue to hold our annual commissioning service because we are outgrowing the capacity at the Wilson Carlile Centre.

The 24/7 emergency drop-in centre at our Marylebone Project serving homeless and vulnerable women in London is fully operational after its launch in September 2021 and providing a significant development in the services we offer.

The training resources and learning communities run by and accessed through Church Army are proving increasingly popular. We are at capacity in the Envoy programme and starting to develop bespoke versions of this for dioceses. The faith suite - Faith Pictures, Faith Shared and Faith Empowered are growing rapidly across UK & Ireland. We are also being approached from farther afield, into Canada and New Zealand, to offer these programmes on a digitally enabled basis.

Whilst our experience is of growth and opportunity, it is also of some degree of challenge. Emerging from pandemic constraints is an uneven process in itself. In addition, it is clear that the world has changed in notable ways. There is a widespread appetite for more flexible ways of working to which we are responding creatively. In common with many other organisations providing on the ground social benefits however, significant elements of our work are necessarily in person. Understanding how to develop our work creatively and sustainably is an ongoing challenge accentuated by a formidable economic environment. These developments are not unique to Church Army, but the pressures they create for charitable organisations are and will remain significant moving forwards.

Against this background, our experience of continuing growth is notable, and the backing of those who support our work with good wishes, funding and prayers a matter of celebration and gratitude. As I introduce this Report and Accounts, I am delighted to pay tribute to our staff, our supporters and the wider community of Church Army


Peter Rouch
Peter Rouch (Nov 24, 2022 20:05 GMT)

Peter Rouch, Chief Executive Officer

Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2022

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2022, which are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the Annual Report and Financial Statements of the charity.

The Financial Statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 the Republic of Ireland published in October 2019.

Who is Church Army?

Church Army is a mission-focused community of people who are transforming lives and neighbourhoods through the work of evangelists, staff and supporters. We are committed to sharing the Christian faith through words and action in a variety of contexts across the British Isles and Ireland. Our evangelists and staff work beyond church buildings among some of the most broken, rejected and hurting people in society. We are also committed to building new forms of Christian community to reach people who have little or no experience of church. Much of our frontline work is carried out through our centres of mission. A centre of mission is a community of evangelists working together to enable evangelism and mission across a host diocese. They have four key strands to them:

- Centres of mission seek to implement the Church Army strategy across the UK and Ireland.
- They are in strategic partnership with the host diocese.
- They develop fresh expressions of church for the unchurched.
- They resource and equip the church for evangelism.

We also carry out other frontline activities including *Xplore*, *the Marylebone Project*, *Cardiff Residential Services* and the *Amber Project*, all in fulfilment of our charitable objectives.

Our work includes:

- preventing homelessness and caring for those who have been homeless
- supporting women caught up in prostitution
- building community on housing estates
- helping people trapped in debt
- working with young people who are experiencing self-harm
- night-time street ministry
- chaplaincy
- local church ministry
- children and young people's ministry including school outreach
- working with people with drug and alcohol addictions
- bus projects to reach people where they live
- older people's ministry
- family breakdown prevention

Other key work includes:

- researching into evangelistic initiatives
- church planting and fresh expressions
- providing evangelism training and resources for the wider church

Our mission:

To enable people to come to a living faith in Jesus Christ and relieving poverty and distress.

Our vision:

For everyone everywhere to encounter God's love and be empowered to transform their communities through faith shared in words and action.

Our values:

- **Generous:** God is generous, and we want to model that generosity to others.
- **Risk-taking:** We have a long heritage as a pioneering movement, prepared to take risks and give colleagues permission to succeed or fail as they seek to do new things.
- **Accountable:** We are accountable to God and others, living reliably and responsibly to high professional standards.
- **Collaborative:** We are committed to partnership with those who share our values; we believe it enhances our work.
- **Expectant:** We are hopeful, expecting God to do new things amongst us.
- **Unconditional:** God loves everyone, and everyone is significant in His eyes; we will serve anyone regardless of their age, gender, race, sexuality, faith, ability, status or circumstances.
- **Prayerful:** Listening to God, being obedient to God; we want to be like Jesus in our life and witness.

Objectives and activities including achievements and performance

Our DARE strategy: doing, advocating, resourcing and enabling evangelism

The following sections of this Annual Report will look at each of the four DARE objectives and how we are fulfilling them.

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2022**

**Objective 1:
Doing Evangelism**

Centres of Mission

By 31 March 2022 we had grown to 34 Centres of Mission, up from 29 last year.

The following data was collected through our research and Recording the Journey on our Centres of Mission (CoM):

- CoM have interacted with over 23,000 people through organised activity over the course of the financial year. - The 'average' CoM has interacted with over 750 people (although this ranges from 27 to 2,903 people).
- 50% of those interacted with were children and young people under 18 years old.
- Most CoM are involved with food provision in some form and in total they have provided/distributed over 27,000 meals or boxes of food.
- CoM are also involved with providing other essential items such as sanitary products, clothing, baby items and pet supplies. In total they have provided/distributed over 3,500 items.

Signs of Faith

- CoM were involved in the baptisms of 40 children or adults.
- CoM were involved in 33 infant baptisms or thanksgivings.
- CoM report that approximately 230 people are actively exploring faith with them.
- CoM report that approximately 290 people are growing in their faith with them.

Faith commitments:

- CoM reported that they had seen approximately 100 people make faith commitments for the first time (46 of these people were at one CoM during a mission week).
- CoM also reported that they had seen approximately 40 people rediscover their faith or make a faith recommitment.
- 38% of CoM posted videos on social media that offered short devotional thoughts, reflections or similar. In total, these videos received over 51,000 views.

Volunteering

- There were 571 volunteers in total across all CoM.
- The 'average' CoM had 12 volunteers.
- 37% of volunteers are not regular church-goers

Our Gloucester Centre of Mission is based in Matson estate and is having significant impact within the area. One woman from the estate who comes from a troubled background was drawn into the café and social enterprise that Andy and Emma run in the estate. She then got involved with the social media aspect of the work from the Centre of Mission and has offered her time to help shape what Share Matson looks like for the future. She went on to say that *'Share Matson has sparked a kindle of flame within me through connections with Andy and Emma'*. She has now agreed to lead on the craft outreach for the Centre of Mission.

Gordon Banks is one of our highly experienced and retired Church Army Evangelists who keeps incredibly busy with prison fellowship, preaching and leading in his own parish Church and acting as Chair for 'Rural Mission Solutions'. Rural Mission Solutions seek to support struggling and small churches in rural contexts. They employ a few people in running away days and consultations for churches. Of course, for Gordon this is a way he can bring his over 30 years of experience to bear in growing the Kingdom of God in rural areas. Gordon also developed Sunday morning church through Zoom in the height of the Covid pandemic.

Missional Youth Church Network:

MYCN is a partnership set up by Church Army and the Archbishop of York's Office. MYCN also works with Fresh Expressions UK, Dioceses, Diocesan Youth advisors/missioners and Growing Faith Foundation. It's through partnerships, that they are able to create and sustain the development of new missional youth churches. There are currently 28 missional youth church projects with others on the periphery. Much of the work consists of bringing youth leaders and volunteers together for training, worship and learning from one another. Andy Milne and the MYCN team visit projects to both see and support the work and local teams. MYCN mentor youth leaders (often via Zoom) and work behind the scenes with Diocesan, Church Army or other key partners to help the missional work on the ground flourish among young people.

For more details and insight into the breadth and impact of our work please visit www.churcharmy.org where you can also access our **Impact Report**.

New Centres of Mission

Despite all the challenges of the past 12 months we have still managed to launch five new Centres of Mission in the 2021/2022 financial year. Two of these Centres of Mission are in England, two in Wales and one in the Republic of Ireland.

- North Sutton Centre of Mission was launched as our second centre of mission in Southwark diocese. This centre of mission is led by Tracey Marlow, with pioneer evangelists in Rachel Marlow and Hayley Humphreys.
- Suffolk Centre of Mission was launched with James Hawksworth and Gail Southgate as Pioneers and more recently Will Abbot as the Lead Evangelist. This centre of mission is in partnership with St Edmundsbury and Ipswich diocese.
- Gwent Valley Centre of Mission was launched in April 2021 and is in partnership with Monmouth diocese in South Wales. The Centre of Mission is led by Hannah Seal and Jenny Falcón Otero as the Pioneer Evangelist.
- North Coast of Wales Centre of Mission was launched in early 2022 and this is our second Centre of Mission in the diocese of St Asaph. We are waiting to appoint a Pioneer Evangelist to work in this Centre of Mission.
- Cork Centre of Mission was launched in November 2021. This is a partnership with Cork diocese and the local parishes. Matt Gould is the lead evangelist, and the role of Pioneer Evangelist is vacant at this time.

In launching new centres of mission, we appoint a Lead Evangelist, later appointing a Pioneer Evangelist with unique skills to work with the Lead Evangelist to identify and break into the needs of the area.

Where are we doing evangelism Activities in England, Ireland, Scotland and Wales

- We currently have 230 commissioned Evangelists in the UK and Ireland (not all of these are employed by Church Army).
- In England we have 186 commissioned Evangelists and 18 Centres of Mission in Attercliffe and Darnall (Sheffield), Gloucester, Langley, Liverpool, Scunthorpe, Sheffield (Chocolate Box), Blackpool, Bradford (Sorted), Leeds, Middlesbrough, Rochdale, Selby, Suffolk, Greenwich, Hackney, Kings Lynn, Medway and Southampton.
- In Wales we have 12 commissioned evangelists and 7 Centres of Mission in Cross Hands, Haverfordwest, Llandaff, Llanelli, Gwent Valley, North Coast of Wales and Wrexham (formerly St Asaph).
- In Scotland we have 5 commissioned evangelists and 4 Centres of Mission in Argyll & The Isles, Central Fife, Dundee and the Edinburgh (A7 Centres of Mission).
- In Ireland we have 27 commissioned evangelists; 20 in Northern Ireland and seven in the Republic of Ireland. We have 5 Centres of Mission in Ireland in Ballina, Drumcliffe, Cork, Newry and North Belfast. North Belfast partners with the charities Baby Basics and Transforming Lives for Good. Church Army is also registered with the Charities Regulator Authority in the Republic of Ireland.

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- In addition to the evangelists recorded above, one Church Army evangelist works within the Diocese of Europe and 175 are retired from stipendiary ministry, although many are still active in their local churches and communities.

Suzette Maguire - Church Army Evangelist

The life of a Church Army Evangelist is one of being led by God into new areas of pioneering ministry, actively searching for opportunities to tell people about Jesus, and adapting to needs as they arise. Suzette Maguire has been part of Church Army for over 20 years and during her time as an evangelist, Suzette has made it her goal to seek God's Kingdom before all else. Here's a brief insight into her story:

"I was confirmed in my home parish of Sheffield Manor in 1991. In 1993 I moved to Maidenhead, Berkshire, to work as a newly trained NNEB nursery nurse, in a nursery class in an infant school. While living and working in Maidenhead I completed three summer mission trips abroad with an organisation called International Teams. During the first of these mission trips to Croatia I felt the call to 'accept God's challenge' and look at what else He was calling me to. This led me to Church Army in 1997. After the selection process, I began training in 1998.

I was admitted and commissioned as a Church Army Evangelist in July 2001. My first post was in the Parish of Sheffield Manor, then a parish of four churches, including St. Aidan's. The new role of 'Team Evangelist' grew into a lot of family and children's work, including links with two primary schools, training up a team to work on all age services, and very close work with baptism families. Eventually I set up 'Manna Munchers', weekly church for under 5's and their carers. In 2010, my husband David, who is also a Church Army Evangelist, and I were both appointed to the post of Lead Evangelist for the Newcastle Centre of Mission. We worked as community ministers in a coffee shop setup by the local church. We set up a coffee shop called Coffee Plus, and we also ran groups like: Knit & Natter; book groups; 'Chill-out zone'; and a Christian discussion evening called 'Table'.

In 2015 David and I were job-sharing again, this time as Pioneer Ministers in St. Alban's Diocese, working specifically on new estates to the west of Bedford. This was very hard going, as the population of the new estates proved to be fluid, making it difficult to build long-term relationships.

In November 2019, we moved to Solihull, where I am Pioneer Minister to Solihull Parish. My focus is on those with no, or very little church connection; to discern points of need within the community and to explore creative and innovative ways in which to ensure a "church" presence within the community and at existing community events.

Less than four months into post we were hit by COVID and so much shut down. I did a lot of prayer-walking during this time, chatting with people as I met them in the streets. This allowed me to notice the mood of the area around me. I sensed there was a need for somewhere to 'be', to connect, and to look to their own welfares, so we started Wellbeing Wednesdays which began in May 2021, and has met every Wednesday since then. The group is both male and female, and everyone is very supportive to one another. We set up Wellbeing Wednesday in conjunction with the Kitchen coffee shop, which opened in July 2020 as the first lockdown was coming to an end. As relationships began to grow at Wellbeing Wednesday, I began to run an occasional 'Pause': a quiet morning or afternoon for both non-Christians and Christians. Two of the Wednesday group who are non-Christians have come along and experienced 'Pause' so far.

My biggest joy in ministry is seeing an individual grow in their faith journey, whether that be a Christian finding a new revelation that they hadn't seen before, or a non-Christian beginning to realise for the first time that they are loved. Being alongside people as they take these steps though sometimes baby steps - is a privilege."

Marylebone Project

This past year saw more changes and the need for the Project to re-adapt to a normal way of life, albeit a different kind of normal as the Government announced changes in the response needed to the ongoing COVID-19 pandemic. This new normal required us to continue to focus on the safety of all, staff and service users, and also ease our way back gradually to having more face to face contact with the women, more group activities and restarting our wider support activities, without losing sight of the fact that many of the

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women we serve have reached a crisis point in their life due to experiencing domestic abuse, mental health issues and/or substance abuse issues etc.

Structured face to face support sessions have been taking place, which has provided such important reassurance to some women, as we are still needed to be that place of haven, safety and peace and to provide day to day support, which is service user led and responsive to the needs of the women working towards a positive future of independence.

The safety measures of improved cleaning regime, hand sanitiser being available in all areas, personal protective equipment (PPE) being available to all, redesigning of office/meeting spaces, protective screens being installed, and onsite testing twice weekly for all staff and women, has become normal practice and will remain in place going forward. Since the very start of the pandemic, these measures proved to be effective in managing the impact of COVID-19 in that none of our women have died and very few experienced suspected or confirmed symptoms. We continued to work in partnership with the local authority and health service in safely managing suspected and confirmed cases.

Despite all these measures, it does not mean that our women are free from illness, ill health or life-threatening issues. Sadly, we experienced the death of one of our women on 14 February 2021 from Chronic Obstructive Pulmonary Disease (COPD). It is reported that the life expectancy for women who have a history of rough sleeping is 43 years old and, although we all appreciate the vulnerable health of our women, it is still emotionally tough when we experience deaths amongst our women.

Drop-in centre - 'the Sanctuary'

Our full range of activities restarted in September 2020, initially with limited activities and group numbers, for Covid safety, and a gradual transition to returning to the full range of activities and no limit on group numbers. This programme has now returned to full capacity. Our service users adapted to returning to this new normal really well and have been excited to participate in the range of activities being delivered. The online activities of keep fit sessions, Yoga, dance, and films that the women can download remain in place as this gives a variety of methods for the women to engage; this is especially important for those women whose anxiety remains acute.

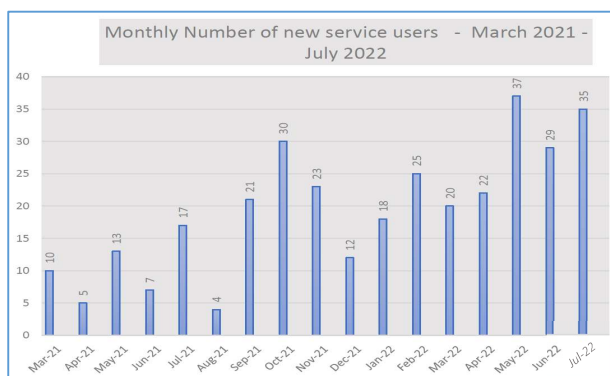
Following the reopening of the newly refurbished and renamed Sanctuary drop in in March 2021, we progressed as planned to opening 24 hours a day 365 days a year from 6 September 2021 and had an official launch of **The Sanctuary** on 8 November 2021. The launch was a huge success and was attended by special guests who included our funders and supporters, Hannah Bernard from Barclays and our Patron Ellie Goulding. Service users boldly spoke about the impact of the service, one service user who had accessed the Sanctuary at 2am, testified about the support she had received from the Advice workers, and stated that the Marylebone Project should own the entire street!

Naga Munchetty broadcast BBC Radio Five Live from the Marylebone Project and the Sanctuary on 30 November 2021 including interviews with staff and service users raising awareness of the issues facing homeless women and the support provided by Marylebone. The broadcast was also a catalyst for a new major donor supporting the project.

Since opening 24-7, we have conducted regular reviews in response to the needs of the women, ensuring that the service provided meets the needs of this specific rough sleeping group and we will continue to review this service going forward to ensure that it is the best service that it can be for the women it serves.

Numbers of visits grew following the launch but dropped back slightly in the spring but have hit record levels in recent months with almost 1,200 visits in July 2022 (see graphs below).

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Enabling moves to independence

Every year we set ourselves a challenge to support as many women as possible into moving into independent living and last year we were able to resettle 95 women into independent living. This was partly due to the local authority making a greater number of properties available so that our vacant bed spaces could then be made available to those women who were supported from moving from rough sleeping. During this current year, 2021 -2022, there has not been the same availability from the local authority and Housing Associations and we were still within movement restrictions related to the pandemic. However, we were still able to assist 36 women into moving into independent accommodation. With the planned removal of further Covid restrictions, we will be able to move on a greater number of women in the coming year and be back up to our target of 50.

Our five-year Big Lottery funding came to an end in July 2021 and during that funding period we achieved a 100% record of women who have been resettled into independent living having maintained their tenancy and accommodation. With the ending of this funding, we needed to change how we are able to support the women living in the community, whilst also bearing in mind that the five-year 100% success record was due to the staff team and their commitment, compassion and support for the women. As such, our Resettlement Workers now support all women who have moved into independent living for a period of three months and then the women can contact the Project for any further support they may need. This provides consistency of support and the reassurance that there is someone available to help in times of further need or crisis.

Social Enterprise

In November 2021 we employed a Social Enterprise Administrator to work at restarting the Social Enterprise of Space and Munch and rebuilding the client base. In February 2022, specific business targets were agreed for the Social Enterprise and the Administrator is working hard to achieve the targets set.

Reach and Impact

Overall during the year the Marylebone Project provided:

- 39,000 nights of accommodation offering shelter, hope, safety and support to women who would otherwise have remained on the streets or in situations detrimental to their well-being
- 25 beds to women with complex needs
- support to 546 women who visited the Sanctuary Centre, 195 of whom were first-time visitors,
- 4,914 individual activity sessions in 50 different areas/subjects,
- achieved a 95% occupancy rate of our four emergency beds
- supported 62 women in engaging with our Women into Work programme,
- supported 45 women in engaging in volunteering
- supported 34 women in engaging with accredited courses,
- restarted the social enterprise of Space, developed numerous new partnerships and welcomed visitors for the launch of The Sanctuary.

Although we have been able to make great developments and achievements challenges still remain within securing long term staff and staff retention and financial sustainability. Despite the challenges and changes, the staff team continue to be committed in offering their skills and specialist support to address the variety of challenges and demands so that the women's lives can be transformed.

Rose's story*

Rose found herself street homeless after her housemate became physically abusive towards her. Rose was being attacked by another individual who she shared communal areas within her shared accommodation. Rose attended the Sanctuary with bruises on her arms and chests, she was completely traumatised by the abuse she had encountered and asked for help with finding housing and with reporting the incident to the police. Our advice workers supported Rose to attend the hospital, look for alternative housing and advocated on her behalf to Social Services and the Police. Whilst we were supporting Rose, she benefited from using our brand-new showering and laundry facilities and she took part in our knitting and meditation classes.

Rose was ecstatic that the Sanctuary was a 24-hour service as she planned to stay at the haven of the Sanctuary whilst staff supported her to find housing. This prevented Rose from experiencing further abuse.

"You have no idea how much this means to me. I can stay here and feel safe, I do not have to live in fear anymore. You literally saved my life! This place is very nice, and I do not have to worry or hide away in my room. I am thankful to you and to God" ***name changed to protect identity**

Financial Sustainability for the Sanctuary

Having invested in refurbishing the drop-in centre to create the Sanctuary we were delighted to receive a grant of £473k from Barclays via the London Evening Standard / London Community Foundation to fund the first year's costs of operating the Sanctuary 24 hours a day - we are now working on the challenge of fundraising to sustain this life-saving service for the hundreds of women accessing it.

For more information or to make a donation please visit <https://www.maryleboneproject.org.uk>

Church Army Ty Bronna

During the year key achievements at Church Army Ty Bronna included:

- 4,684 nights of accommodation provided to homeless young people in Cardiff at Ty Bronna.
- 36 young people received support and accommodation - of which 23 were new referrals to Ty Bronna.
- 23 young people moved out of Ty Bronna.
- 8 young people moved out of Ty Bronna and into long-term independent living accommodation (Council/Housing Association).
- 7 young people moved out of Ty Bronna into training accommodation, managed by Cardiff Young Peoples Supported Accommodation Partnership - (Church Army Visiting Support/The Foyer/Dispersed Flats).
- 8 young people made neutral moves (due to needing to be transferred into alternative supported/housing placements, depending on their needs.) (i.e. detained under the Mental Health Act 1983 in a secure unit, transferred into a women's refuge and/or transferred into alternative supported housing accommodation for young people).

After young people have a positive move-on plan established and are deemed ready for independent living at Ty Bronna; they can then be referred into the Church Army Visiting Support Service (CAVS). This service provides outreach and tenancy related support to young people living independently in the community. Young people are secured either visiting support accommodation or floating support accommodation when transitioning from Ty Bronna. Visiting support accommodation consists of 6 self-contained flats that serve as training flats for young people, before they are referred into permanent accommodation. These 6 visiting support flats offer more intense support to young people, who although have the necessary skills to live alone, may not be able to sustain a tenancy agreement at that time and are instead offered a licence agreement. Since the start of Cardiff Young Peoples Supported Accommodation Partnership in 2019, we have accepted 27 young people into visiting support accommodation, of which 24 young people have made a positive move-on into long-term council/housing association accommodation successfully.

CAVS also provides floating support to young people who are deemed ready to hold their own tenancy agreement and be referred straight into long-term council/housing association accommodation. CAVS provides these young people with tenancy related and outreach support for up to 2 years. As this 2-year anniversary approaches it is predicted that the support relationship between young people and CAVS naturally comes to an end and where young people feel ready to live completely independently.

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Since 2019 15 young people have successfully engaged in this resettlement programme and are now living completely independent in their own permanent homes.

Ty Bronna and CAVS are only one entity who provide support to homeless young people in Cardiff. As well as Church Army, The Salvation Army and Taff Housing Association together comprise Cardiff Young Persons Supported Housing Accommodation Partnership. This partnership typically supports 106 young people in four supported housing projects. All four projects are then responsible in securing young people independent living accommodation within the community and transitioning them to an outreach support service. This new partnership working alongside Cardiff County Council started on 13th May 2019 and between this time and 9th September 2022 the partnership supported a total of 398 young people. In this time 96 young people moved out of Ty Bronna and into a variety of independent living environments; 18 of these were housed within our CAVS accommodation, 12 were housed straight into long-term council/housing association accommodation, 1 in private rented accommodation and 1 young person who resides in student halls accommodation. Consequently, 14 young people have succeeded in maintaining their own council/housing association tenancies for over 2 years.

A Project serving vulnerable women in South Yorkshire

As a team they work with vulnerable women in a trauma informed way to build a relationship of trust, to help fight with them for their ultimate freedom from chaotic lifestyles, drug addiction and abuse. As we seek to achieve the long-term goal of social justice for the women, we work with patience and hope, within realistic expectations of what changes are possible. Our staff team is relatively small (1 full time worker and 3 part time) with a few dedicated volunteers and we actively support around 35 women at any one time. Our non-residential 'House Drop-in' provides a safe space to access, to experience respite from a chaotic and risky lifestyle. Here we offer shower and washing facilities and access to a washing machine. We provide a clothes bank, toiletries and basic homeware. The house is also a sanctuary - a place to explore faith, receive prayer and enjoy fellowship. As a team we also do street outreach to make contact with women - the women we minister to find it very challenging to engage in a lot of services so we try and be as flexible as possible and remove as many barriers to help engagement.

We offer food parcels: light food parcels (for women with temporary accommodation); snack bags (for women who have no stable/ safe accommodation); and during lockdown we offered recipe boxes for our more stable women in the community to help them learn how to cook nutritious meals. One of the women has helped us to design and develop a fellowship group. 4 women have begun to attend it. To keep perspective in a challenging environment, we actively celebrate special occasions with the women - such as birthdays and Christmas.

Our project is women centred - this means they have a choice. So many of the situations they are in, they feel like they don't have choice. When they come to us, we aim to be responsive to what the women want help and support for and to encourage and empower them to make steps towards these aims: this could be faith, health, housing, addiction or safety focused. Female staff and volunteers actively support vulnerable women with complex needs. We aim to bring about sustained improvements to their mental and physical health and well-being, to enable them to choose a safer, more stable and independent life. To offer non-judgemental and unconditional love to promote belief in positive change in their lives. We aim to meet physical, emotional and spiritual needs. We do this through in-community support, a drop-in centre and outreach.

Jackie's story*

"I was assaulted last night at where I live so I ended up walking the streets all night. No money, no phone - I only have what I am standing in, I can't go back to get my stuff. I was waiting for it to get light because I knew I could go to the drop-in, they would help me. I was greeted and went into the warm. I knew I would get a hot drink and some food. I was bundled in blankets and was able to get it off my chest what had happened last night as I tried to make sense of it. Over the next 2 days they helped me - report to police and sort out temporary accommodation."

*Name changed to protect identity

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The Amber Project

As The Amber Project prepares to celebrate its 20th birthday we are reflecting on what has undoubtedly been our most challenging year to date. One of the unfortunate legacies of Covid is what has been termed 'a post pandemic mental health tsunami' which has led to significant rise in young people referring to the project with issues around self-harm.

Prior to COVID the wait for an initial meeting with the project was just 21 days, at present this has increased to an estimated 20 weeks, with currently more than 200 young people on the waiting list to access the project.

Young people are presenting with increasingly complex issues which in turn impacts on the degree of support they need, the project works by offering young people safe space, a community within which they can gradually develop skills that they will continue to use long after they have left the project. This is reflected in an e-mail from a young person who had accessed the project some years ago, she writes:

.... I was very suicidal when I was referred, deep in self harm and bulimia, struggling with keeping the secret that I had been groomed online a few years earlier. I wasn't seen as worth anyone's time. CAMHS said I didn't have any problems, the school just shouted at me for self-harming in the toilets, my family didn't understand and made me feel alone, and I lost all my friends. I was the weird girl that cut herself. And I was hiding such deep pain. So much self-hatred. The Amber project gave me a place to connect with others. I was accepted. Cared for. Included. I will forever be grateful for that. I really do believe it saved my life. (shared with consent).

While a worker who referred a young person to the Constellation element of the project wrote of a conversation with the young person's mother:

....We shared our praise of what you guys do at providing a safe, secure, emotionally comfortable, positive, stimulating and totally accepting environment for teens and into adulthood. You are so good in enabling an environment like NO other, where young people can be totally themselves with no limits, boundaries nor judgement. long may the facility remain to change/improve the emotional wellbeing and physical safety; (including safety from themselves), of these often forgotten young people.

Objective 2: Advocating Evangelism

Many in-person church activities continued to be curtailed or restricted as churches seemed to be cautious opening up as the COVID pandemic eased. Opportunities for evangelists to speak to about their work in their own local area began to be reported, although there were few churches accepting a speaker arranged nationally. A small number did take place and the coming year looks more promising with dates in the diary.

Our online activity continued to develop and engage people who were hesitant about face-to-face contact.

Cuppa with a Key Worker continued as a monthly online focus of our frontline projects. Streamed on Facebook, Youtube, Twitter and our website, this provided an interactive opportunity for supporters to hear about our work and ask questions. The reach varied but a large number of views after the streams were recorded.

In April 2021 we launched our new website to provide a better user experience and more logical order of content. This has been very well received and has continued to be developed with a new online material including stories and features on our work, and a new online payment system (which is being refined). During the year we saw a total of 153,637 page views from the site through just over 49,000 session and nearly 41,000 users.

The work of our communications team constitutes a huge part of how we advocate evangelism. This is through not just printed material but online videos, websites, social media and other electronic communications. We continued with all of our existing channels of telling the stories of changed lives, of people being helped, of the enormous variety of work Church Army deliver, and we added new opportunities for people to directly engage with us through comment and online discussion. Locally based evangelists

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have also taken up the challenge and are using more online engagement to talk with people about their work, including many of our front-line funded projects.

Our Advent campaign ran again in 2021 and 111 people signed up to use "Neighbourly at Christmas" in their church groups or personally over the four weeks of Advent.

Lent 2022 saw just under 6,000 emails sent out profiling the new Lent Card pack with an engagement rate of just under 65%. These were a collection of cards each of which focused on a biblical character, a reflection, our work, and a call to action.

Our social media following continues to grow and we are mainly engaging with people through Facebook, Twitter and Instagram. Key stats showing our reach on social media during the year to 31 March 2022 were:

Platform	Content	Reach	Reactions (Likes & Comments)	Shares/ Retweets	Click- Throughs	New Followers
Facebook	Church Army	716,997	799	1,488	14,468	184
Facebook	CA (Paid Ads)	288,546	953	81	2,761	
Twitter	Church Army	1,096,563	8,229	918	1,381	209
Instagram	Church Army	16,242	5,335		454	214
Facebook	Centres of mission	346,220				1,320
Instagram	Centres of mission	170				27
Facebook	Key Projects	33,826				205
Twitter	Key Projects	73,890				104
Instagram	Key Projects	9,926				477
Totals		2,582,380	15,316	2,487	19,064	2,740

Having been impacted by COVID restriction, we plan to resume filming our projects and releasing new video stories of our work in the coming year.

Inspiring church leaders

Advocating evangelism to church leaders is a crucial part of our DARE strategy. In previous years our Senior Leadership, Research and Training teams have been involved in speaking at numerous events in the United Kingdom and Ireland, including engagements at conferences, theological colleges and diocesan events. Many events were cancelled during the year due to COVID-19 but Church Army staff presented at several online events as these emerged during the year.

Encouraging the wider church: Church Army speaking engagements

Encouraging churches in evangelism and inspiring them about our work is achieved through regular speaking engagements by our evangelists nationwide. These are both on Sunday morning services and events held during the week. In a typical year we will average approximately 100 speaking engagements. Last year was very different due to the closure of church buildings during the COVID-19 pandemic and gradual re-opening during the year. Some churches continued to operate via online services and a small number welcomed our evangelists to speak about our work via Zoom.

Objective 3: Resourcing Evangelism

Resources and Leadership Development

In April 2021 we launched the Faith Suite of resources, designed to enable Christians and churches at different stages of their faith journey, or at different organisational levels of church life, to engage with ideas around faith sharing. The suite includes:

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- Faith Pictures, an update of the previous version using the same topics and overall structure to help Christians talk naturally about faith with friends and neighbours. The update had a new session structure and media to support learners on their journey. For more information see [here](#).
- Faith Shared, based on adaptations of Stepping Into Evangelism by CA Evangelists. This is focused on helping churches think about how they reach out to their local communities and invite others to become part of their life. For more information see [here](#).
- Faith Empowered, based on a resource developed with the Diocese of Edmundsbury and Ipswich. This develops local lay evangelists to work as leaders in evangelism in a parish setting. In April 2021 we appointed a Faith Empowered Development Officer to promote the resource to dioceses and support them in their take up of it.

Alongside this core suite, we developed three versions of a resource to help support those suffering loss through the pandemic. Developed through the expertise of members of the Church Army Mission Community, *Death, Grief, and Hope*, was adapted to different audiences to take into account their particular experiences and challenges through the pandemic. These audiences were:

- Young people
- Older people
- Prisoners

The resource was accepted well by practitioners in those areas, and despite being a time-limited resource, opened opportunities for further working on the development of specific resources for specific audiences. This included the development of Faith Pictures for prisons, working with the limitations present in prisons to ensure that participants could still fully participate in exploring God's presence in their lives.

In preparation for Lent 2022 we have worked collaboratively across national teams to pull together a Lent resource to help individuals engage with the work of Church Army, our free resources, and the Marks of Mission, to resource them in evangelism in their everyday lives through Lent. We are excited to see the impact of this, and to learn from this for future seasonal resources.

Leadership Development

LEAD is Church Army's online leadership development resource for growing leaders.

In September 2021 we offered LEAD to all our newly commissioned evangelists and experienced LEAD evangelists and began offering a rolling programme of LEAD modules.

LEAD online learning portal and website was officially launched in April 2022. As part of this launch significant preparation has taken place to prepare for extending our offer from Evangelists to all national office staff, Project staff and CAMC members.

The Research Unit

The Research Unit continues to resource evangelism, working to show how God is active in mission and increase understanding in why churches' participation may falter or flourish. This is done by conducting excellent and innovative research and consultancy whilst growing the team's network and partnerships with churches and diocese across the British Isles and Ireland.

For more information, please visit www.churcharmy.org/research

During the year, the Research Unit have completed various projects, including:

- Zoomed Out? Church of England Experiences of Distanced Church Amidst COVID-19
- Mission in a Pandemic - How Church Army Centres of Mission responded to COVID-19
- Pioneering in Portsmouth - Evaluating the Diocese of Portsmouth's Pioneer Project
- 'Good News for Young People?' Report on mission and ministry to children, youth and young families in the Diocese of St David's, Church in Wales
- Evaluation of the Diocese of Sheffield's Centenary Project

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During the year, the team have continued to carry out internal research for Church Army through *Recording the Journey*, a project which gathers statistics and stories from centres of mission. Key headlines from 2021/22 are as follows:

- Each CoM engaged with an average of 750 people
- 50% of them are aged under 18
- An average CoM provides 59 hours of organised activity every month
- Most CoM are involved with food provision in some form and in total they have provided/distributed over 27,000 meals or boxes of food.
- Over 570 people volunteer across our CoM
- 37% of them are not regular church-goers

The Wilson Carlile Centre (WCC)

The Wilson Carlile Centre in Sheffield has been the home of Church Army for the past ten years. Located in the heart of the city, the building is a modern looking, multi-purpose centre offering: a café; a theological library; 30 en-suite bedrooms; a spacious three-bedroom apartment; day and residential conference facilities; a chapel; garden and city centre parking.

Highlights from the last 12 months include:

Accommodation:

- Having been closed for much of the last 2 years due to Covid restrictions it was encouraging to see record levels of bookings in March 2022 and record bookings have continued in May, June and July in the new financial year.
- Maintaining high guest scores and excellent reviews on booking.com (currently 8.3) despite the challenges.

Conference & Catering

- There has been a slow return to events and conferencing, with more bookings for April 2022 onwards which will reflect in the next financial year.
- Similarly plans are being made for more internal Church Army events during 2022.

Café

- This has seen a gradual increase in sales as the public has returned to Sheffield City Centre, the increased use of our Accommodation and as more staff have been working from the offices, with more growth expected during 2022.

To find out more, visit www.wilsoncarlilecentre.org.uk

Flexible working

Our National support staff based in the WCC offices all moved to working from home in March 2020 as the pandemic hit and like many organisations we have been on an evolving journey as we have developed our approach to flexible working as Covid restrictions were eased.

New ways of working have been embraced, but we have also recognised the significant benefits of in person working for collaboration and expression of our community and values as the home of Church Army. Building community and developing culture have been at the heart of our discussions as we've continued to navigate the next steps of our journey in this area.

Objective 4: Enabling Evangelism

Training Programme

Training is a key part of our DARE strategy, enabling more people to be resourced and equipped as CA evangelists. At the end of March 2022, we had 26 evangelists in training to be commissioned and 1 diocesan sponsored candidate. The Sept 2021 entry of new EiTs numbered 7. The Sept 2022 entry will number 14. In July 2022 we commissioned 4 new Evangelists. For July 2023 we anticipate that 14 will be commissioned. Alongside this we have started planning to train Church of Ireland pioneers from September 2023. Currently CA Training is characterised by the phrase 'onwards and upwards'.

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Envoy

Envoy is a new approach to evangelism using coaching in community to give participants the opportunity to form a way of evangelism that is authentic to them and applicable in their context.

More details about Envoy and the impact that it is having can be seen on the website: <https://www.envoy.website/welcome-to-envoy>

Envoy is changing lives and churches. Tanya one member of Envoy Community said that Envoy had made her realise that her ministry was outside the church walls. She's started a coffee morning in the community centre for "meaningful conversations" with people from her local community. She got some funding to offer them a light lunch. The first one four people came. She also wants to start an after-school club in the community centre but knows that's a longer journey. This is in an estate with high unemployment and many single-parent families. She and her fellow Envoy participants have been going out to find new people on her estate and have led a steady stream of people to Christ.

Ben very literally put Envoy principles into practice and started a football team to meet men and have a space to witness to them. He has seen several of them through the journey to Christ, baptism and connecting them to the local church. Donna and Pete, with a team designated to be the church planting team in a deprived housing area, used Envoy to prepare and develop a strategy for connecting with local people and to find a way of evangelism that would work for them. They have gone on to begin the church plant. Our Envoy communities have about six people in each.

This year we have 16 communities, and while not in all, most are seeing people come to know Christ by applying the principles they are learning in Envoy and then seeing them connected to the local church, including new worshipping communities.

We are excited about the work of Envoy across the UK and Ireland. Church Army rebranded Envoy as the evolution and merging of 10 years of coaching in evangelism (we already have over 80 members), which is a stunning development. The Envoy community remains committed to equipping the church to share the good news of Christ effectively. An Envoy member said these words:

'Envoy gave me an opportunity to discover the breadth of evangelism. To recognise that there is not a 'one size fits all model'

Mission Community

The Church Army Mission Community was established over 10 years ago and continues to develop and understand its identity. During the past year the Church Army Mission Community has continued to grow in number and activity. The small 'clusters' of evangelists and supporters meeting together to encourage each other, learn more, and pray for the work of Church Army have established new patterns of meeting after the disruption of the pandemic. A new programme of 'Discovery Days' and 'Discovery Evenings' has ensured a steady flow of new members to the community and the work of Church Army being profiled to a wider audience. The Church Army Mission Community continues to support and uphold all the people and work of Church Army in prayer.

Public benefit statement

The Trustees have considered the Charity Commission guidance on public benefit and are satisfied that both the aims of the Society and what it delivers meet the public benefit test.

Church Army meets the criteria through:

- the advancement of the Christian religion
- provision of services for homeless people
- its youth and community work

Church Army does not discriminate between those who profess a Christian faith and those of no faith. Our work is open to those of all faiths and no faith. Examples of how we do this can be found on pages 4 to 17.

Objectives for the coming year

Many of these objectives build on the success of the last year. We have already started working on reaching these objectives in the year ahead.

Doing evangelism

- We will continue to explore exciting new developments in evangelism and social action through our centres of mission, projects, partnerships and opportunities provided through other organisations.
- Further develop the initiatives of Xplore and Reunion as ways of releasing over 100 people in evangelism in their context.
- We will continue to work with other partners to establish a further 6 new centres of mission.
- To develop new Missional Youth Churches across the northern Province through our partnership with the Archbishop of York's office and the Archbishop of York's Youth Trust.
- We will continue to demonstrate God's love unconditionally to all, particularly through our work in communities, with the homeless and with vulnerable people.

Measures

- Evidenced by our impact on communities, growing of new Christian communities and stories of changed lives.
- The effectiveness of our partnerships to set up new centres of mission in areas where need is identified.
- The effectiveness of the support we offer to vulnerable people in their existing situations to gain the skills and confidence to move into the next stage of independent living, maintain tenancies, deal with ongoing issues and fulfil their potential.
- The provision of accommodation for those who are homeless and through the increase in the numbers of people we are able to move towards independent living.

Advocating evangelism

- We will continue to challenge and inspire individuals and the church to reach out to their communities, sharing their faith through words and action.
- Our Research Unit, working in partnership with others, will continue to challenge and resource the wider church in its mission through research projects and publications on online church, pioneering, urban estates leadership and other topics.
- We will continue to advocate evangelism through the development of media opportunities.
- We will create resources that encourage individuals and churches to undertake evangelism.

Measures

- Increased number of strategic opportunities to inspire leaders in mission and the number of invitations from dioceses to help them in their evangelism.
- Numbers of completed research projects on mission and evangelism.
- Strategically working with partners to influence positive change in the church.
- In the number of speaking engagements, which offer the opportunity to promote evangelism and the work we do.
- Increased press and media opportunities and engagement with our social media presence.
- The number of people exploring evangelism through our resources.

Resourcing evangelism

- Through delivering a digital strategy that will help us communicate better, training greater numbers and increase our reach.
- We will continue to develop LEAD to resource leaders and the wider church in mission.
- By continuing to develop new evangelism resources, both on our own and in partnership with others, for the wider church to get involved in evangelism.
- Through our partnerships with other Christian organisations, where together we can add value to each other's work.
- Through the evidence-based research, which assists the wider church to look strategically at new ways of being Christian community.
- We will run lifelong learning events to resource and refresh our evangelists' skills in evangelism.
- We will seek to increase the numbers of people engaging with the Church Army Mission Community.

Measures

- The success of the above through the uptake of our resources.
- The increasing numbers engaging with LEAD resources both within Mission community and diocese we work with.
- Increased capacity for delivering LEAD action learning groups.
- Pilot LEAD within a diocese and within a diverse national office team.
- Increase the additional LEAD modules available.
- The number of training opportunities and the impact of our research and partnerships.
- The numbers in our training programmes, both local and national.
- The number of enquiries and applications made to the Mission Community.

Enabling evangelism

- Through increased numbers of lay people being trained and resourced by our frontline evangelists and national training staff for evangelism in their local contexts.
- Through increasing the number of participants on our Xplore programme for 18 to 30 year olds.
- By offering volunteering opportunities in our centres of mission and helping volunteers engage with the Church Army Mission Community.
- Through the increase in numbers of people training through our commissioned pathway.
- Through developing training relationships with dioceses and national churches across the UK and Ireland.
- We will begin delivering our new volunteering strategy, which will support and better equip existing volunteers and work toward doubling the number of those who volunteer with us.

Measures

- The uptake of our volunteering, Reunion and Xplore opportunities.
- The number of churches that use our resources as a stepping stone for their own programmes.
- The success of our training programmes in enabling those who complete it to engage more effectively in reaching out to their communities.
- Increased numbers of people training for our commissioned pathway, including more people from regional churches across the UK and Ireland.
- Increased number of people sponsored for training by dioceses and churches across the UK and Ireland.

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- Number of formal or informal training partnerships with dioceses and churches across the UK and Ireland.

Financial review

The review below covers the financial position for the year from 1 April 2021 to 31 March 2022. The COVID-19 pandemic continued to impact the costs of our frontline work and our trading activity which is reflected in the results for the year to 31 March 2022. In the last few months of the financial year, as the restrictions were lifted there were the first signs of a return to pre-pandemic patterns.

We started the year planning for an operating deficit, greater than the operating deficit in the previous year. The operating deficit of £2.3m was more than planned and almost double that of the previous year, driven by a £0.3m increase in income and £1.1m additional costs. Substantial gains on investments and very favourable reductions in the long term liability on the defined benefit pension plans turned the operating deficit into an overall surplus of £494k (2021: £363k).

Income - total income remained at a similar level to the previous year at £6.373m (2020: £6.348m).

Donations - rose to £2.406m (2021: £2.057m), driven by receipt of £373k, being a portion of a £473k one-year grant from Barclays / Evening Standard / London Community Foundation to enable the new Sanctuary, our new 24 hour a day drop-in centre at our Marylebone homeless project, to set up and run for the first year. Excluding this grant, overall donation income remained similar to the previous year.

Legacies - income dipped to just £428k (2021: £728k), well below the average of recent years. This income stream continues to reflect Church Army's historic connections; a rich heritage and blessing which has clearly left a mark on people's lives but we recognise timing of receipts remains outside of our control.

Income from our partners for Charitable Activities - increased slightly to £2.785m (2021: £2.68m). This includes increased contributions from dioceses as we opened new Centres of Mission £712k (2021: 650k), and rental income at our Housing projects which rose £61k to £1.543m.

Research income from external clients reduced to £63k (2021: £99k). In the year the team had a greater focus on internal Church Army projects.

Income from other trading activities - bounced back to £179k (2021: £30k, 2020: £376k) as our accommodation, café and conferencing at Wilson Carlile Centre were able to re-open after pandemic closures. The return started later in the year than we had envisaged but the growth in activity has continued into the new financial year with record levels of occupancy and income delivered from the accommodation.

Non-charitable trading: SPACE & MUNCH - Social Enterprise activity at our Marylebone Project was slower to restart, as we took a cautious approach to protect our vulnerable residents, but it has been good to see activities resuming and new bookings coming in.

Expenditure

Costs of **Raising funds** increased to £1.276m (2021: £1.172m) primarily due to increased direct costs of trading activities (up £95k) as these restarted during the year, filling vacancies in the fundraising team and increased costs (up £60k) invested in our fundraising for the Marylebone project through our contracted fundraising consultancy to help sustain the Sanctuary 24-7 project after the initial one-year funding expires.

Spend on **Charitable activities** increased by £1m to £7.421m (2021: £6,419k) - the increased spend was primarily in Centres of Mission up £262k and Homeless projects up £508k which includes the cost of staffing the 24-7 Sanctuary drop-in centre at our Marylebone women's hostel.

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Church Army continued to maintain tight control of expenditure, through its management structure, the foundation of an annual budget and monthly monitoring process to ensure an effective and efficient use of financial resources. Delivery of the DARE strategy continues to underpin the decision-making process.

Re-measurement gain on the defined benefit (DB) pension plan - the March 2022 actuarial valuation resulted in a £613k adjustment, reducing the DB liability that we are required to recognise in our accounts.

After the 9% deficit shown in the 2020 actuarial valuation of the Church Army Pension Scheme ("CAPS"), the Pension Scheme Trustees implemented a changed investment strategy and Church Army agreed and made a lump sum contribution of £250k into the plan from the 2021 surplus to help stabilise the fund, and to continue to make contributions of up to £100k pa.

Over the last year the revised investment strategy and the increased contributions to the pension fund have resulted the actuarial valuation at 31 March 2022 showing a net surplus of £534k (5%). Whilst pension liabilities are shown as a liability in the Church Army accounts the same is not true of pension assets, Church Army is not able (nor has any current intention) to reclaim this surplus from the Pension Scheme. The significant improvement to the position of the fund will make the financial impact of the fund on Church Army's financial position much more predictable than in prior years.

The triennial valuation, and the provision calculated for these accounts are technical calculations based on actuarial standards. The Pensions Regulator is satisfied that the current contribution plan is appropriate.

Major capital works

No major capital works were undertaken during the year.

Investment policy and performance

Church Army's investments comprise properties which are rented out for income and funds invested with investment managers with the primary goal of capital growth. Investments are liquidated from time to time to provide the cash needed to fund the planned deficits

The total return on investments, (dividends, rental income and capital growth) was £2.637m (2021: £2.701m), comprising income of £502k (2021: £575k) and exceptional capital gains of £2.135m (2021: £2.126m). This exceptional result, for a second year in a row, significantly exceeds the Board's investment target rates to achieve an absolute return of 4%, but we recognise this performance is unlikely to be repeated, especially in view of the difficult economic situation with rising inflation and interest rates and the expectation of a recession later in 2022.

Investment properties

Church Army's investment properties were previously used as accommodation by employed and retired evangelists. Rental income reduced to £458k (2021: £518k) due to the sale of several properties during the year. At each year end the investment property portfolio is revalued - the revaluation at 31 March 2022 resulted in the value increasing by £1,580k (2021: £706k), reflecting the increases seen in the housing market nationally.

Funds with specialist charity investment managers

The Church Army general investment portfolio is placed with two high performing funds, one run by Ruffer LLP and the other by CCLA, both specialists in charity fund management. The Investment Sub-Committee receive quarterly updates and meet the managers each year to review results, investment strategies and prospects. They also make use of charity investment comparators, including the quarterly Multi-Asset Charity Fund Review published by ARC Research Ltd. The Investment Sub-committee then provide guidance to the board when they consider that change is required.

Our funds with CCLA are invested in the CBF Church of England Investment Fund. When stock markets are rising the fund has been a leader in the ARC tables. In March 2020 the fund did lose some value but did not suffer the significant losses of the stock market in general and recovered strongly during the rest of 2020-21 delivering 24.3% in the year to March 2021 and the funds grew 11.4% in the year to March 2022.

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The approach of Ruffer LLP is by nature fairly cautious, aiming to preserve capital and deliver consistent positive returns, regardless of how financial markets perform. In more detail they have two investment aims: not to lose money in any rolling twelve-month period, and to generate returns meaningfully ahead of the 'risk-free' alternative of placing money on deposit. In the last 2 years Ruffer have achieved these aims delivering strong results - in the 12m to 31 March 2022 Ruffer produced returns of 8.2% after an exceptional growth in 2021 of 24.1%.

In prior years the investments with Ruffer were managed individually on our behalf in line with the detailed Ruffer overall strategy. During 2020-21 we moved the monies in the managed portfolio into the Ruffer Charity Assets Trust Accumulation units. This fund follows the same Ruffer guidance, produces very similar returns and enjoys lower charges.

Balance of Investment portfolio

The Investment sub-committee met in August 2022 and took advice from the fund managers and the property manager. The allocation of the portfolio between property and investment funds will be re-balanced better to cope with the need to liquidate investments on a regular basis to fund working capital, current uncertainties in the markets and forthcoming rental property regulations.

An active ethical investment policy

In 2019/20 the Board adopted the investment policies set by EIAG - the Ethical Investment Advisory Group of the Church of England. That policy not only sets out areas where there should be no direct investment (e.g. tobacco, gambling, non-military firearms, or high interest rate lending) but also expects the investee "to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice". The policy, which is considered to be a leader in this area, requires investors to be active, engaging with investee companies to seek improvement in ethical standards in these areas.

The CCLA CBF Church of England fund is compliant with EIAG. The Ruffer Charity Assets Trust fund's responsible investment policy has been shaped by the concerns of many charities. It imposes strict restrictions on investment in alcohol, armaments, gambling, pornography, tobacco, oil sands and thermal coal. It also follows a proactive voting and engagement approach with companies held within the fund. The fund is monitored against UN Global Compact principles, MSCI's ESG Metrics and the managers also monitor the fund's carbon metrics.

Reserves (Funds) policy

At the year end, the Reserves, also referred to in the financial statements as "Funds", increased slightly to £30.010m (2021: £29.516m).

Reserves are used to fund continuing day to day activities and to invest in growing the work of Church Army in supporting those on the margins of society including the most vulnerable who our people work with through our Centres of Mission and frontline projects every day. This work is increasingly vital as an increasing number of people struggle with the rising cost of living and the unprecedented rise in energy bills.

The Board has reviewed the current level of Reserves, described below, and set a deficit operating budget for 2022-23 similar to the 2021-22 operating deficit budget as it continues to invest in frontline work. The funds for this will be drawn from both free and designated reserves. The budget also includes investment in new fund raising approaches - the Board has recognised that a step-change in donation / fundraised income is needed in the next three years if investment and current levels of activity are to continue and free reserves are to remain at the base level.

As at 31 March 2022, the Board holds the following reserves:

Restricted Reserves

£7.193m (2021 £6.222m) are classed as restricted funds - those, which by their nature, can only be used in compliance with the specific wishes of the donor(s), including those specifically for frontline activities. Where the cost of frontline activities is greater than the specific donations, the shortfall is met by a transfer of funds from Unrestricted Reserves.

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Unrestricted Reserves

£22.817m (2021: £23.294m) are classed as unrestricted funds, which can be used by the Board for any purpose which delivers the charities objectives.

Within unrestricted reserves the Board recognises the following:

Operational Assets £7.234m (2021: £7.327m) these designated funds are invested in properties which Church Army uses for its day to day operations and includes the Wilson Carlile Centre and one building used by our Marylebone women's housing project (while another Marylebone building is included in Restricted reserves above) and are therefore unavailable for other uses.

Reserves designated for the DARE strategy

The Board has earmarked £6.211m (2021: £6.670m) of its unrestricted funds to support the development of the DARE strategy. This is referred to as a designated fund for:

- Establishing new Centre of Mission partnerships. Many of our partners look for 3 to 5-year agreements, designating the funds for these partnerships strengthens our relationship opportunities and allows us to plan forward with more confidence.
- Enabling significant investment in delivering a step-change in Fundraising to generate an extra £2m pa by 2026.
- Supporting our training growth, which is anticipated to double each year, and for the next few years at least and will support the growth in centres of mission.
- Developing the additional training programmes and the related digital mechanisms needed to support the expansion in staff and volunteer numbers.

Free reserves £9.4m - the Board has set a target of £6.5m for free reserves which includes a base reserve of £4m that it is estimated would be needed for a managed reduction in service if there was a total collapse of funding. This equates to anticipated costs including employment and other statutory payments which would need to be made in the event of a total loss of income from all sources. This is an unlikely scenario, and so the Board recognises this reserve fund also provides contingency for significant fluctuations in individual income streams.

Pension liabilities

Reserves are reduced by possible long-term pension liabilities of £52k (2021: £740k). This amount is calculated at the year-end and fluctuates yearly. At the date of signing the accounts there has been significant volatility in the markets in recent weeks. However, the Trustees have been informed by their professional advisers that the Scheme's funding position has not been materially affected by this volatility and that an update of the funding position to 30 September 2022 was still expected to show the Scheme being in surplus.

In summary - reserves are held as follows:

	Target	Actual 2022	Restated 2021
Restricted reserves	7.2	7.2	7.0
Operational assets	7.2	7.2	*7.3
Designated for investment in DARE strategy and step change in Fundraising	6.2	6.2	6.7
Free reserves	6.5	9.4	*9.3
Pension liabilities		(0.0)	(0.8)
Total	27.1	30.0	29.5

*2021 figures restated following showing adjusted allocation of operational properties

Contingent liability

In 2019 Church Army provided support to a venture seeking to establish a Community and Retreat centre for young people using the buildings of a former convent. As part of this support Church Army employed the staff and signed the lease for the site, with the expectation that these would be formally transferred across to the new charity once it became established. While refurbishment of the buildings commenced as planned, Covid had a significant impact on the wider plans for the venture and in the spring of 2022 the Trustees of that venture decided to close down the project. At the date of signing these accounts Church Army is in the

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process of negotiating a settlement with the Freeholder of the site to exit the lease early. A claim for £356,000 has been made by the Freeholder for dilapidations which is being disputed and at this stage it is not possible to assess the likely outcome and so the amount of the claim cannot be reliably measured.

Fundraising activities

Church Army has fully embraced the protocols established by the Fundraising Regulator and laws which came out under General Data Protection Regulations in 25 May 2018.

Church Army has always maintained a highly competent and professional approach to what is now a strictly regulated sector, balancing the need to generate funds while at the same time, fully respecting the position of both our existing and potential donors. Church Army has adopted a very robust approach to ensure full compliance with the requirements of the Fundraising Regulator and the 2018 GDPR legislation. This is particularly so in the area of donors in vulnerable circumstance, where working practices have been established to respect and protect their position.

Church Army first published a clear policy on donor relationships over five years ago. This has been strengthened to reflect more clearly our relationship with the Fundraising Regulator to state:

We believe that the way we raise money should model our Christian values, with integrity, accountability and honesty, born out of a genuine two-way relationship; you wouldn't expect anything less. That's why we are not only committed to upholding the **Code of Fundraising Practice**, we are committed to setting the very highest standards in fundraising. We are registered with the Fundraising Regulator whose **Fundraising Promise** states:

- We will commit to the highest standards
- We will be clear, honest and open
- We will be respectful
- We will be fair and reasonable
- We will be accountable and responsible

The complete text can be found on the Church Army website: <https://churcharmy.org/ways-of-giving/fundraise-for-us/our-pledge>

We received three complaints from new or existing donors. Two of these related to problems being able to make an online donation via the Church Army website. Both donors were eventually able to make a donation, both were happy and were merely providing feedback for us to address. The other complaint related to the wording of an appeal sent to those on our database; the donor read it as though it implied their giving had ceased when indeed it was still current.

Big Lottery Funding, to support our educational work and encourage client involvement at the Marylebone Project, continued this year and Church Army are grateful for the continued support from this valued source.

We continue to work hard with individuals, parishes, trusts and corporates (still largely untapped) ideally to increase and, as importantly, maintain income levels. The individual donors remain our most loyal and long-standing contributors and we are always working on creative and innovative ways to maintain this critical support group. We recruited the services of an expert in fundraising from trusts and charitable foundations to appraise our approach to this important income stream. This was extremely valuable and we have implemented changes to our approach as a direct result, the fruit of which will be seen in the years ahead. It has continued to be difficult to engage churches following the gradual easing of restrictions imposed by the COVID-19 pandemic, with many churches slowly finding a new normal but not yet ready to receive visiting speakers, as well as contending with addressing their own finances due to loss of income during restrictions from weddings and funerals and loss of giving from people who would have put money in a collection plate during a service. We have begun to work with an external marketing and fundraising agency to explore how we can grow our income across all funding streams and this work is ongoing.

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Church Army uses professional external fundraising for the Marylebone Project and the business involved is signed up to the same working practices that we adopt ourselves.

For further information about The Fundraising Regulator visit www.fundraisingregulator.org.uk

Church Army is working very hard to ensure all current donor income goes directly to fund frontline activity. It is doing this by prudent use of the historic investments, which are managed to generate an income, which covers the non-frontline costs, which we cannot avoid under our statutory obligations as an employer and a limited company.

Partnerships

Our Centres of Mission are delivered in partnership with dioceses across the UK and Ireland and we rely on the support of a number of significant funders to continue our work.

Going concern

The trustees have agreed a deficit operating budget of £3m for 2022-23 and a 3-year financial model that forecasts income and expenditure, taking into account strategic plans for the following 2 years.

Reserves are in place to support the continued investment in the organisation's DARE strategy and the planned investment in delivering a step-change in fundraising over the next 2-3 years with the aim of moving towards operational financial sustainability by 2026.

The significant gains from investments last year reversed an expected operating deficit into a small surplus has strengthened the charity's position enabling it to continue its expansion plans and providing further resilience in the event of income shortfalls in the next 12 months.

After making these appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Structure, governance and management

Constitution

The Society is both a registered charity and a company limited by guarantee governed by its Articles of Association, which specify that its legal objects are "to bring people to a personal faith in Jesus Christ" by:

- (i) providing trained evangelists and lay agents to assist the advancement of the Christian religion
- (ii) preaching the need of conversion, holiness of life and church membership
- (iii) relieving poverty and distress

The Society is registered with the Office of the Scottish Charity Regulator and the Republic of Ireland and is applying for registration in Northern Ireland.

Appointment, induction and training of Trustees

The Board of Trustees comprises people with appropriate expertise including Church Army evangelists, members of General Synod of the Church of England and members of other provinces. Trustees are co-opted by the Board, following a search based on filling identified gaps in skills and experience and must be elected by the membership at the next Annual General Meeting. Good governance is vital to the effectiveness of the organisation and so training and induction programmes for new Trustees are tailored for each individual.

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Following the planned departure of 2 trustees during the year, the results of a skills audit have been used to inform a trustee recruitment programme using an external agency and the Board hopes to appoint at least 3 and up to 5 new trustees during the 2022-23 financial year.

Organisational structure and decision-making

The Board carries overall responsibility for every decision made within the Society and has delegated certain powers to the following committees:

The Finance Committee:

- advises the Board on financial policy and its implications
- monitors the development of financial systems
- approves the purchase and sale of properties and other capital expenditure within parameters determined by the Board
- recommends to the Board the appointment and remuneration of external auditors
- discusses and agrees with the external auditors as to the nature and scope of their activities
- considers with the Chief Executive the implications of the auditors' recommendations as set out in their management letter and monitors progress against agreed action

The Investment Committee monitors and reviews the policy and performance of the Society's investment managers and property portfolio.

The Senior Leadership Team is responsible for implementing Board decisions throughout the Society and the executive management of its operations and resources through its Management Team.

The Marylebone Project Board formulates and implements strategy and oversees all operational matters relating to the Marylebone Project for homeless women on behalf of the Portman House Trust and Church Army as sole Trustee.

The Society also has a President and Vice-Presidents, who have no formal powers but act in an advocacy role within the wider church. They are listed on page 1.

Church Army International

Church Army continues to support a collective group of societies in Australia, Barbados, Canada, Denmark, Jamaica, New Zealand, the United States of America, various countries across Africa and Vanuatu. Each of these is separately constituted and independent of the others. There is mutual support and regular contact between the leaders as part of the International Leaders, chaired by the UK CEO.

Pay policy for senior staff

No formal remuneration policy currently exists, for any group of employees, beyond the commitment to pay at least the living wage under The Living Wage Foundation criteria.

The Board, through the Treasurer, have undertaken a benchmarking exercise for senior staff and set a remuneration level, based on that review, to reflect the market forces within the sector. The resulting level is adjusted to recognise both the need to recruit and retain staff with the appropriate skills and experience. Senior staff are subject to the same annual cost of living review as the rest of the staff and similarly, any justified reward for increased responsibility can be applied at any time outside the annual review date, at the beginning of April each year, with the appropriate level of approval.

Risk management and internal controls

The Board has overall responsibility and regularly reviews all aspects of risk management to ensure that the Society has appropriate systems of internal control, whether strategic, operational, financial, or with regard to legal compliance. Systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2022

- An annual budget approved by the Trustees and detailed monthly management accounts which report actual performance compared to budget
- A strategic statement of the Society's purpose, values and vision supported by more detailed goals and objectives and financial forecasts looking ahead five years
- Internal policies and procedures
- A process for the identification and management of risks
- An agreed level of delegated authority to committees and management
- Checks to ensure that transactions are properly authorised and recorded
- Carrying out internal audit where appropriate

Following the Board's annual review, the key strategic risks and mitigations are:

Risk	Response
Structural budget deficit continues	• Ongoing review and shaping of budgets and costs in the light of income and available reserves. • Board has committed to significant investment to deliver a step-change in fundraised income over the next 3 years • Rolling 3-year financial model in place to manage reduction of any operating deficit in line with reserve policy targets
Safeguarding risks through failure to protect the vulnerable and marginalised	• Culture of Safeguarding embedded across whole of CA • Policies and procedures exist in all CA projects to establish good practice • Safe recruitment of all CA staff and volunteers working with vulnerable adults or children • Safeguarding training mandatory for all staff and volunteers with specialist training for specific frontline roles and those with Safeguarding leadership responsibility
Inability to recruit & retain the right people especially for Centres of Mission Loss of key staff / institutional memory	• We are running leadership development training programmes and identifying potential leaders and evangelists among members of key programmes at an early stage in their journey with Church Army
Sustainable funding not achieved for Marylebone Sanctuary 24-7 project	• Increased investment in external fundraising consultancy to drive higher income • Plans being developed for large scale acquisition of new donors from general public

In addition to the Board review, each year there is a formal review of the risks to which Church Army is exposed and systems established by our Senior Leadership Team to mitigate them are updated or added as appropriate.

Plans for future periods

Church Army continues working to a rolling five-year forward plan. Detailed budgets are prepared for one year in advance and extended into the following 2 years to create a 3-year financial model. Church Army is consciously budgeting an operating loss for the next 3 years drawing on both Designated and Free reserves to support current activity and investment in new work as it pursues its strategy, and at the same time committing to significant investment in fundraising to deliver a step-change in income over the next 3 years to move us towards financial sustainability.

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2022**

Trustees' responsibilities

The Trustees (who are also Directors of Church Army for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the 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 charitable company and of the incoming resources and application of resources, including 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 the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board on



John Whitfield
Trustee

Nov 24, 2022


Stephen Cottrell
Stephen Cottrell (Nov 26, 2022 11:22 GMT)

The Most Rev & Rt Hon Stephen Cottrell
Trustee

Nov 26, 2022

Opinion

We have audited the financial statements of Church Army (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and parent charitable company's affairs as at 31 March 2022, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 group and parent 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 group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 specific procedures for this engagement and the extent to which these 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;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal costs; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of 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 directors 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Marshall (Senior Statutory Auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date:

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

Group Statement of Financial Activities
(Including an Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2022 Total £000	2021 Total £000
Income and endowments from:					
Donations and legacies	2	1,359	1,475	2,834	2,785
Charitable activities	3	394	2,391	2,785	2,680
Other trading activities	4	173	6	179	30
Investments	5	478	24	502	575
Other	6	53	20	73	278
Total income and endowments		2,457	3,916	6,373	6,348
Expenditure on:					
Raising funds	7	1,034	242	1,276	1,172
Charitable activities	8	2,748	4,673	7,421	6,419
CoE pension scheme movement	23	-	(5)	(5)	6
Other	10	30	-	30	30
Total expenditure		3,812	4,910	8,722	7,627
Net (expenditure) for the year before investment gains		(1,355)	(994)	(2,349)	(1,279)
Net gains on investments		1,706	429	2,135	2,126
Net income/(expenditure) for the year		351	(565)	(214)	847
Transfers between funds	19	(923)	923	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		95	-	95	105
Re-measurement gain/(loss) on defined benefit pension plan	23	-	613	613	(589)
Net movement in funds		(477)	971	494	363
Reconciliation of funds:					
Total funds brought forward	19	23,294	6,222	29,516	29,153
Total funds carried forward	19	22,817	7,193	30,010	29,516

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Society Statement of Financial Activities
(Including an Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2022 Total £000	2021 Total £000
Income and endowments from:					
Donations and legacies	2	1,359	537	1,896	2,144
Charitable activities	3	394	754	1,148	1,110
Other trading activities	4	173	-	173	28
Investments	5	478	24	502	575
Other	6	53	10	63	203
Total income and endowments		2,457	1,325	3,782	4,060
Expenditure on:					
Raising funds	7	1,034	95	1,129	1,066
Charitable activities	8	2,748	2,090	4,838	4,280
CoE pension scheme movement	24	-	(5)	(5)	6
Other	10	30	-	30	30
Total expenditure		3,812	2,180	5,992	5,382
Net (expenditure) for the year before investment gains		(1,355)	(855)	(2,210)	(1,322)
Net gains on investments		1,706	429	2,135	2,126
Net income/(expenditure) for the year		351	(426)	(75)	804
Transfers between funds	19	(923)	923	-	-
Other recognised gains/(losses):					
Gain/(loss) on revaluation of fixed assets		95	-	95	105
Re-measurement gain/(loss) on defined benefit pension plan	24	-	613	613	(589)
Net movement in funds		(477)	1,110	633	320
Reconciliation of funds:					
Total funds brought forward		23,294	4,184	27,478	27,158
Total funds carried forward		22,817	5,294	28,111	27,478

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Church Army (The)
Year Ended 31 March 2022

Balance Sheets

	Note	Group 2022 £000	Group 2021 £000	Society 2022 £000	Society 2021 £000
Fixed assets					
Tangible assets	14	8,707	8,858	7,234	7,327
Investments	15	20,786	21,355	20,786	21,355
		<u>29,493</u>	<u>30,213</u>	<u>28,020</u>	<u>28,682</u>
Current assets					
Debtors	16	607	658	517	575
Cash at bank and in hand		924	407	924	407
		<u>1,531</u>	<u>1,065</u>	<u>1,441</u>	<u>982</u>
Creditors: amounts falling due within one year	17	(1,009)	(1,047)	(1,345)	(1,471)
		<u>522</u>	<u>18</u>	<u>96</u>	<u>(489)</u>
Net current assets/(liabilities)					
Total assets less current liabilities		<u>30,015</u>	<u>30,231</u>	<u>28,116</u>	<u>28,193</u>
Creditors: amounts falling due after more than one year	18	(5)	(79)	(5)	(79)
Net assets excluding pension liability		<u>30,010</u>	<u>30,152</u>	<u>28,111</u>	<u>28,114</u>
Defined benefit pension liability	23	-	(636)	-	(636)
Net assets	21	<u>30,010</u>	<u>29,516</u>	<u>28,111</u>	<u>27,478</u>
Charity funds					
General funds		9,372	7,766	9,372	7,766
Designated funds (including revaluation reserve £9,962,000 (2021: £9,911,000))		13,445	15,528	13,445	15,528
		<u>22,817</u>	<u>23,294</u>	<u>22,817</u>	<u>23,294</u>
Restricted funds		7,245	6,962	5,346	4,924
		<u>30,062</u>	<u>30,256</u>	<u>28,163</u>	<u>28,218</u>
Total funds excluding pension reserves					
Pension liabilities		(52)	(740)	(52)	(740)
Total charity funds	19	<u>30,010</u>	<u>29,516</u>	<u>28,111</u>	<u>27,478</u>

Signed on behalf of the Board of Trustees on Nov 24, 2022



John Whitfield
Trustee



The Most Rev & Rt Hon Stephen Cottrell
Trustee

The notes on pages 38 to 64 form part of these financial statements.

Company registration number: 00037169

Group Statement of Cash Flows

	Note	2022 £000	2021 £000
Cash flow from operating activities:			
Net cash flow from operating activities	22	(2,777)	(1,579)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(28)	(291)
Payments to acquire investments		(9)	(6,112)
Receipts from sales of investments		2,829	7,224
Interest received		1	5
Dividends received		43	52
Rents received from investment properties		458	518
Net cash flow from investing activities		3,294	1,396
Cash flow from financing activities:			
Repayment of long-term loans		-	(131)
Net cash flow from financing activities		-	(131)
Net increase/(decrease) in cash and cash equivalents		517	(314)
Cash and cash equivalents brought forward		407	721
Cash and cash equivalents carried forward		924	407
Cash and cash equivalents consist of:			
Cash at bank and in hand		924	407
		924	407

Society Statement of Cash Flows

	Note	2022 £000	2021 £000
Cash flow from operating activities:			
Net cash flow from operating activities	22	(2,777)	(1,870)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(28)	-
Payments to acquire investments		(9)	(6,112)
Receipts from sales of investments		2,829	7,224
Interest received		1	5
Dividends received		43	52
Rents received from investment properties		458	518
Net cash flow from investing activities		3,294	1,687
Cash flow from financing activities:			
Repayment of long-term loans		-	(131)
Net cash flow from financing activities		-	(131)
Net increase/(decrease) in cash and cash equivalents		517	(314)
Cash and cash equivalents brought forward		407	721
Cash and cash equivalents carried forward		924	407
Cash and cash equivalents consist of:			
Cash at bank and in hand		924	407
		407	407

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Church Army meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £'000.

The Statement of Financial Activities (SoFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The company (referred to as the Society) includes the results of Church Army, its linked charities and special trusts as disclosed in note 20 to these financial statements.

(b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All income is included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Similarly, no value is attached to gifts in kind that although graciously acknowledged, are not material for separate calculation or inclusion.

Notes to the financial statements

For Legacies, entitlement is the earlier of the charity being notified of an impending distribution or the Legacy being received. At this point income is recognised. On occasion, Legacies will be notified to the charity, however it is not possible to measure the amount expected to be distributed. On these occasions, the Legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants under Supporting People funding operating within our homeless projects in London and Cardiff and No Recourse to Public Funds grants to support people in our homeless project in London. Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes gains on disposals of tangible fixed assets and CJRS income which has been recognised in the period for which the claim was made.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities include office costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out centrally. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a headcount basis and other overheads have been allocated similarly.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Notes to the financial statements

(f) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Assets with a cost of less than £5,000 are not capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold and long leasehold land	Nil
Freehold buildings	75 years
Leasehold buildings	75 years or lease term if shorter
Freehold improvements	10 to 20 years
Other fixed assets	3 to 7 years

(g) Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

(h) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case they are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/losses on investments' in the Statement of Financial Activities. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(i) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

(j) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(l) Creditors and provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the financial statements

(m) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(n) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(o) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

(p) Pensions

The charity operates two defined contribution plans for the benefit of some of its employees. Contributions are expensed as they become payable.

The charity operates a defined benefit plan (CAPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The charity also contributes to a defined benefit plan (CEFPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period.

(q) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(r) Going concern

The trustees have agreed a deficit operating budget of £3m for 2022-23 and a 3-year financial model that forecasts income and expenditure, taking into account strategic plans for the following 2 years.

Reserves are in place to support the continued investment in the organisation's DARE strategy and the planned investment in delivering a step-change in fundraising over the next 2-3 years with the aim of moving towards operational financial sustainability by 2026.

Notes to the financial statements

The significant gains from investments last year reversed an expected operating deficit into a small surplus has strengthened the charity's position enabling it to continue its expansion plans and providing further resilience in the event of income shortfalls in the next 12 months.

After making these appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

(s) Financial instruments

The Society holds a variety of basic financial instruments as part of its day-to-day activities, principally investments, bank deposits and accounts, and trade creditors and debtors. The investment managers at times use hedges as part of a cautious investment strategy to reduce the underlying risks in the portfolio, but do not actively seek to invest in hedge funds. The Society has no significant exposure to credit risk, liquidity risk or cash flow risk, and its price risk exposure largely relates to the value of investments. Investments are monitored by an investment committee and cash flow is monitored as part of the financial management of the Society's operation.

(t) Judgements and estimations policy

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The present value of the pension schemes both depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liabilities.

Other key estimates are property values and depreciation. The useful life and residual value of an asset is subject to judgement. Property values are also subject to judgement on their state of repair, future rental yield and estimated cost to sell.

2 Income from donations and legacies

	Group 2022 £000	Group 2021 £000	Society 2022 £000	Society 2021 £000
Donations	2,406	2,057	1,468	1,416
Legacies	428	728	428	728
	2,834	2,785	1,896	2,144

In 2022, of the total Group income from donation and legacies, £1,359k (2021: £1,575k) was to unrestricted funds and £1,475k (2021: £1,210k) was to restricted funds. Of the total Society income from donation and legacies, £1,359k (2021: £1,575k) was to unrestricted funds and £537k (2021: £569k) was to restricted funds.

Notes to the financial statements

3 Income from charitable activities

	Group 2022 £000	Group 2021 £000	Society 2022 £000	Society 2021 £000
Fees for services (Housing Benefit)	1,543	1,482	168	168
Contractual payments	712	650	712	650
Performance related grants (Supporting People)	455	443	205	193
Other statutory grants	12	6	-	-
Research and Training	63	99	63	99
	2,785	2,680	1,148	1,110

In 2022, of the total Group income from charitable activities, £394k (2021: £314k) was to unrestricted funds and £2,391k (2021: £2,366k) was to restricted funds. Of the total Society income from charitable activities, £394k (2021: £314k) was to unrestricted funds and £754k (2021: £796k) was to restricted funds.

4 Income from other trading activities

	Group 2022 £000	Group 2021 £000	Society 2022 £000	Society 2021 £000
Accommodation	144	25	144	25
Room hire	8	1	6	1
Catering	27	4	23	2
Other trading	-	-	-	-
	179	30	173	28

In 2022, of the Group income from other trading activities, £173k (2021: £28k) was attributable to unrestricted funds and £6k (2021: £2k) to restricted funds. All of the Society income from other trading activities, £173k (2021: £28k) was to unrestricted funds.

5 Income from investments - Group and Society

	Total 2022 £000	Total 2021 £000
Listed investments	43	52
Bank interest	1	5
Rental income	458	518
	502	575

In 2022, of the total Group and Society income from investments, £478k (2021: £543k) was to unrestricted funds and £24k (2021: £32k) was to restricted funds.

Notes to the financial statements

6 Other income

	Group 2022 £000	Group 2021 £000	Society 2022 £000	Society 2021 £000
COVID grants	42	208	42	180
Other	31	70	21	23
	<u>73</u>	<u>278</u>	<u>63</u>	<u>203</u>

In 2022, of other Group income, £53k (2021: £206k) was attributable to unrestricted income and £20k (2021: £72k) restricted. Society income, £53k (2021: £206k) was attributable to unrestricted funds and £10k (2021: -£3k) to restricted funds.

7 Expenditure on raising funds

	Group 2022 £000	Group 2021 £000	Society 2022 £000	Society 2021 £000
Costs of generating voluntary income	384	252	281	209
Costs of generating trading income	750	655	706	592
Investment and investment properties management costs	142	265	142	265
	<u>1,276</u>	<u>1,172</u>	<u>1,129</u>	<u>1,066</u>

In 2022, of Group expenditure on raising funds, £1,034k (2021: £943k) was unrestricted and £242k (2021: £229k) restricted. Society expenditure on raising funds, £1,034k (2021: £943k) was unrestricted and £95k (2021: £123k) to restricted funds.

8 Expenditure on charitable activities

Group	Activities Undertaken directly £000	Support costs £000	Total 2022 £000	Total 2021 £000
Centres of Mission	1,713	850	2,563	2,301
Fresh expressions	114	21	135	219
Other field evangelism	248	175	423	385
Homeless projects	2,661	295	2,956	2,448
Training	392	228	620	509
Dean of Community	238	124	362	283
National Operations	249	113	362	274
	<u>5,615</u>	<u>1,806</u>	<u>7,421</u>	<u>6,419</u>
2021	<u>4,858</u>	<u>1,561</u>	<u>6,419</u>	

Of the above costs £2,748k (2021: £2,217k) were attributable to unrestricted funds and £4,673k (2021: £4,202k) were attributable to restricted funds.

Notes to the financial statements

8 Expenditure on charitable activities (continued)

Society	Activities Undertaken directly £000	Support costs £000	Total 2022 £000	Total 2021 £000
Centres of Mission	1,713	850	2,563	2,301
Fresh expressions	114	21	135	219
Other field evangelism	248	175	423	385
Homeless projects	78	295	373	309
Training	392	228	620	509
Dean of Community	238	124	362	283
National Operations	249	113	362	274
	<u>3,032</u>	<u>1,806</u>	<u>4,838</u>	<u>4,280</u>
2021	<u>2,719</u>	<u>1,561</u>	<u>4,280</u>	

Of the above costs, £2,748k (2021: £2,217k) were attributable to unrestricted funds and £2,090k (2021: £2,063k) were attributable to restricted funds.

9 Allocation of support costs - Group and Society

	Total 2022 £000	Total 2021 £000
Senior management	229	244
Communications	245	216
Administration (finance/personnel/volunteering/IT)	937	802
Strategic development	217	182
General unrestricted costs	154	54
Welfare	8	21
Housing	16	42
Total	<u>1,806</u>	<u>1,561</u>

The allocation of support costs is in line with the accounting policy in note 1(e).

10 Other expenditure

	Group 2022 £000	Group 2021 £000	Society 2022 £000	Society 2021 £000
Trustee expenses	5	-	5	-
Auditor's remuneration	25	30	25	30
	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>

In both years all the total Group and Society other expenditure was on unrestricted funds.

Notes to the financial statements

11 Net income/(expenditure) for the year

Net income/(expenditure) is stated after charging/(crediting):

	2022 £000	2021 £000
Depreciation of tangible fixed assets	274	289
Auditor's remuneration - audit	18	23
Auditor's remuneration - non-audit	7	7

12 Trustees' and key management personnel remuneration and expenses

All 13 (2021: 13) members of the Board who are not Church Army employees (including the Chair) provide their services free of charge, but incurred expenses totalling £4,492 (2021: £nil) for filing fees and travel costs incurred attending board meetings. As permitted by the Society's Articles of Association, during the year 3 (2021: 2) members of the Board who are, or were, Church Army employees received emoluments (including benefits in kind but excluding pension contributions) of £123,594 in total (2021: £115,592). 2 Board members benefited from contributions of £15,961 (2021: £9,883 for 1 Board member) to a defined contribution scheme.

The total amount of employee benefits received by key management personnel is £331k (2021: £252k). The Trustees consider its key management personnel comprises of the Senior Leadership Team made up of the CEO, the Director of Mission Operations, the Director of Community & Vocations and the Director of Learning and Development who are salaried employees.

The CEO is also a member of the board so his emoluments and pension contributions are included in both disclosures above.

Notes to the financial statements

13 Staff costs and employee benefits

The total staff costs and employees' benefits were as follows:	2022	2021
	£000	£000
Wages and salaries	4,467	3,877
Employer's NI	393	341
Employer's pension costs	318	337
	5,178	4,555

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000 is as follows:

	2022	2021
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	2	-
£80,001 - £90,000	-	1

Total redundancy and termination payments amount to £25,686 (2021: £nil).

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2022	2022	2021	2021
	Number	FTE	Number	FTE
Raising funds	40	20	31	31
Charitable activities	157	89	129	105
Support	18	13	18	18
	215	122	178	154

The above FTE numbers include 3.1 commissioned officers who are employed by the diocese in which they work but are partly or wholly funded by the Society. Part-time or part-funded staff are counted as appropriate fractions of a full-time or fully-funded post.

Notes to the financial statements

14 Tangible fixed assets

Group	Land and buildings £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:				
At 1 April 2021	8,178	2,677	1,139	11,994
Additions	-	28	-	28
Revaluation	83	-	-	83
At 31 March 2022	8,261	2,705	1,139	12,105
Depreciation:				
At 1 April 2021	874	1,138	1,124	3,136
Charge for the year	109	156	9	274
Revaluation	(12)	-	-	(12)
At 31 March 2022	971	1,294	1,133	3,398
Net book value:				
At 31 March 2022	7,290	1,411	6	8,707
At 31 March 2021	7,304	1,539	15	8,858

Notes to the financial statements

14 Tangible fixed assets (continued)

Society	Land and buildings	Freehold improvements	Other fixed assets	Total
	£000	£000	£000	£000
Cost or valuation:				
At 1 April 2021	6,836	2,292	460	9,588
Additions	-	28	-	28
Revaluation	83	-	-	83
At 31 March 2022	6,919	2,320	460	9,699
Depreciation:				
At 1 April 2021	711	1,099	451	2,261
Charge for the year	91	117	8	216
Revaluation	(12)	-	-	(12)
At 31 March 2022	790	1,216	459	2,465
Net book value:				
At 31 March 2022	6,129	1,104	1	7,234
At 31 March 2021	6,125	1,193	9	7,327

The net book value of land and buildings comprised:

	Group		Society	
	2022 £000	2021 £000	2022 £000	2021 £000
Operational properties (included above)				
Freehold	6,650	6,664	5,489	5,485
Long leasehold	640	640	640	640
	7,290	7,304	6,129	6,125
Investment properties (included in investments)				
Freehold	14,126	14,300	14,126	14,300
	14,126	14,300	14,126	14,300

Notes to the financial statements

14 Tangible fixed assets (continued)

The historic cost equivalent of land and buildings (including investment properties) included at valuation are as follows:

	Group		Society	
	2022 £000	2021 £000	2022 £000	2021 £000
Cost	7,789	8,288	7,789	8,288
Depreciation	(1,880)	(1,893)	(1,880)	(1,893)
Net book value	<u>5,909</u>	<u>6,395</u>	<u>5,909</u>	<u>6,395</u>

Society land and buildings are revalued every year at the balance sheet date to reflect market value. They have been valued at open market value and on an 'existing use' basis based on publicly available data and expertise through our property consultants Bruton Knowles. The Directors have adopted this basis of valuation.

15 Fixed asset investments

	Group		Society	
	2022 £000	2021 £000	2022 £000	2021 £000
Cost or valuation:				
At 1 April 2021	21,355	20,743	21,355	20,743
Additions	9	6,112	9	6,112
Disposals	(2,713)	(7,650)	(2,713)	(7,650)
Revaluation	2,135	2,150	2,135	2,150
At 31 March 2022	<u>20,786</u>	<u>21,355</u>	<u>20,786</u>	<u>21,355</u>

Investments at fair value comprise:

	Group		Society	
	2022 £000	2021 £000	2022 £000	2021 £000
Listed investments	6,660	7,055	6,660	7,055
Investment properties	14,126	14,300	14,126	14,300
	<u>20,786</u>	<u>21,355</u>	<u>20,786</u>	<u>21,355</u>

Investment properties are revalued every year at the balance sheet date to reflect market value. They have been valued at open market value and on an 'existing use' basis based on publicly available data and expertise through our property consultants Bruton Knowles. The Directors have adopted this basis of valuation.

Notes to the financial statements

15 Fixed asset investments (continued)

The cost of fixed asset investments is £10,824,312 (2021: £11,895,709).

Principal subsidiaries

The Society has two subsidiary companies which have been dormant since incorporation and which have no paid-up share capital.

Portman House Trust operates the Marylebone Project and Church Army is the sole Trustee. The Trust is a Registered Provider of Social Housing registered with the Tenant Services Authority and registered with the Charity Commission through Church Army (registered number 226226, subsidiary 67).

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Loss for the year £000	Net assets £000
Portman House Trust	2,564	(2,730)	(166)	1,872

16 Debtors

	Group		Society	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade debtors	271	182	183	101
Other debtors	21	90	19	88
Prepayments and accrued income	315	386	315	386
	<u>607</u>	<u>658</u>	<u>517</u>	<u>575</u>

Notes to the financial statements

17 Creditors: amounts falling due within one year

	Group		Society	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade creditors	522	119	494	98
Other tax and social security	111	96	111	96
Amounts owed to subsidiary undertakings	-	-	364	445
Amount due to Church Army Pension Scheme	(29)	221	(29)	221
Other creditors	97	87	97	87
Accruals and deferred income	261	499	261	499
C of E pension scheme (note 23)	47	25	47	25
	<u>1,009</u>	<u>1,047</u>	<u>1,345</u>	<u>1,471</u>

Deferred income

	Group 2022 £000	Society 2022 £000
Opening deferred income	218	218
Resources deferred during year	37	37
Amounts released from previous years	(218)	(218)
Closing deferred income	<u>37</u>	<u>37</u>

Deferred income relates to grant income received in advance.

18 Creditors: amounts falling due after more than one year

	Group		Society	
	2022 £000	2021 £000	2022 £000	2021 £000
C of E pension scheme (note 23)	5	79	5	79
	<u>5</u>	<u>79</u>	<u>5</u>	<u>79</u>

Notes to the financial statements

19 Charity Funds - current year

	as restated 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2022 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets	7,327	-	(204)	111	-	7,234
DARE strategy	6,670	725	(1,184)	-	-	6,211
Total designated funds	13,997	725	(1,388)	111	-	13,445
Free reserves	9,297	1,732	(2,424)	(1,034)	1,801	9,372
Total unrestricted funds	23,294	2,457	(3,812)	(923)	1,801	22,817
Restricted funds						
Portman House Trust	2,038	2,590	(2,386)	(353)	9	1,898
Special trusts including linked charity:						
Discretionary Grant Fund	885	-	(8)	-	75	952
Gurney Trust	1,964	-	-	-	142	2,106
Ketterson	157	-	-	-	36	193
Tebbs	145	4	-	-	20	169
Other restricted funds including linked charity:						
Retirement fund	1,606	20	(15)	-	147	1,758
Greenwich Centre of Mission	29	-	-	-	-	29
Frontline activities	-	1,240	(2,516)	1,276	-	-
Other	138	62	(60)	-	-	140
	6,962	3,916	(4,985)	923	429	7,245
CAPS pension liability	(636)	-	23	-	613	-
CoE pension liability	(104)	-	52	-	-	(52)
Total restricted funds	6,222	3,916	(4,910)	923	1,042	7,193
Total funds	29,516	6,373	(8,722)	-	2,843	30,010

Notes to the financial statements

19 Charity Funds - prior year

	as restated 1 April 2020 £000	Income £000	Expenditure £000	as restated Transfers £000	Gains/(losses) £000	as restated 31 March 2021 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets net of loans	7,453	-	(220)	94	-	7,327
DARE strategy	7,173	398	(901)	-	-	6,670
Total designated funds	14,626	398	(1,121)	94	-	13,997
Free reserves	8,660	2,268	(2,069)	(1,102)	1,540	9,297
Total unrestricted funds	23,286	2,666	(3,190)	(1,008)	1,540	23,294
Restricted funds						
Portman House Trust	1,996	2,288	(1,937)	(394)	85	2,038
Special trusts including linked charity:						
Discretionary Grant Fund	725	1	(23)	-	182	885
Gurney Trust	1,621	2	(3)	-	344	1,964
Ketterson	157	-	-	-	-	157
Tebbs	141	4	-	-	-	145
Other restricted funds including linked charity:						
Retirement fund	1,563	26	(63)	-	80	1,606
Greenwich Centre of Mission	29	-	-	-	-	29
Frontline activities	-	1,207	(2,609)	1,402	-	-
Other	73	154	(89)	-	-	138
	6,305	3,682	(4,724)	1,008	691	6,962
CAPS pension liability	(259)	-	212	-	(589)	(636)
CoE pension liability	(179)	-	75	-	-	(104)
Total restricted funds	5,867	3,682	(4,437)	1,008	102	6,222
Total funds	29,153	6,348	(7,627)	-	1,642	29,516

Notes to the financial statements

19 Charity Funds (continued)

Reserves	Group		Society	
	2022 £000	2021 £000	2022 £000	2021 £000
Income and expenditure account	20,100	20,345	18,201	18,307
Revaluation reserve	9,962	9,911	9,962	9,911
Pension reserve	(52)	(740)	(52)	(740)
	<u>30,010</u>	<u>29,516</u>	<u>28,111</u>	<u>27,478</u>

The designated funds comprise the amounts tied up in fixed assets (net of any related borrowing) plus an amount set aside for commitment to the DARE strategy.

Portman House Trust, a subsidiary, operates the project for homeless women at Marylebone.

The Discretionary Grants Fund is an amalgamation of various restricted funds for the welfare of current and retired officers and staff.

The Gurney Trust is for the benefit of women in need, and the income from its investments provide additional income for the Marylebone Project.

Ketterson Trust is historically linked with work in Northern Ireland.

Tebbs trust is an historic fund established to support 'general religious purposes'.

The retirement fund is to support retired officers and widows of commissioned officers, the fund is made up of properties bequeathed to Church Army or subsequent properties purchased with the proceeds, and a small cash holding.

Greenwich Centre of Mission, Frontline activities (money given specifically for frontline activities) and other restricted funds are used to fund specific projects in accordance with the instructions of the donors, settlors or Trustees.

Transfers have been made between funds for the following:

- contribution to frontline activities from General Funds
- to reflect the changes in operational property and other fixed assets designated funds
- to account for management charges between Portman House Trust and Church Army.

The analysis of the unrestricted reserves has been restated to fairly reflect the analysis between designated funds and free reserves at 31 March 2020 and at 31 March 2021.

20 Special trusts and linked charities

Over many years, Church Army has been appointed to, and continues to administer a number of special trusts, many of which have now expired, but some still exist and are managed in furtherance of the purpose under which they were established.

Within these trusts are two that are linked charities per The Charity Commission website. The Hearn Fund (included within the retirement fund) and The Patterson Holiday Fund (included within the discretionary grant fund). These linked charities and special trusts are combined within the Church Army's results and are accounted for as a component of restricted funds. Separate accounts are not maintained but are recorded so they can be isolated for monitoring and reporting purposes.

Notes to the financial statements

20 Special trusts and linked charities (continued)

The activity and funds held by each linked charity are as follows:

	The Hearn Fund £000	The Patterson Holiday Fund £000
Funds at 1 April 2021	189	170
Income	-	-
Expenditure	-	-
Gains/(losses)	16	14
Funds at 31 March 2022	205	184

21 Analysis of net assets between funds

Current year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,234	1,473	8,707
Investments	16,175	4,611	20,786
Current assets	342	1,189	1,531
Creditors due within one year	(934)	(75)	(1,009)
Creditors due after more than one year	-	(5)	(5)
Defined benefit pension liability	-	-	-
Total	22,817	7,193	30,010

Prior year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,327	1,531	8,858
Investments	16,896	4,459	21,355
Current assets	72	993	1,065
Creditors due within one year	(1,001)	(46)	(1,047)
Creditors due after more than one year	-	(79)	(79)
Defined benefit pension liability	-	(636)	(636)
Total	23,294	6,222	29,516

Notes to the financial statements

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

Group	2022 £000	2021 £000
Net income/(expenditure) for the year	(214)	847
Rents received from investment properties	(458)	(518)
Income from investments	(44)	(57)
Depreciation of tangible fixed assets	274	289
Gains on investments	(2,135)	(2,126)
(Profit)/loss on disposal of tangible fixed assets	-	5
(Profit)/loss on disposal of investments	(116)	-
Movement in defined benefit scheme funding	(23)	(212)
Movement in CoE pension scheme	(52)	(75)
(Increase)/decrease in debtors	51	109
Increase/(decrease) in creditors	(60)	159
Net cash flow from operating activities	<u>(2,777)</u>	<u>(1,579)</u>

Society	2022 £000	2021 £000
Net income/(expenditure) for the year	(75)	804
Rents received from investment properties	(458)	(518)
Income from investments	(44)	(57)
Depreciation of tangible fixed assets	216	231
(Gains)/losses on investments	(2,135)	(2,126)
(Profit)/loss on disposal of tangible fixed assets	-	5
(Profit)/loss on disposal of investments	(116)	-
Movement in defined benefit scheme funding	(23)	(212)
Movement in CofE pension scheme	(52)	(75)
(Increase)/decrease in debtors	58	131
Increase/(decrease) in creditors	(148)	(53)
Net cash flow from operating activities	<u>(2,777)</u>	<u>(1,870)</u>

Analysis of changes in net debt - Group and Society

	At 1 April 2021 £000	Cash Flows £000	At 31 March 2022 £000
Short term borrowings	-	-	-
Total liabilities	-	-	-
Cash at bank	(407)	(517)	(924)
Total net debt	<u>(407)</u>	<u>(517)</u>	<u>(924)</u>

Notes to the financial statements

23 Pensions and other post-retirement benefits

Church Army Pension Scheme (CAPS)

Church Army operates the Church Army Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members: Active members: currently employed by the Church Army and accruing benefits in the Scheme Deferred members: former active members of the Scheme who are not yet in receipt of a pension Pensioner members: in receipt of pension.

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustees as at 31 March 2020. This valuation revealed a funding shortfall of £657,000.

With effect from 1 April 2021, Church Army agreed to pay annual contributions of £50,000 - split as: £37,500 in respect of the deficit in the Scheme; and 30.6% pensionable salary (expected to average £12,500 per annum over the period of the Recovery Plan) to meet the cost of future accrual of benefits for the remaining active member.

These contributions are expected to be paid until 30 September 2028. Church Army has also agreed to contribute additional payments of £50,000 per annum to meet the expenses of administering the Scheme and the cost of levies, where such expenses are met from the Scheme assets. Church Army therefore expects to pay a total of £100,000 to the Scheme during the accounting year beginning 1 April 2022.

Church of England Funded Pensions Scheme (CEFPS)

Commissioned staff are members of the Church of England Funded Pensions Scheme administered by the Church of England Pensions Board which holds the assets of the schemes separately from those of the Responsible Bodies. The total contribution to this scheme during the year was £240k (2021: £227k).

Stakeholder Scheme provided by Clerical Medical

The stakeholder scheme was established to meet statutory legislation ruling at the time and provide pension provisions for new and existing employees who were not eligible to join the CEFPS or CAPS schemes. The total contribution to this scheme during the year was £19k (2021: £19k).

Auto-enrolment scheme provided by People's Pension (B&CE)

The auto-enrolment scheme was established to conform to current legislation regarding the provision of pension opportunities to all qualifying employees. The total contribution to this scheme during the year was £59k (2021: £51k).

The defined contribution expenses are allocated to activities per staff allocation and all expenses and liabilities are allocated to restricted funds.

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church Army Pension Scheme (CAPS)

The total cost recognised in the period was as follows:

	2022 £000	2021 £000
Current service cost	15	40
Admin costs, past introductions, changes, curtailments and settlements	50	94
Net interest (income)/expense	12	4
Recognised in net income/expenditure	77	138
Recognised in other (gains)/losses	(613)	589
Total cost recognised	(536)	727

The surplus/(deficit) at the balance sheet date is as follows:

	2022 £000	2021 £000
Fair value of plan assets	10,115	9,584
Present value of funded obligations	(9,581)	(10,220)
Net pension surplus/(deficit)	534	(636)

The net pension surplus in the current year, in accordance with FRS 102, is not recognised in the balance sheet as the company is unable to recover this surplus from the pension scheme.

Changes in the fair value of the pension plan assets were as follows:

	2022 £000	2021 £000
Opening plan assets	9,584	8,814
Interest income	179	200
Actual return on plan assets (excluding interest income)	693	771
Administration expenses	(50)	(94)
Contributions by charity	100	350
Contributions by scheme participants	2	8
Benefits paid	(393)	(465)
Closing plan assets	10,115	9,584

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Changes in the present value of the defined benefit obligations were as follows:

	2022 £000	2021 £000
Opening defined benefit obligation	10,220	9,073
Current & past service cost	15	40
Interest expense	191	204
Contributions by scheme participants	2	8
Benefits paid	(393)	(465)
Actuarial (gains)/losses	(454)	1,360
Closing defined benefit obligation	9,581	10,220

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2022 £000	2021 £000
Equity instruments	-	-
Bonds	813	813
Cash	(39)	176
Other assets	-	-
Pooled investment vehicle	5,015	4,680
Liability driven investments	1,932	1,724
Diversified credit funds	2,394	2,191
	10,115	9,584

The return on plan assets was as follows:

	2022 £000	2021 £000
Interest income	179	200
Actual return on plan assets (excluding interest income)	693	771
Total return on plan assets	872	971

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	2.7%	1.9%
RPI inflation	3.8%	3.3%
CPI inflation	3.3%	2.8%
Expected rates of salary increases	3.1%	2.6%
Expected rates of pension increases RPI linked	3.8%	3.2%
Expected rates of pension increases CPI linked	3.3%	2.8%
Expected rates of pension increases (5% or RPI if less)	3.7%	3.3%
Expected rates of pension increases (5% or CPI if less)	3.2%	2.8%

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Mortality after retirement	100% S3PMA_H/100% S3PFA_M CMI_2021_M/F [1.25%] (yob)	100% S3PMA_H/100% S3PFA_M CMI_2020_M/F 1.25% (yob)
Mortality before retirement	As per post retirement	As per post retirement
Life expectancy for a current individual aged 65:		
Males	19.7 (2021: 19.8)	
Females	23.8 (2021: 23.8)	
Life expectancy at age 65 for a current individual aged 45:		
Males	21.2 (2021: 21.1)	
Females	25.2 (2021: 25.3)	

Church of England Funded Pension Scheme (CEFPS)

The total movements recognised in the period were as follows:	2022	2021
	£000	£000
Net interest income/expense	-	2
Deficit contribution paid	(47)	(83)
Re-measurement of the balance sheet liability	(5)	6
Total	(52)	(75)

Church Army participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in the year and were £240k (2021: £310k), of which £47k (2021: £83k) were towards the scheme deficit.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) continued

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022 £000	2021 £000
Opening balance sheet liability	104	179
Deficit contribution paid	(47)	(83)
Interest cost (recognised in SOFA)	-	2
Remaining change to the balance sheet liability* (recognised in SOFA)	(5)	6
Closing balance sheet liability	52	104
Split of liability:	2022 £000	2021 £000
Creditors: amounts falling due within one year (note 17)	(47)	(25)
Creditors: amounts falling due after more than one year (note 19)	(5)	(79)
	(52)	(104)

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

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) continued

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

	December 2021	December 2020	December 2019
Discount rate	0.0% pa	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5% pa	1.6% pa	1.3% pa

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

24 Operating lease commitments

At 31 March 2022 the group had lease agreements in respect of various properties, for which the payments extend over a number of years. The total future minimum lease payments are as follows:

	2022 £000	2021 £000
Not later than one year	45	18
Later than one and not later than five years	6	13
Later than five years	-	-
	<u>51</u>	<u>31</u>

The lease payments recognised as an expense in the year were £152k (2021: £128k).

25 Capital commitments

There are no capital commitments as at 31 March 2022 (2021: £73k for refurbishment of the drop-in centre at the Marylebone project and Sheffield premises).

26 Contingent liabilities

In 2019 Church Army provided support to a venture seeking to establish a Community and Retreat centre for young people using the buildings of a former convent. As part of this support Church Army employed the staff and signed the lease for the site, with the expectation that these would be formally transferred across to the new charity once it became established. While refurbishment of the buildings commenced as planned, Covid had a significant impact on the wider plans for the venture and in the spring of 2022 the Trustees of that venture decided to close down the project. At the date of signing these accounts Church Army is in the process of negotiating a settlement with the Freeholder of the site to exit the lease early. A claim for £356,000 has been made by the Freeholder for dilapidations which is being disputed and at this stage it is not possible to assess the likely outcome and so the amount of the claim cannot be reliably measured.

Notes to the financial statements

27 Related party transactions

Trustee and key management personnel transactions are disclosed in note 12.

Transactions with the Church Army Pension Scheme (CAPS) are disclosed in note 23. At the year end a balance is due to the scheme of £nil (2021: £221k).

Church Army acts as sole trustee to Portman House Trust and also landlord for two of the three properties which make up the project. The rent for the properties is negotiated on an arm's length basis using third party professional valuations and on a five yearly review cycle, in the year 2021/22 rent amounted to £234k (2020/21: £234k). Church Army also apportions some of its own administrative and management costs to the Portman House Trust covering services such as building management, health and safety, accounting and payroll which are calculated on a time basis as is senior management. Group incurred insurance is apportioned based on employee costs. The total of these recharges for the year was £120k (2021: £160k).

28 Prior year restatement

There has been a reanalysis between designated funds and general funds in the prior year to align the designated fixed asset fund with the value of fixed assets on the balance sheet. This has not affected the overall unrestricted fund position.

Accounts

Church Army (The)
Reports and Financial Statements
Year Ended 31 March 2021

Charity registration numbers:
England & Wales: 226226
Scotland: SC040457
Republic of Ireland: 20152604

Company registration number: 37169

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**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021**

Patron	HM The Queen
President	The Rt Rev & Rt Hon Lord Williams of Oystermouth
Vice Presidents	The Rt Rev Bruce Cameron The Most Rev Dr Richard Clarke The Most Revd John Davies The Rt Rev Lord Eames of Armagh The Rt Rev Dr Alan Harper OBE The Most Rev Dr Michael Jackson Dr Bill Lattimer The Most Rev Barry Morgan Pam Rhodes The Most Rev & Rt Hon John Sentamu June Simpson The Most Revd Mark Strange Roy Totten The Rt Rev Michael Turnbull The Most Rev & Rt Hon Justin Welby
Trustees and Board	Chair: The Most Rev & Rt Hon Stephen Cottrell Vice Chair: The Rt Rev Guli Francis-Dehqani (appointed 7 Sept 2020) Honorary Treasurer: John Whitfield The Rt Rev Alan Abernethy The Ven Dr John Applegate Christine Corteen (resigned 7 September 2020) The Rev Jude Davis (resigned 7 May 2020) Stephen Eccleston The Rt Rev Dr Robert Gillies Sister Kathy Green CA Revd Canon Lusa Nsenga-Ngoy The Rt Revd Joanna Penberthy The Ven Dr Peter Rouch (appointed 1 May 2021) Des Scott (appointed 07/05/2020 resigned 12 March 2021) Sister Karen Webb CA Captain Andrew Payne CA (appointed 11 November 2020) Karen West (appointed 19 March 2021)
Chief Executive	Des Scott (resigned 12 March 2021) The Ven Dr Peter Rouch (appointed 1 May 2021)
Company Secretary	Robin Webb (appointed 26 June 2020)
Senior Leadership Team	Des Scott Chief Executive (appointed 7 May 2020, resigned 12 March 2021) The Ven Dr Peter Rouch (appointed 1 May 2021) Robin Webb Chief Operating Officer (appointed 1 June 2020) The Rev Jude Davis Director of Ministry and Community Leader (appointed 1 June 2020) Captain Andrew Chadwick CA Dean of Community (resigned 31 March 2021) Captain Neville Willerton CA Director of Operations Dr Timothy Ling Director of Learning and Development Sister Sheelagh Easby CA Associate Member

Registered office	Wilson Carlile Centre 50 Cavendish Street Sheffield S3 7RZ Telephone 0300 123 2113 Email: info@churcharmy.org
Auditor	BHP LLP Sheffield
Solicitors	Cooper Burnett LLP Anthony Collins Solicitors LLP
Bankers	Barclays Bank PLC Unity Trust Bank PLC
Actuaries	First Actuarial PLC
Investment Managers	Ruffer LLP CCLA Investment Managers Limited
Charity registration numbers	England & Wales: 226226 Scotland: SC040457 Republic of Ireland: 20152604
Company registration number	37169

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021**

Welcome

For most people, the 2020/21 year has been a period like no other. For many, the impact of the pandemic has been experienced as a negative and challenges have abounded in every area of life. Nevertheless, it is my privilege to be able to introduce this Report and Accounts with celebration.

Church Army is an organisation and a body of particularly committed people, that exists to serve others who are in need, to do so in the name of the God of love, and to share the good news of that love as we do so. We are “good news people” and this is at the heart of what it means to be an evangelist - good news, most especially for those facing some of life’s toughest challenges!

Many things have been knocked off course by the pandemic, but I am delighted to be able to say that amidst many common challenges, the work of Church Army has not been diverted; indeed, our work has grown and in places is notably stronger. We have continued to pursue our DARE strategy - Doing, Advocating, Resourcing and Enabling Evangelism...good news.

Our centres of mission have responded this past year by focusing the support they offer on the growing and changing needs of their communities as they have lived through the reality of the pandemic. Indeed, we have not only sustained and developed in a responsive way, but we have also proactively launched new centres of mission in the height of the pandemic restrictions. More centres of mission exist than did a year ago. Our research team tracks our work and from this, we know that over this last year, 44% of those who have volunteered to help our work have not been from established church backgrounds. This attests to the widespread appreciation of what our centres of mission offer. Our forward momentum continues with plans for three more centres of mission now very advanced.

At our Marylebone Project for homeless women in London, the fantastic partnership that was developing last year between Church Army, Evening Standard, the Independent and Barclays Bank has matured. The 24 hour a day, seven days a week drop-in centre that it was aiming to create is now a reality. It is called The Sanctuary and we are planning its formal launch as I write this. Others, such as Selfridges, have also contributed to this and a broader range of funders are continuing to support our existing services. This is an extraordinary and highly effective collaboration that serves women in extreme need. We rejoice in it.

In Cardiff, our residential services for young people continue to enjoy an excellent reputation for the support they provide. The work of our Amber Project with young people wrestling with challenges in mental health and especially self-harm continued throughout the year, creatively using the potential of online support to achieve its goals.

These are high points in a highly effective year of work for Church Army and reflect areas in which we are deliberately investing. I am conscious also that the training and formation that Church Army offers is frequently taken elsewhere beyond our centres of mission and key projects. Church Army folk are a distinctive bunch. They are generous, risk-taking, accountable, collaborative, expectant, unconditional in what they offer, prayerful. These things are our values as an organisation, and those who have once been Church Army people continue to exhibit them. Whether or not directly employed by us, or making a contribution through other agencies and other spheres of life, they offer something distinctive. I celebrate this wider community that is Church Army.

I also celebrate the body of those who support what we are able to achieve. This includes trusts and foundations, statutory agencies and individual supporters and donors. The great achievements in this past year have only been possible because of that support. On behalf of the thousands of people whose lives have been impacted by our work, I offer to all our supporters our sincerest gratitude.

Peter Rouch
Peter Rouch (Nov 19, 2021 15:48 GMT)

Peter Rouch, Chief Executive Officer

Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2021

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the *Annual Report* and Financial Statements of the charity.

The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 the Republic of Ireland published in October 2019.

Who is Church Army?

Church Army is a mission-focused community of people who are transforming lives and neighbourhoods through the work of evangelists, staff and supporters. We are committed to sharing the Christian faith through words and action in a variety of contexts across the British Isles and Ireland. Our evangelists and staff work beyond church buildings among some of the most broken, rejected and hurting people in society. We are also committed to building new forms of Christian community to reach people who have little or no experience of church. Much of our frontline work is carried out through our centres of mission. A centre of mission is a community of evangelists working together to enable evangelism and mission across a host diocese. They have four key strands to them:

- Centres of mission seek to implement the Church Army strategy across the UK and Ireland.
- They are in strategic partnership with the host diocese.
- They develop fresh expressions of church for the unchurched.
- They resource and equip the church for evangelism.

We also carry out other frontline activities like *Xplore*, the *Marylebone Project*, *Cardiff Residential Services* and the *Amber Project*, all in fulfilment of our charitable objectives.

Our work includes:

- preventing homelessness and caring for those who have been homeless
- supporting women caught up in prostitution
- building community on housing estates
- helping people trapped in debt
- working with young people who are experiencing self-harm
- night-time street ministry
- chaplaincy
- local church ministry
- children and young people's ministry including school outreach
- working with people with drug and alcohol addictions
- bus projects to reach people where they live
- older people's ministry
- family breakdown prevention

Other key work includes:

- researching into evangelistic initiatives
- church planting and fresh expressions
- providing evangelism training and resources for the wider church

Our mission:

To enable people to come to a living faith in Jesus Christ and relieving poverty and distress.

Our vision:

For everyone everywhere to encounter God's love and be empowered to transform their communities through faith shared in words and action.

Our values:

- **Generous:** God is generous, and we want to model that generosity to others.
- **Risk-taking:** We have a long heritage as a pioneering movement, prepared to take risks and give colleagues permission to succeed or fail as they seek to do new things.
- **Accountable:** We are accountable to God and others, living reliably and responsibly to high professional standards.
- **Collaborative:** We are committed to partnership with those who share our values; we believe it enhances our work.
- **Expectant:** We are hopeful, expecting God to do new things amongst us.
- **Unconditional:** God loves everyone, and everyone is significant in His eyes; we will serve anyone regardless of their age, gender, race, sexuality, faith, ability, status or circumstances.
- **Prayerful:** Listening to God, being obedient to God; we want to be like Jesus in our life and witness.

Objectives and activities including achievements and performance

Our DARE strategy: doing, advocating, resourcing and enabling evangelism

The following sections of this *Annual Report* will look at each of the four DARE objectives and how we are fulfilling them.

**Objective 1:
Doing Evangelism**

Centres of Mission

At 31 March 2021 we had reached a total of 29 Centres of Mission, we aim to have 50 by 2027.

A year of COVID-19

During the 20/21 financial year, our projects and our Centres of Mission had to react and respond to multiple challenges that faced them with COVID-19 and lockdown. The nature of the changes was varied dependent on context and the needs of local communities but the restriction of social gathering, increasing isolation of the vulnerable and the financial crunch to communities meant that our work had to go through a significant transition and respond quickly to the needs. Despite the challenge of this, there have been moments of celebration. The increase of projects that are food provision related demonstrates the way our work has responded quickly to the need of local communities.

The development of an online presence for many of our projects and Centres of Mission has been another successful transition. New communities have been launched and new individuals reached through projects and Centres of Mission being creative in how they relate to others during lockdown.

Headlines from recent research among 26 of our Centres of Mission by the Church Army Research Unit (CARU) gave an insight into the work undertaken by our CoMs over the last year which included:

Social Impact

- 19 Centres of Mission reported involvement in some form of **food provision** during the pandemic, providing more than 23,800 food parcels with at least 3,100 families / households benefiting.
- 11 Centres of Mission reported helping to provide **other essentials** (e.g. clothing, furniture, baby equipment) for vulnerable individuals and families, with an estimated 1,500 people benefiting.
- 22 Centres of Mission reported providing **emotional support**, keeping in touch with an estimated 3,100 people benefiting.
- 6 Centres of Mission reported supporting **social events and community activities** (online or offline) during the pandemic, with activities attracting an estimated 310 people .
- 12 Centres of Mission reported running **support groups** or other activities focused on identified groups. The typical attendance at these groups totalled an estimated 440 people.
- 12 Centres of Mission reported providing **activity packs or gift bags** for children, young people, and families, with an estimated 3,000 packs distributed.
- 8 Centres of Mission also reported running groups and **activities for children, young people, and families**, with the typical attendance at these groups totalling an estimated 420 people.
- 7 Centres of Mission reported helping provide **emotional and educational support in schools in a one-to-one or small group setting** to an estimated 420 children and young people.
- 3 Centres of Mission reported involvement in **environmental projects**, including community litter picking and helping to develop a community garden.

Faith Impact

- 6 Centres of Mission told us of examples of **creative outdoor evangelism** which used an estimated 5,300 physical objects (e.g. knitted angels) and messages and artwork seen by countless people.
- 4 Centres of Mission reported engaging in **prayer walking** outdoors.
- 15 Centres of Mission reported running **online services**, with an estimated typical attendance totalling 700 people.
- 11 Centres of Mission reported running additional **prayer activities**, with a typical attendance totalling 200 people.
- 8 Centres of Mission reported posting **devotional thoughts and reflections** online and on social media, with an estimated 19,700 views.

- 7 Centres of Mission reported running **seasonal events and evangelistic activities**, particularly around Christmas and Easter. These events engaged an estimated 2,200 people.
- Centre of Mission Evangelists helped people in their communities mark **grief and the end of life** in lots of different ways.
- 11 Centres of Mission reported providing **assemblies and spiritual support** in 22 schools. The most common example of this was assemblies.
- 7 Centres of Mission said they had run **faith-sharing courses** (Alpha and equivalent) in 2020/21, with an estimated 80 people engaging.
- 9 Centres of Mission reported running **discipleship or bible study groups**, with an estimated 150 people (both adults and young people) engaging.
- Although we did not explicitly ask them about numbers of people becoming Christians or making faith commitments, 8 Centres of Mission volunteered information about people who had made some form of **faith commitment** in 2020/21. At least 27 people had become Christians in or through these Centres of Mission.

I've been working with someone for 2 years and then in the Bible study in October she felt ready to become a Christian which was amazing. It shows how important it is to invest in those relationships and how often it takes more than 2/3 years for people to really feel our presence

- 18 Centres of Mission reported **fresh expressions of Church** or new worshipping communities that met (either in person or online) during the pandemic, engaging an estimated 620 people each month.

For more details and insight into the breadth and impact of our work please visit www.churcharmy.org where you can also access our **Impact Report**.

New Centres of Mission

Notwithstanding the impact of COVID-19, we've continued to deliver our Strategy to open new Centres of Mission and in the 2020/2021 financial year we launched 5 new centres of mission, 2 in England, 2 in Wales and one in Northern Ireland in the following areas:

The Langley Centre of Mission was launched in September 2020 as a strategic partnership between the Diocese of Birmingham and Church Army. This Centre of Mission is led by Val Legg and with Simeon Jarvis as the Pioneer Evangelist.

The Rochdale Centre of Mission was launched in March 2020 in a partnership with the Diocese of Manchester. The Centre of Mission is led by Lead Evangelist Bing Liu. We are waiting to make an appointment of a Pioneer Evangelist.

The Llanelli Centre of Mission, launched in early 2021 as part of Impact 242, an exciting strategy of St David's diocese to create new worshipping communities for the unchurched. Led by Rob Lowe working with Michelle Lloyd, the pioneer evangelist, this Centre of Mission works in the Morfa estate in Llanelli.

The Cross Hands Centre of Mission, This is another Centre of Mission opened as part of the Impact 242 strategy. It is led by Esther Lockley and with Ruach Mitchell as pioneer evangelist. Both Llanelli CoM and Cross Hands CoM join the already launched Haverfordwest Centre of Mission as part of Impact 242.

The Newry Centre of Mission was launched in August 2020. The Centre of Mission is led by Lead Evangelist Scott McDonald working with Pioneer Evangelist Laurence Bellew. This Centre of Mission is in partnership with Down and Dromore diocese.

In launching new centres of mission, we appoint a Lead Evangelist, later appointing a Pioneer Evangelist with unique skills to work with the Lead Evangelist to identify and break into the needs of the area.

Where are we doing evangelism?

Activities in England, Ireland, Scotland and Wales

- We currently have 225 commissioned Evangelists in the UK and Ireland (not all of these are employed by Church Army).
- In England we have 184 commissioned Evangelists and 17 centres of mission in Attercliffe and Darnall (Sheffield), Gloucester, Langley, Liverpool, Scunthorpe, Sheffield (Chocolate Box), Blackpool, Bradford (Sorted), Leeds, Middlesbrough, Rochdale, Selby, Greenwich, Hackney, Kings Lynn, Medway and Southampton.
- In Wales we have 9 commissioned evangelists and 5 centres of mission in Cross Hands, Haverfordwest, Llandaff, Llanelli and Wrexham (formerly St Asaph).
- In Scotland we have 6 commissioned evangelists and 3 centres of mission in Argyll & The Isles, Dundee and the Edinburgh (A7 Centres of Mission).
- In Ireland we have 26 commissioned evangelists; 19 in Northern Ireland and seven in the Republic of Ireland. We have 4 centres of mission in Ireland in Ballina, Drumcliffe, Newry and North Belfast. North Belfast partners with the charities Baby Basics and *Transforming Lives for Good*. Church Army is also registered with the Charities Regulator Authority in the Republic of Ireland.
- In addition to the evangelists recorded above, one Church Army evangelist works within the Diocese of Europe and 171 are retired from stipendiary ministry, although many are still active in their local churches and communities.

Marylebone Project

The main focus throughout this financial year has been maintaining the safety of our women and providing support to them in dealing with the COVID-19 lockdown restrictions. This meant that for a period of time, all group activities needed to stop and these were replaced with us providing as many in-house individual activities that we could arrange and providing resources to help maintain good mental health and ways in which the women could pass the time. We provided goodie bags containing reading books, puzzle books, art and craft ideas and materials, baking bags of ingredients and recipes, healthy eating tips and a weekly newsletter with quizzes, crosswords and health and wellbeing tips.

Safety measures were implemented throughout the Project with an improved cleaning regime, hand sanitiser being available in all areas, personal protective equipment (PPE) being available to all, redesigning of office/meeting spaces, protective screens being installed, onsite testing twice weekly for all staff and women and an onsite vaccination session.

These measures proved to be effective in managing the impact of COVID-19 in that none of our women died and very few experienced suspected or confirmed symptoms. We worked in partnership with the local authority and health service and women with suspected and confirmed symptoms were treated at a local COVID-19 centre for the isolation period and then returned to the Project. Women who were contacts of the suspected/confirmed cases were placed in isolation within the Project for the designated period of time and we provided all meals to them in the flatlets whilst also continuing to provide them with daily contact via telephone call or video call.

The drop-in centre:

The drop-in centre remained closed as a physical space for the women to visit for the majority of the reporting period, but we maintained a "drop in and collect" service. Although the local authority supported many rough sleepers into staying in locally sourced hotels, this service was not something that all rough sleepers felt comfortable in accessing and not all hotels provided the provisions that were needed. As such, some women continued to visit the drop in to collect basic provisions of food, clothing, toiletries etc.

We used the period of the drop-in centre being closed to refurbish it and make it a fully fit for purpose centre for women who are rough sleeping. Significant improvements have been made to the space such as creating a brighter and more inviting reception area, installing a brand-new shower room and a toilet, installing a new kitchen, refurbishing the training and IT room, and converting the previous laundry room to a new advice office, overall, providing a therapeutic and relaxing space for our service users. The newly refurbished centre was re-opened on 1st March 2021.

Service users' feedback was captured after the refurbishment:

"I have been coming to the Centre for a very long time, I saw how it was before and I am very shocked. It looks so beautiful now. I love to come here."

"I started coming to the Centre because I am homeless and have been told that I have to leave my temporary accommodation. I love the way the Centre looks; it is a very calming place to rest and especially enjoy using the showers because they are clean and very nice."

We are working towards the Centre being open 24 hours a day, 7 days a week from September 2021. We are truly thankful for the financial support to make this resource for vulnerable women possible, including the generous support agreed at the year end from the London Evening Standard and Barclays who are providing a grant of £473,000 to enable the move to 24-7 operation.

Due to the plans for opening the centre 24 hours, 7 days a week from September 2021 it was decided that a day to day onsite General Manager was needed for the Project and the existing Operations Manager was appointed to this new post and a new Operations Manager recruited

Every year the Marylebone Project sets a challenge to support as many women as possible into moving into independent living and last year we increased our number from 37 in 2018-2019 to 55 in 2019-2020. This current year has seen another significant rise with 95 women being resettled into independent living. This is partly due to the local authority making a greater number of properties available so that our vacant bed spaces could then be made available to those women who were supported from moving from rough sleeping. This is a testament to our willingness to work in partnership for the benefit of our women and also what can be achieved when we all work together. Overall, the project provided nearly 39,000 bed nights this year offering shelter, hope, safety and support to women who would otherwise have to remain on the streets or in situations detrimental to their well-being.

For the fifth consecutive year, 100% of the women who have been resettled into independent living have maintained their tenancy and accommodation and this is even more of a testament of the staff team and their commitment, compassion and support for the women during a year of pandemic.

Despite the additional challenges that we have experienced this year, the staff team continue to be committed in offering their skills and specialist support to address the variety of challenges and demands so that the women's lives can be transformed.

Salem (not her real name) says - *"I don't know what I would have done without the Marylebone Project. I literally would have been homeless living on the streets if they didn't help me. The Centre is nice and clean, so I love to come here to shower and do my laundry. I didn't expect to be given the opportunity to better myself, I am now doing a Business Skills course and I will run my own business one day"*

Church Army Ty Bronna

During the year key achievements at Church Army Ty Bronna included:

- 4,714 nights of accommodation provided to homeless young people in Cardiff at Ty Bronna.
- 45 young people received support and accommodation - of which 32 were new referrals to Ty Bronna.
- 32 young people moved out of Ty Bronna.
- 2 young people moved out of Ty Bronna and into long-term independent living accommodation (Council/Housing Association)
- 7 young people moved out of Ty Bronna into stepping-stone training accommodation, managed by the partnership - (Church Army Visiting Support/The Foyer/Dispersed Flats)
- 15 young people made neutral moves (due to needing to be transferred into alternative supported housing placements, depending on their need.) (i.e. mother and baby, mental health etc).

After young people are granted move-on accommodation at Ty Bronna they are then referred into Church Army Visiting Support (CAVS). This service provides outreach and tenancy related support to young people living independently in the community. Young people are granted either visiting support accommodation or floating support accommodation when transitioning from Ty Bronna. Visiting support accommodation consists of six self-contained flats that serve as a training accommodation for young people, before they are referred onto permanent accommodation. These six visiting support flats offer more intense support to young people, who although have the necessary skills to live alone, may not be able to sustain a tenancy. At the start of our new partnership, we took on six young people into the six flats, all of whom have now made a positive move-on into long-term council/housing association accommodation successfully. CAVS are also responsible for providing support to young people who move into the six flats from other supported housing accommodation within the partnership. Alongside this CAVS provides floating support to young people who are deemed ready to hold their own tenancy and be referred straight into long-term council/housing association accommodation. CAVS offers young people up to two years tenancy related and outreach support. During which time it is expected that the supporting relationship between young people and CAVS naturally comes to an end and where young people feel ready to live completely independently.

Ty Bronna and CAVS are only one entity who provide support to homeless young people in Cardiff. As well as Church Army, The Salvation Army and Taff Housing Association together comprise Cardiff Young Persons Supported Housing Accommodation Partnership. This partnership typically supports 106 young people in four supported housing projects. All four projects are then responsible in securing young people independent living accommodation within the community and transition to an outreach support service. This new partnership working with Cardiff County Council started on 13th May 2019 and between the start date and 9th May 2021 the partnership supported a total of 346 young people.

Within this time, 19 young people moved out of Ty Bronna and into a variety of independent living environments, 13 of these were housed within our CAVS accommodation, and 6 housed straight into a training tenancy flat provided by Cardiff Council. 8 young people have succeeded in maintaining their own council/housing association tenancies for over 2 years.

The Amber Project

Throughout the pandemic The Amber Project has continued to support young people who have experience of self-harm. Prior to the first lock down we contacted every young person that we worked with, explaining the changes but stressing that as a project we were still there for them, we then entered a steep learning curve during which we adapted the way in which we worked to engage with young people remotely.

At the start of the pandemic we contacted 73 young people who were actively engaging with the project and despite closing referrals during the first lockdown the project took 121 new referrals during the financial year.

Demand in the early days was very much for contact with our support workers and for emotional support from our counselling team. Some of our young people were shielding and we were able to organise food parcels and delivery of medication. Other were experiencing considerable feelings of isolation and loneliness and the risk of self-harm and suicide escalated in vulnerable young people whose routine and usual coping techniques had been removed.

We quickly recognised the need to maintain the sense of community which is an integral element of the project. We were fortunate enough to obtain a grant from the Voluntary Services Emergency Fund which allowed us to form a singing group, to offer online guitar sessions. and to increase our counselling provision. While our Children in Need funding allowed us to expand our Children's Counselling capacity,

Alice's* experience of Amber: **name changed to protect anonymity*

I started the singing workshop back just before Christmas when I was really unwell and struggling with my mental health severely. I was referred upon leaving hospital after being sectioned, and since starting the workshops with the Amber Project, I have gained so much confidence in myself and an overall improvement in my wellbeing.

The workshops have given me structure and something to look forward to each week. I have made friends and have received so much support from everybody running and attending the workshops. I now get up on a day I have a workshop and greet it with enthusiasm, and I look forward to all our projects. The Amber project has given me something to work towards and goals for the coming weeks. I can't thank Amber enough for everything they've done:

Our theatre group met on-line and enabled young people to explore a number of issues that impacted upon them during lock-down. (The group is currently meeting out of doors, working on our 2021 pantomime Robin Hood: The Legend of Sherwood.).

While our Friday evening group continues to provide safe space on Friday evenings for young people to meet (all be it remotely) and to participate in various activities.

Our 'Belong' group evolved into 'Constellation', which was formally launched at an exciting online event on the 7th June 2021. One of the first young people who accessed Belong has now become a volunteer with Constellation; he writes.

When I joined the Belong group, I was very isolated from the trans community. Coming to group with other trans young people was transformative for me; it gave me confidence and helped me to find my place amongst other trans people. It inspired me to start my own informal meetups with the people I met in Belong and as we all added friends of our own, and they added their friends, it grew into a strong and supportive community. Belong introduced me to my best friends and made me fall in love with the trans community - and now it's given me the opportunity to give back and mentor the next generation of trans youth. It's an absolute joy to work with the Church Army team and I count myself very lucky to be a Belong and team member. (R)

Sadly, we are seeing a marked increase in the complexity of need in young people who are referred to the project and we work most days with young people whose feeling of hopelessness and helplessness are in danger of overwhelming them, Undoubtedly, the pandemic will have long term consequences for the mental health of many young people, and we feel blessed that we are able to walk with them during these challenging times.

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Objective 2: Advocating Evangelism

In a year when many in-person church activities have been curtailed there have been fewer opportunities to get in front of audiences and advocate evangelism. Our online media activity has been all the more important as we have engaged with individuals, churches, and other organisations through the internet.

The work of our communications team constitutes a huge part of how we advocate evangelism. This is through not just printed material but online videos, websites, social media and other electronic communications. We continued with all of our existing channels of telling the stories of changed lives, of people being helped, of the enormous variety of work Church Army deliver, and we added new opportunities for people to directly engage with us through comment and online discussion.

Cuppa with a Key Worker, which started as the pandemic began to take hold grew and the monthly online "meetings" have seen a wide range of projects featured. The streams through the year have been viewed by 5,500 unique viewers.

The podcast Everyone Everywhere, launched in December 2019 has continued to grow and had 1743 downloads in the year - 90.6% of which were from the UK and Ireland.

Being Salt and Light ran again as our Lenten reflection and challenge to people to get out and engage with their communities. This year it went audio and had a total of 1153 recorded downloads over Lent. This year it was an audio reflection with a story/feature from an Evangelist in Training on how they're sharing faith and God's love.

Films continue to be a significant way of storytelling which can engage with people and capture their imaginations. All the films we produce are used across a variety of channels including YouTube, Vimeo, our website, projects Facebooks pages etc. On Facebook alone our films had a total of 3,848 views (up from 2,739 last year) and 35,149 Impressions (appeared in people's feeds). Vimeo total views: 7,008 (up from 6,265 the previous year) with "We are Church Army", "Faith Pictures Introduction" and "Imagine a World Spoken Word" being the top viewed.

Our social media following continues to grow and we are mainly engaging with people through Facebook, Twitter and Instagram. Our current stats to date are:

Platform	Content	Reach / Impressions	Reactions (Likes & Comments)	Shares	Click-Throughs	New Followers
Facebook	Church Army (Organic - self generated)	208,192	7,125	1,378	2,278	210
Facebook	Church Army (Paid)	66,845	1,292	64	998	
Twitter	Church Army (Organic)	1,541,992	8,143	1,366	2,304	457
Instagram	Church Army (Organic)	25,426	5,525		489	545
Facebook	Centres of mission	270,334				1,912
Facebook	Key Projects	5,991				23
Twitter	Key Projects	85,644	344	144	188	
Totals		2,204,424	22,429	2,952	6,257	3,147

Alongside all the visible output we have worked on a new website which launched in April 2021 and promises to provide a more streamlined and tailored experience to website users.

Inspiring church leaders

Advocating evangelism to church leaders is a crucial part of our DARE strategy. In previous years our Senior Leadership, Research and Training teams have been involved in speaking at numerous events in the United Kingdom and Ireland, including engagements at conferences, theological colleges and diocesan events. Most of these events were cancelled during the year due to COVID-19 but Church Army staff presented at several online events as these emerged during the year.

Encouraging the wider church: Church Army speaking engagements

Encouraging churches in evangelism and inspiring them about our work is achieved through regular speaking engagements by our evangelists nationwide. These are both on Sunday morning services and events held during the week. In a typical year we will average approximately 100 speaking engagements. Last year was very different due to the closure of church buildings during the COVID-19 pandemic. Some churches migrated to online services and a small number welcomed our evangelists to speak about our work via Zoom.

Objective 3: Resourcing Evangelism

Resources and Leadership Development

Over the course of the year we developed the suite of resources we offer so that we now have resources focusing on:

- Individuals and small groups.
- Churches and benefices
- Diocese

This has involved refining existing resources and developing new ones under the following names:

Faith Pictures

Faith Pictures is a free resource designed to help Christians talk naturally about faith with their friends and neighbours. The previous version of FP was very successful, and so the name, session titles, and aims of the sessions have been retained while new ways of engaging have been added in. A brief explanation of the new structure of the course, along with other helpful information can be found at <https://churcharmy.org/resources/faith-pictures/>

Faith Shared

Faith Shared is a new resource, based on and developed from the Stepping Into Evangelism booklet. We found there was a need for a resource focused on local churches, and so we developed Faith Shared for use in churches, benefices, and ecumenical groups. It is designed to help those groups reflect on and plan for how to put mission and evangelism at the centre of what they do in a sustainable way. <https://churcharmy.org/resources/faith-shared/>

Faith Empowered

Faith Empowered had been developed from the pilot SHARE course run in partnership with the Diocese of St Edmundsbury and Ipswich. It is designed to train local lay leaders in evangelism over the course of a year, with a view to them developing the ministry of evangelism in their home congregation. We are aiming in the year 21/22 to have FE running in multiple dioceses with a presence in England, Scotland, and Wales.

The resources above were released as a suite with promotional activity around the free-to-access Faith Pictures and Faith Shared. This included webinars, social media promotion, focus in Catalyst, and focus in our supported communications. After reflecting on these, we will schedule regular webinars to support the continued promotion of the resources.

Death, Grief, and Hope

We have also developed 'Death, Grief and Hope', to support people through the unique experience of grief during the pandemic. Based on the work of Rev. Captain Dave Booker, the initial version focused on young people, with versions focusing on adults and prisoners following. These later versions were developed in partnership with Rev. Captain Michael Reader CA, Hospice Chaplain, and Rev. Helen Dearnley, Lead CofE Chaplain for Prisons. These contacts have led to further collaboration in developing and adapting resources.

Leadership Development

LEAD is Church Army's new online leadership resource for growing leaders which has been developed over this last year. Work has included:

- The design and production of a 20-week programme comprising 5 core modules.
- The piloting of the first 3 modules with evangelists employed in our Centres of mission. 17 Church Army Lead or experienced pioneer evangelists participated in at least one module between May 2020 & March 2021.
- The development of a team of facilitators including 2 evangelists who have been participants in a pilot module going on to facilitate action learning on subsequent modules.
- The development of a process, in collaboration with the Research Unit, to evaluate LEAD's effectiveness and with an external consultant to identify a suitable 360° feedback tool for use by participants.
- The identification, in collaboration with the Operations and HR teams, of additional optional modules.

The Research Unit

The Research Unit continues to resource evangelism, working to show how God is active in mission and increase understanding in why churches' participation may falter or flourish. This is done by conducting excellent and innovative research and consultancy whilst growing the team's network and partnerships with churches and diocese across the British Isles and Ireland.

For more information, please visit www.churcharmy.org/research

During the year, the Research Unit completed the following projects:

- Evaluations of pioneer ministry for the dioceses of Oxford and Portsmouth and the Church of Scotland
- Mission Area mapping and insight resources for The Church in Wales
- Deepening Discipleship in Messy Church - Collaborative Research with BRF and The Church of England's Evangelism and Discipleship Team
- Evaluation of the Gregory Centre for Church Growth and Multiplication's Grow Course
- Mission Under Lockdown - reports on Church Army mission during the COVID-19 pandemic

During the year, the team have also continued to work on Recording the Journey, which helps us to compile quantitative and qualitative data about Centres of Mission.

The Wilson Carlile Centre (WCC)

The Wilson Carlile Centre in Sheffield has been the home of Church Army for the past ten years. Located in the heart of the city, the building is a modern looking, multi-purpose centre offering: a café; a theological library; 30 en-suite bedrooms; a spacious three-bedroom apartment; day and residential conference facilities; a chapel; garden and city centre parking.

For most of the year the centre was closed due to COVID-19 lockdown restrictions, with the accommodation opening only briefly in Sept / Oct as restrictions eased before closing again when the second lockdown was imposed.

Our Café, Accommodation and Conferencing team were placed on Furlough in March 2020 as the first lockdown hit, returning briefly in the late summer as we started to reopen before being placed on Furlough once again. Church Army chose to pay 100% of their salaries throughout their Furlough, topping up the grant received from the government.

Our National support staff based in the WCC offices all moved to working from home in March 2020 and we made the offices available on a limited basis from July 2020 for staff who needed to access specific equipment or resources. Staff have continued to work from home, developing their use of technology and different software for remote work and meetings during this exceptional year. As we write this report we are planning a phased return to office-based working from September 2021, but plan to retain some flexibility and continue to use the digital tools we have found invaluable during COVID-19, while recognising the significant benefits of in person working for collaboration and an expression of our community and values as the home of Church Army.

We have planned for use of our Café, Conferencing and Accommodation facilities to increase as we head into the Autumn of 2021.

To find out more, visit www.wilsoncarlilecentre.org.uk

Objective 4: Enabling Evangelism

Training Programme

Training is a key part of our DARE strategy, enabling more people to be resourced and equipped as evangelists. At the start of 2020, we had 28 evangelists in training to be commissioned; six of these completed their training and five were admitted and commissioned. The remaining 22 continued in their training and were joined by 11 new evangelists-in-training in the autumn. In the next year 10 will be complete their training and seven will join the training community.

Xplore and Reunion

Envoy is the new name for both the Xplore and Reunion communities. This has enabled us to bring everything under one umbrella name while still retaining an 18-30 and over 30s option. Envoy now includes not just communities in the UK and Ireland but also Germany and God willing new communities in the coming year with Church Army USA and Threshold Ministries in Canada. Envoy remains committed to coaching participants in the context of community for evangelism they can use in their daily lives.

Our numbers for the last academic year were higher than projected with 58 participating in a Reunion Community and 13 in an Xplore Community. Our mini version of Envoy during Lent had a further 14 people join us. A participant described the impact of Reunion as, "A way to see, hear and value people. All people. Reunion is empowering and supportive, challenging, yet not pushy. Thought provoking. It removes fear around sharing life and sharing Jesus."

Due to the impact of COVID-19 on all levels of Church life in the UK and Ireland it has been more difficult to connect locally with churches and while we have doubled our efforts to promote Envoy, we are projecting reduced numbers for 2021/22. The quality of what we do will remain high for those who take part, in past years of reduced numbers we have had a higher uptake on life in Church Army including training and appointment to Church Army posts in Centres of Mission so we hope that is our silver lining again.

For more information on Envoy in the UK and Ireland go to envoy.churcharmy.org
For Envoy in Germany, Canada or the USA go to envoy.website

Mission Community

The Church Army Mission Community was established nine years ago and continues to develop and understand its identity. In June 2020 Jude Davis was appointed as Director of Ministry, this new role was instituted in part to review Church Army Mission Community, and in particular the work of the Community Team. To properly resource the mission community for healthy and sustainable growth in the future a

restructuring of the team was begun in March 2021 with a view to completing the restructure over a period of 12 months.

During the year 20 people joined the Mission Community and nine ceased being members (either because they left Church Army or have died during the year). The total number of Mission Community members is 487 (330 Commissioned evangelists, 51 Companions, 88 Covenanted and 18 Co-Workers).

Public benefit statement

The Trustees have considered the Charity Commission guidance on public benefit and are satisfied that both the aims of the Society and what it delivers meet the public benefit test.

Church Army meets the criteria through:

- the advancement of the Christian religion
- provision of services for homeless people
- its youth and community work

Church Army does not discriminate between those who profess a Christian faith and those of no faith. Our work is open to those of all faiths and no faith. Examples of how we do this can be found on pages 4 to 16.

Objectives for the coming year

Many of these objectives build on the success of the last year. We have already started working on reaching these objectives in the year ahead.

Doing evangelism

- We will continue to explore exciting new developments in evangelism and social action through our centres of mission, projects, partnerships and opportunities provided through other organisations.
- Further develop the initiatives of Xplore and Reunion as ways of releasing over 100 in evangelism in their context.
- We will continue to work with other partners to establish a further 6 new centres of mission.
- To develop new Missional Youth Churches across the northern Province through our partnership with the Archbishop of York's office and the Archbishop of York's Youth Trust.
- We will continue to demonstrate God's love unconditionally to all, particularly through our work in communities, with the homeless and with vulnerable people.

Measures

- Evidenced by our impact on communities, growing of new Christian communities and stories of changed lives.
- The effectiveness of our partnerships to set up new centres of mission in areas where need is identified.
- The effectiveness of the support we offer to vulnerable people in their existing situations to gain the skills and confidence to move into the next stage of independent living, maintain tenancies, deal with ongoing issues and fulfil their potential
- The provision of accommodation for those who are homeless and through the increase in the numbers of people we are able to move towards independent living.

Advocating evangelism

- We will continue to challenge and inspire individuals and the church to reach out to their communities, sharing their faith through words and action.

- Our Research Unit, working in partnership with others, will continue to challenge and resource the wider church in its mission through research projects and publications on online church, pioneering, urban estates leadership and other topics.
- We will continue to advocate evangelism through the development of media opportunities.
- We will create resources that encourage individuals and churches to undertake evangelism.

Measures

- Increased number of strategic opportunities to inspire leaders in mission and the number of invitations from dioceses to help them in their evangelism.
- Numbers of completed research projects on mission and evangelism
- Strategically working with partners to influence positive change in the church.
- In the number of speaking engagements, which offer the opportunity to promote evangelism and the work we do.
- Increased press and media opportunities and engagement with our social media presence.
- The number of people exploring evangelism through our resources.

Resourcing evangelism

- Through delivering a digital strategy that will help us communicate better, training greater numbers and increase our reach.
- We will continue to develop LEAD to resource leaders and the wider church in mission.
- By continuing to develop new evangelism resources, both on our own and in partnership with others, for the wider church to get involved in evangelism.
- Through our partnerships with other Christian organisations, where together we can add value to each other's work.
- Through the evidence-based research, which assists the wider church to look strategically at new ways of being Christian community.
- We will run lifelong learning events to resource and refresh our evangelists' skills in evangelism.
- We will seek to increase the numbers of people engaging with the Church Army Mission Community.

Measures

- ✓ The success of the above through the uptake of our resources.
- ✓ The increasing numbers engaging with LEAD resources both within Mission community and diocese we work with.
- ✓ Increased capacity for delivering LEAD action learning groups
- ✓ Pilot LEAD within a diocese and within a diverse national office team
- ✓ Increase the additional LEAD modules available
- ✓ The number of training opportunities and the impact of our research and partnerships.
- ✓ The numbers in our training programmes, both local and national.
- ✓ The number of enquiries and applications made to the Mission Community.

Enabling evangelism

- Through increased numbers of lay people being trained and resourced by our frontline evangelists and national training staff for evangelism in their local contexts.
- Through increasing the number of participants on our Xplore programme for 18 to 30 year olds.
- By offering volunteering opportunities in our centres of mission and helping volunteers engage with the Church Army Mission Community.
- Through the increase in numbers of people training through our commissioned pathway.

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- Through developing training relationships with dioceses and national churches across the UK and Ireland
- We will begin delivering our new volunteering strategy, which will support and better equip existing volunteers and work toward doubling the number of those who volunteer with us.

Measures

- ✓ The uptake of our volunteering, Reunion and Xplore opportunities
- ✓ The number of churches that use our resources as a stepping stone for their own programmes
- ✓ The success of our training programmes in enabling those who complete it to engage more effectively in reaching out to their communities
- ✓ Increased numbers of people training for our commissioned pathway, including more people from regional churches across the UK and Ireland
- ✓ Increased number of people sponsored for training by dioceses and churches across the UK and Ireland
- ✓ Number of formal or informal training partnerships with dioceses and churches across the UK and Ireland

Financial review

The review below covers the financial position for the year from 1 April 2020 to 31 March 2021. The COVID-19 pandemic hit in the middle of March 2020 just 2 weeks before the start of this financial year and continued throughout the whole of the period under review and has impacted every aspect of our lives.

We started the year anticipating and planning for a potential drop in income / additional costs of up to £80k per month, but as we continued our work in many of the most deprived communities across the UK our supporters were immensely generous, and income grew in response to our appeals and additional grants were obtained from Trusts. We also saw unexpected growth in our investment portfolio all of which has contributed to an unexpectedly positive financial result for the year, in comparison with last year and our pre-pandemic budget.

Income. During the year total income increased by 5.8% to £6.348m (2020: £5.998m). A reduction in some trading activities which were forced to close was more than offset by increased donations.

Donations - increased by 39% to £2.057m (2020: £1.475m). In addition to giving from our regular supporters, we were delighted with exceptional responses to our initial emergency appeal as the COVID-19 pandemic hit. We also obtained additional funding from a number of trusts and statutory sources (totalling £208k) specifically to enable our work to carry on during COVID-19 with the extra precautions required.

Legacies - we saw a slight drop in legacy income to £728k (2020: £774k) - this income stream continues to reflect Church Army's historic connections; a rich heritage and blessing which has clearly left a mark on people's lives.

Income from our partners for Charitable Activities - reduced slightly to £2.680m (2020: £2.747m) - this includes contributions from dioceses towards Centres of Mission, Housing income and income generated by the Research team. The Supporting People Grant towards our Marylebone hostel was reduced by £72k and other housing income reduced by £94k as a result of higher vacancies during the year with fewer referrals following successful move-ons due to the temporary housing provided for rough sleepers in hotels during COVID-19.

Research income was maintained from a range of projects despite COVID-19 restrictions. This reflects the increasing value that the wider church places on Church Army's thought leadership, practical solutions and its ability to measure the impacts (both quantitative and qualitative) of church projects.

Income from other trading activities, particularly accommodation and conferencing at Wilson Carlile Centre, reduced by over 92% to just £30k (2020: £376k), it being required to close. We look forward to seeing these activities return later in the year, providing valuable resources to the national team in Sheffield and income to support our wider work.

Non-charitable trading - SPACE & MUNCH. Due to COVID-19 our Social Enterprise project at Marylebone was closed for most of the year. Munch provided some recipe boxes for the women living at Marylebone. We look forward to restarting this work in Autumn 2021, providing opportunities to women for work experience and practical support to increase their chances of gaining employment.

Expenditure

Costs of **Raising funds** reduced by £260k - £207k of this related to direct trading costs due to the closure of the trading operations during COVID-19.

Spend on **Charitable activities** increased to £6,419k (2020: £6,087k) mainly due to our continued growth across Centres of Mission. Our work continued across the UK throughout COVID-19, with our teams adapting their work to respond to and meet the needs that emerged during the pandemic and operate in different ways.

Church Army continued to maintain tight control of expenditure, through its management structure, cemented by a budget and monthly monitoring process to ensure an effective and efficient use of financial resources. Delivery of the DARE strategy always underpins the decision-making process.

Re-measurement loss on the defined benefit pension plan. The triennial actuarial valuation of the Church Army Pension Scheme ("CAPS") as at 31 March 2020 showed a deficit of 9%, a deterioration from the position in 2017. This had arisen from lower than expected investment returns and a contribution holiday by the employer (Church Army). The Pension Scheme Trustees have implemented a changed investment strategy and we have made a lump sum contribution of £250k into the plan from the 2021 surplus to help stabilise the fund. The triennial valuation, and the provision calculated for these accounts are technical calculations based on actuarial standards. The Pensions Regulator is satisfied that the remediation is appropriate; the Scheme's actuarial advisers expect the scheme to return to surplus (subject to unforeseen external circumstances).

Major capital works

We took the opportunity provided by COVID-19 to undertake a major refurbishment of the Marylebone Day Centre in readiness for its move towards 24-7 operation by September 2021

Investment policy and performance

Church Army's investments comprise properties which are rented out for income and funds invested with investment managers with the primary goal of capital growth.

The total return on investments, (dividends, rental income and capital growth) was £2,701k (2020: £725k), being income of £575k (2020: £586k) and exceptional capital gains of £2,126k (2020: £139k). This exceptional result significantly exceeds the Board's investment target rates to achieve an absolute return of 4%, but we recognise this performance is unlikely to be repeated.

Following the sale of several investment properties in early 2021 the Investment Sub-Committee will again review the allocation of investments between investment managers and property.

Investment properties

Church Army's investment properties were previously used as accommodation by employed and retired evangelists. Rental income from the properties increased to £518k (2020: £495k). Costs of managing the property amounted to £255k (2020: £245k). At each year end the investment property portfolio is revalued - the revaluation at 31 March 2021 resulted in the value increasing by £706k (2020: increase £83k), reflecting the increases seen in the housing market nationally.

Funds with specialist charity investment managers

The Church Army general investment portfolio is split between two high performing funds, one run by Ruffer LLP and the other by CCLA, both specialists in charity fund management. The Investment Sub-Committee receive quarterly updates and meet the managers each year to review results, investment strategies and prospects. They also make use of charity investment comparators, including the quarterly Multi-Asset

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Charity Fund Review published by Arc Research Ltd. The Investment Sub-committee then provide guidance to the board when they consider that change is required.

Our funds with CCLA are invested in the CBF Church of England Investment Fund. When stock markets are rising the fund has been a leader in the ARC tables. In March 2020 the fund did lose some value but did not suffer the significant losses of the stock market in general. In the year to March 2021 the CCLA funds grew by 20.7%

The approach of Ruffer LLP is by nature fairly cautious, aiming to preserve capital and deliver consistent positive returns, regardless of how financial markets perform. In more detail they have two investment aims: not to lose money in any rolling twelve-month period, and to generate returns meaningfully ahead of the 'risk-free' alternative of placing money on deposit. In the year Ruffer have achieved these aims. During the market turmoil in March 2020 brought on primarily by the impact of COVID-19, Ruffer were the best performing charity fund manager in the ARC comparison. In the 12m to 31 March 2021 Ruffer produced returns of 24.1%.

In prior years the investments with Ruffer were managed individually on our behalf in line with the detailed Ruffer overall strategy. During the year we moved the monies in the managed portfolio into the Ruffer Charity Assets Trust Accumulation units. This fund follows the same Ruffer guidance, produces very similar returns and enjoys lower charges.

An active ethical investment policy

In 2019/20 the Board adopted the investment policies set by EIAG - the Ethical Investment Advisory Group of the Church of England. That policy not only sets out areas where there should be no direct investment (e.g. tobacco, gambling, non-military firearms, or high interest rate lending) but also expects the investee "to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice". The policy, which is considered to be a leader in this area, requires investors to be active, engaging with investee companies to seek improvement in ethical standards in these areas.

The CCLA CBF Church of England fund is compliant with EIAG. The Ruffer Charity Assets Trust fund's responsible investment policy has been shaped by the concerns of many charities. It imposes strict restrictions on investment in alcohol, armaments, gambling, pornography, tobacco, oil sands and thermal coal. It also follows a proactive voting and engagement approach with companies held within the fund. The fund is monitored against UN Global Compact principles, MSCI's ESG Metrics and the managers also monitor the fund's carbon metrics.

Reserves (Funds) policy

At the year end, the Reserves, also referred to in the financial statements as "Funds", amounted to £29,516k (2020: £29,153k).

Restricted Reserves

£6,962k (2020: £6,305k) are classed as restricted funds - those, which by their nature, can only be used in compliance with the specific wishes of the donor(s), including those specifically for frontline activities. Where the cost of frontline activities is greater than the specific donations, the shortfall is met by a transfer of funds from Unrestricted Reserves.

Unrestricted Reserves

£23,294k (2020: £23,286k) are classed as unrestricted funds. Included in this amount is £8,858k (2020: £8,620k) of designated "operational property and other fixed assets net of loans". This represents the accommodation for commissioned officers, offices, fixtures and equipment of a capital nature commensurate within a service sector working environment needed to maintain the current level of activity and therefore unavailable for other uses.

Reserves designated for the DARE strategy

The Board has earmarked £6,670k (2020: £7,173k) of the unrestricted funds to sustain the development of the DARE strategy. This is referred to as a designated fund for:

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- Establishing new centre of mission partnerships. Many of our partners look for 3 to 5-year agreements, designating the funds for these partnerships now strengthens our relationship opportunities and allows us to plan forward with more confidence.
- Supporting our training growth, which is anticipated to double each year, and for the next few years at least and will support the growth in centres of mission.
- Developing the additional training programmes and the related digital mechanisms needed to support the expansion in staff and volunteer numbers.

Reserves are reduced by possible long-term pension liabilities of £740k (2020: £438k). This amount is calculated at the year end and fluctuates yearly. It is of the nature of a memorandum item; it would only be called upon should all employment cease suddenly. The board makes contributions each year to address the remaining shortfall, if any, over time.

Target Reserves

Church Army has reviewed the reserves policy set in December 2015. It sets out target reserves to enable Church Army to operate. The figure set for free reserves is £6.5m, which includes a base reserve of £4m that it is estimated would be needed for a managed reduction in service if there was a total collapse of funding. This equates to anticipated costs including employment and other statutory payments which would need to be made in the event of a total loss of income from all sources.

Target reserves should also include the operational assets currently in use (c.£9m) and the restricted reserves (£7m). This sets a target for reserves of £22.5m. This provides headroom of £7m, much of which is earmarked to support the continued implementation of the DARE strategy.

Church Army considers that it is still on track to reduce the level of reserves towards the target over the longer term. Budgets are set in line with that reduction. Where in any year the results are better than budget, the surplus is kept to act as a buffer against unexpected changes in investment returns beyond our control.

Fundraising activities

Church Army has fully embraced the protocols established by the Fundraising Regulator and laws which came out under General Data Protection Regulations in 25 May 2018.

Church Army has always maintained a highly competent and professional approach to what is now a strictly regulated sector, balancing the need to generate funds while at the same time, fully respecting the position of both our existing and potential donors. Church Army has adopted a very robust approach to ensure full compliance with the requirements of the Fundraising Regulator and the 2018 GDPR legislation. This is particularly so in the area of donors in vulnerable circumstance, where working practices have been established to respect and protect their position.

Church Army first published a clear policy on donor relationships over four years ago. This has been strengthened to reflect more clearly our relationship with the Fundraising Regulator to state:

We believe that the way we raise money should model our Christian values, with integrity, accountability and honesty, born out of a genuine two-way relationship; you wouldn't expect anything less. That's why we are not only committed to upholding the [Code of Fundraising Practice](#), we are committed to setting the very highest standards in fundraising. We are registered with the Fundraising Regulator whose [Fundraising Promise](#) states:

- We will commit to the highest standards
- We will be clear, honest and open
- We will be respectful
- We will be fair and reasonable
- We will be accountable and responsible

The complete text can be found on the Church Army website: <https://churcharmy.org/ways-of-giving/fundraise-for-us/our-pledge>

We received 7 complaints from new or existing donors. 4 of these related to a data breach by a third-party provider which we reported to the ICO and the Charity Commission who each confirmed no further action was required. The other 3 related to the wording of an appeal sent to those on our database who had not given for over a year or who had never given.

Big Lottery Funding, to support our educational work and encourage client involvement at the Marylebone Project, continued this year and Church Army are grateful for the continued support from this valued source.

We continue to work hard with individuals, parishes, trusts and corporates (still largely untapped) ideally to increase and, as importantly, maintain income levels. The individual donors remain our most loyal and long-standing contributors and we are always working on creative and innovative ways to maintain this critical support group. We adapted our approach to both individuals and trusts in response to our changing work on the ground during the COVID-19 pandemic and this proved to be fruitful. However, it has been more difficult to engage churches due to the closure of church buildings following the COVID-19 pandemic and their own loss of income from weddings and funerals and loss of giving from people who would have put money in a collection plate during a service.

Church Army does use professional external fundraising for the Marylebone Project and the business involved is signed up to the same working practices that we adopt ourselves.

For further information about The Fundraising Regulator visit www.fundraisingregulator.org.uk

Church Army is working very hard to ensure all current donor income goes directly to fund frontline activity. It is doing this by prudent use of the historic investments, which are managed to generate an income, which covers the non-frontline costs, which we cannot avoid under our statutory obligations as an employer and a limited company.

Partnerships

Our Centres of Mission are delivered in partnership with dioceses across the UK and Ireland and we rely on the support of a number of significant funders to continue our work.

Going concern

The trustees have agreed a budget for 2021-22 and a 3-year financial model that forecasts income and expenditure, taking into account strategic plans for the following 2 years. The budget for 2021-22 expected that COVID-19 would continue through 2021 and planned for a further delay before any return to non-charitable trading activities, with an expectation that income would start to return in the autumn.

Donation income in the first 4 months of 2021 has been lower than last year but the organisation has an appropriate level of reserves in accessible investments to manage any potential reduction in income in the next 3 years. The better than expected result for 2020-21 has strengthened the charity's position enabling it to continue its expansion plans and providing further resilience in the event of income shortfalls in the next 12 months.

After making these appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Structure, governance and management

Constitution

The Society is both a registered charity and a company limited by guarantee governed by its Articles of Association, which specify that its legal objects are “to bring people to a personal faith in Jesus Christ” by:

- (i) providing trained evangelists and lay agents to assist the advancement of the Christian religion
- (ii) preaching the need of conversion, holiness of life and church membership
- (iii) relieving poverty and distress

The Society is registered with the Office of the Scottish Charity Regulator and the Republic of Ireland and is applying for registration in Northern Ireland.

Appointment, induction and training of Trustees

The Board of Trustees comprises people with appropriate expertise including Church Army evangelists, members of General Synod of the Church of England and members of other provinces. Trustees are co-opted by the Board, following a search based on filling identified gaps in skills and experience and must be elected by the membership at the next Annual General Meeting. Good governance is vital to the effectiveness of the organisation and so training and induction programmes for new Trustees are tailored for each individual.

3 new trustees were recruited during the year filling skills gaps identified in an audit undertaken in 2020.

Organisational structure and decision-making

The Board carries overall responsibility for every decision made within the Society and has delegated certain powers to the following committees:

The Finance Committee:

- advises the Board on financial policy and its implications
- monitors the development of financial systems
- approves the purchase and sale of properties and other capital expenditure within parameters determined by the Board
- recommends to the Board the appointment and remuneration of external auditors
- discusses and agrees with the external auditors as to the nature and scope of their activities
- considers with the Chief Executive the implications of the auditors' recommendations as set out in their management letter and monitors progress against agreed action

The Investment Committee monitors and reviews the policy and performance of the Society's investment managers and property portfolio

The Senior Leadership Team is responsible for implementing Board decisions throughout the Society and the executive management of its operations and resources through its Management Team

The Marylebone Project Board formulates and implements strategy and oversees all operational matters relating to the Marylebone Project for homeless women on behalf of the Portman House Trust and Church Army as sole Trustee.

The Society also has a President and Vice-Presidents, who have no formal powers but act in an advocacy role within the wider church. They are listed on page 1.

Church Army International

Church Army continues to support a collective group of societies in Australia, Barbados, Canada, Denmark, Jamaica, New Zealand, the United States of America, various countries across Africa and Vanuatu. Each of

these is separately constituted and independent of the others. There is mutual support and regular contact between the leaders as part of the International Leaders, chaired by the UK CEO.

Pay policy for senior staff

No formal remuneration policy currently exists, for any group of employees, beyond the commitment to pay at least the living wage under The Living Wage Foundation criteria.

The Board, through the Treasurer, have undertaken a benchmarking exercise for senior staff and set a remuneration level, based on that review, to reflect the market forces within the sector. The resulting level is adjusted to recognise both the need to recruit and retain staff with the appropriate skills and experience. Senior staff are subject to the same annual cost of living review as the rest of the staff and similarly, any justified reward for increased responsibility can be applied at any time outside the annual review date, at the beginning of April each year, with the appropriate level of approval.

Risk management and internal controls

The Board has overall responsibility and regularly reviews all aspects of risk management to ensure that the Society has appropriate systems of internal control, whether strategic, operational, financial, or with regard to legal compliance. Systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustees and detailed monthly management accounts which report actual performance compared to budget
- A strategic statement of the Society's purpose, values and vision supported by more detailed goals and objectives and financial forecasts looking ahead five years
- Internal policies and procedures
- A process for the identification and management of risks
- An agreed level of delegated authority to committees and management
- Checks to ensure that transactions are properly authorised and recorded
- Carrying out internal audit where appropriate

Following the Board's annual review, the key strategic risks and mitigations are:

Risk	Response
Structural budget deficit continues	• Ongoing review of budgets and costs in the light of income and available reserves. • Developing plans to increase fundraised income. • Rolling 3-year financial model in place to manage reduction of any operating deficit in line with reserve policy targets
Safeguarding risks through failure to protect the vulnerable and marginalised	• Culture of Safeguarding embedded across whole of CA • Policies and procedures exist in all CA projects to establish good practice • Safe recruitment of all CA staff and volunteers working with vulnerable adults or children • Safeguarding training mandatory for all staff and volunteers with specialist training for specific frontline roles and those with Safeguarding leadership responsibility

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Inability to recruit & retain the right people especially for Centres of Mission	• We are running leadership development training programmes and identifying potential leaders and evangelists among members of key programmes at an early stage in their journey with Church Army
Loss of key staff / institutional memory	• Planned handover for outgoing CEO with new CEO
Significant investment loss impacts reserves	• Use of professional investment advisers • Investments spread across several portfolios and property assets

In addition to the Board review, each year there is a formal review of the risks to which Church Army is exposed and systems established by our Senior Leadership Team to mitigate them are updated or added as appropriate.

Plans for future periods

Church Army continues working to a rolling five-year forward plan. Detailed budgets are prepared for one year in advance and extended into the following 2 years to create a 3 year financial model. Church Army is consciously budgeting an operating loss for the next 4 years using historic reserves to support current activity at as high a level as practical. The shift towards developing partnerships, pioneered over the last three years around our Centres of Mission, continues apace with an ambitious, but achievable, list of potential partners. This programme is covered in more detail within this report.

Trustees' responsibilities

The Trustees (who are also Directors of Church Army for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the 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 charitable company and of the incoming resources and application of resources, including 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 the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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Disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board on Nov 19, 2021



**John Whitfield
Trustee**



Stephen Cottrell (Nov 19, 2021 15:46 GMT)

**The Most Rev & Rt Hon Stephen Cottrell
Trustee**

Independent Auditor's Report to the Members of Church Army (The)

Opinion

We have audited the financial statements of Church Army (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and parent charitable company's affairs as at 31 March 2021, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 group and parent 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk. We focused on laws and regulations relevant to the charitable company which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, trustees, and those staff with direct responsibility for the compliance of laws and regulations. We also reviewed legal expenses. We addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or the trustees that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Church Army (The)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Nov 19, 2021 16:16 GMT)

Jane Marshall (Senior Statutory Auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: Nov 19, 2021

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

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Group Statement of Financial Activities
(Including an Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2021 Total £000	2020 Total £000
Income and endowments from:					
Donations and legacies	2	1,575	1,210	2,785	2,249
Charitable activities	3	314	2,366	2,680	2,747
Other trading activities	4	28	2	30	376
Investments	5	543	32	575	586
Other	6	206	72	278	40
Total income and endowments		2,666	3,682	6,348	5,998
Expenditure on:					
Raising funds	7	943	229	1,172	1,432
Charitable activities	8	2,217	4,202	6,419	6,087
CoE pension scheme movement	24	-	6	6	(372)
Other	10	30	-	30	30
Total expenditure		3,190	4,437	7,627	7,177
Net (expenditure) for the year before investment gains		(524)	(755)	(1,279)	(1,179)
Net gains on investments		1,435	691	2,126	139
Net income/(expenditure) for the year		911	(64)	847	(1,040)
Transfers between funds	20	(1,008)	1,008	-	-
Other recognised gains/(losses):					
Gain/(loss) on revaluation of fixed assets		105	-	105	4
Re-measurement (loss)/gain on defined benefit pension plan	24	-	(589)	(589)	609
Net movement in funds		8	355	363	(427)
Reconciliation of funds:					
Total funds brought forward	20	23,286	5,867	29,153	29,580
Total funds carried forward	20	23,294	6,222	29,516	29,153

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Church Army (The)
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Society Statement of Financial Activities
(Including an Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2021 Total £000	2020 Total £000
Income and endowments from:					
Donations and legacies	2	1,575	569	2,144	1,967
Charitable activities	3	314	796	1,110	1,020
Other trading activities	4	28	-	28	308
Investments	5	543	32	575	586
Other	6	206	(3)	203	38
Total income and endowments		2,666	1,394	4,060	3,919
Expenditure on:					
Raising funds	7	943	123	1,066	1,278
Charitable activities	8	2,217	2,063	4,280	3,973
CoE pension scheme movement	24	-	6	6	(372)
Other	10	30	-	30	27
Total expenditure		3,190	2,192	5,382	4,906
Net (expenditure) for the year before investment gains		(524)	(798)	(1,322)	(987)
Net gains on investments		1,435	691	2,126	139
Net income/(expenditure) for the year		911	(107)	804	(848)
Transfers between funds	20	(1,008)	1,008	-	-
Other recognised gains/(losses):					
Gain/(loss) on revaluation of fixed assets		105	-	105	4
Re-measurement (loss)/gain on defined benefit pension plan	24	-	(589)	(589)	609
Net movement in funds		8	312	320	(235)
Reconciliation of funds:					
Total funds brought forward	20	23,286	3,872	27,158	27,393
Total funds carried forward	20	23,294	4,184	27,478	27,158

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

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Balance Sheets

	Note	Group 2021 £000	Group 2020 £000	Society 2021 £000	Society 2020 £000
Fixed assets					
Tangible assets	14	8,858	8,751	7,327	7,453
Investments	15	21,355	20,743	21,355	20,743
		<u>30,213</u>	<u>29,494</u>	<u>28,682</u>	<u>28,196</u>
Current assets					
Debtors	16	658	767	575	706
Cash at bank and in hand		407	324	407	324
		<u>1,065</u>	<u>1,091</u>	<u>982</u>	<u>1,030</u>
Creditors: amounts falling due within one year	18	(1,047)	(1,019)	(1,471)	(1,655)
		<u>18</u>	<u>72</u>	<u>(489)</u>	<u>(625)</u>
Net current assets/(liabilities)					
Total assets less current liabilities		<u>30,231</u>	<u>29,566</u>	<u>28,193</u>	<u>27,571</u>
Creditors: amounts falling due after more than one year	19	(79)	(154)	(79)	(154)
Net assets excluding pension liability		<u>30,152</u>	<u>29,412</u>	<u>28,114</u>	<u>27,417</u>
Defined benefit pension liability	24	(636)	(259)	(636)	(259)
Net assets	22	<u>29,516</u>	<u>29,153</u>	<u>27,478</u>	<u>27,158</u>
Charity funds					
General funds		7,766	7,493	7,766	7,493
Designated funds		15,528	15,793	15,528	15,793
		<u>23,294</u>	<u>23,286</u>	<u>23,294</u>	<u>23,286</u>
Restricted funds		<u>6,962</u>	<u>6,305</u>	<u>4,924</u>	<u>4,310</u>
Total funds excluding pension reserves		<u>30,256</u>	<u>29,591</u>	<u>28,218</u>	<u>27,596</u>
Pension liabilities		<u>(740)</u>	<u>(438)</u>	<u>(740)</u>	<u>(438)</u>
Total charity funds	20	<u>29,516</u>	<u>29,153</u>	<u>27,478</u>	<u>27,158</u>

Signed on behalf of the Board of Trustees on Nov 19, 2021



John Whitfield
Trustee


 Stephen Cottrell (Nov 19, 2021 15:46 GMT)

The Most Rev & Rt Hon Stephen Cottrell
Trustee

The notes on pages 36 to 61 form part of these financial statements.

Company registration number: 37169

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021

Group Statement of Cash Flows

	Note	2021 £000	2020 £000
Cash flow from operating activities:			
Net cash flow from operating activities	23	(1,579)	(1,848)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(291)	(100)
Payments to acquire investments		(6,112)	(3,772)
Receipts from sales of investments		7,224	4,965
Interest received		5	3
Dividends received		52	88
Rents received from investment properties		518	495
Net cash flow from investing activities		1,396	1,679
Cash flow from financing activities:			
Repayment of long-term loans		(131)	(172)
Net cash flow from financing activities		(131)	(172)
Net increase/(decrease) in cash and cash equivalents		(314)	(341)
Cash and cash equivalents brought forward		721	1,062
Cash and cash equivalents carried forward		407	721
Cash and cash equivalents consist of:			
Cash at bank and in hand		407	324
Cash within investment portfolio		-	397
		407	721

Society Statement of Cash Flows

	Note	2021 £000	2020 £000
Cash flow from operating activities:			
Net cash flow from operating activities	23	(1,870)	(1,948)
Cash flow from investing activities:			
Payments to acquire investments		(6,112)	(3,772)
Receipts from sales of investments		7,224	4,965
Interest received		5	3
Dividends received		52	88
Rents received from investment properties		518	495
Net cash flow from investing activities		1,687	1,779
Cash flow from financing activities:			
Repayment of long-term loans		(131)	(172)
Net cash flow from financing activities		(131)	(172)
Net increase/(decrease) in cash and cash equivalents		(314)	(341)
Cash and cash equivalents brought forward		721	1,062
Cash and cash equivalents carried forward		407	721
Cash and cash equivalents consist of:			
Cash at bank and in hand		407	324
Cash within investment portfolio		-	397
		407	721

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Church Army meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £000.

The Statement of Financial Activities (SoFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The company (referred to as the Society) includes the results of Church Army, its linked charities and special trusts.

(b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Similarly, no value is attached to gifts in kind that although graciously acknowledged, are not material for separate calculation or inclusion.

Notes to the financial statements

For Legacies, entitlement is the earlier of the charity being notified of an impending distribution or the Legacy being received. At this point income is recognised. On occasion, Legacies will be notified to the charity, however it is not possible to measure the amount expected to be distributed. On these occasions, the Legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants under Supporting People funding operating within our homeless projects in London and Cardiff and No Recourse to Public Funds grants to support people in our homeless project in London. Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes gains on disposals of tangible fixed assets and CJRS income which has been recognised in the period for which the claim was made.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities include office costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out centrally. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a headcount basis and other overheads have been allocated similarly.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Notes to the financial statements

(f) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Assets with a cost of less than £5,000 are not capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold and leasehold land	Nil
Freehold buildings	75 years
Leasehold buildings	75 years or lease term if shorter
Freehold improvements	10 to 20 years
Other fixed assets	3 to 7 years

(g) Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

(h) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case they are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/losses on investments' in the Statement of Financial Activities. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(i) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

(j) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(l) Creditors and provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the financial statements

(m) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(n) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(o) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

(p) Pensions

The charity operates two defined contribution plans for the benefit of some of its employees. Contributions are expensed as they become payable.

The charity operates a defined benefit plan (CAPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The charity also contributes to a defined benefit plan (CEFPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period.

(q) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(r) Going concern

The trustees have reviewed the operating budgets for the charity and its financial performance during the COVID pandemic, with particular regard to its income streams. While COVID has had an impact on some aspects of the charity's operations, the organisation has an appropriate level of reserves to manage any potential reduction in income in the next 3 years.

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements

(s) Derivatives

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss.

We employ derivatives for the purposes of reducing risk in the portfolios. More specifically, exchange traded forward currency contracts are held for hedging all or part of the overseas currency exposure in the portfolio. Other derivatives are held within the Ruffer Protection Strategies Fund with the aim to protect the value of the (US and UK) index-linked bonds against a sudden rise in global interest rate expectations, and also to reduce the portfolio's sensitivity to a sharp, sudden collapse in equity markets.

(t) Financial instruments

The Society holds a variety of basic financial instruments as part of its day-to-day activities, principally investments, bank deposits and accounts, and trade creditors and debtors. The investment managers at times use hedges as part of a cautious investment strategy to reduce the underlying risks in the portfolio, but do not actively seek to invest in hedge funds. The Society has no significant exposure to credit risk, liquidity risk or cash flow risk, and its price risk exposure largely relates to the value of investments. Investments are monitored by an investment committee and cash flow is monitored as part of the financial management of the Society's operation.

(u) Judgements and estimations policy

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The present value of the pension schemes both depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liabilities.

Other key estimates are property values and depreciation. The useful life and residual value of an asset is subject to judgement. Property values are also subject to judgement on their state of repair, future rental yield and estimated cost to sell.

2 Income from donations and legacies

	Group 2021 £000	Group 2020 £000	Society 2021 £000	Society 2020 £000
Donations	2,057	1,475	1,416	1,193
Legacies	728	774	728	774
	<u>2,785</u>	<u>2,249</u>	<u>2,144</u>	<u>1,967</u>

In 2021, of the total Group income from donation and legacies, £1,575k (2020: £1,445k) was to unrestricted funds and £1,210k (2020: £804k) was to restricted funds. Of the total Society income from donation and legacies, £1,575k (2020: £1,445k) was to unrestricted funds and £569k (2020: £522k) was to restricted funds.

Notes to the financial statements

3 Income from charitable activities

	Group 2021 £000	Group 2020 £000	Society 2021 £000	Society 2020 £000
Fees for services (Housing Benefit)	1,482	1,576	168	177
Contractual payments	650	552	650	552
Performance related grants (Supporting People)	443	515	193	195
Other statutory grants	6	8	-	-
Research and Training	99	96	99	96
	<u>2,680</u>	<u>2,747</u>	<u>1,110</u>	<u>1,020</u>

In 2021, of the total Group income from charitable activities, £314k (2020: £193k) was to unrestricted funds and £2,366k (2020: £2,554k) was to restricted funds. Of the total Society income from charitable activities, £314k (2020: £193k) was to unrestricted funds and £796k (2020: £827k) was to restricted funds.

4 Income from other trading activities

	Group 2021 £000	Group 2020 £000	Society 2021 £000	Society 2020 £000
Accommodation	25	211	25	211
Room hire	1	87	1	35
Catering	4	74	2	58
Other trading	-	4	-	4
	<u>30</u>	<u>376</u>	<u>28</u>	<u>308</u>

In 2021, of the Group income from other trading activities, £28k (2020: £308k) was attributable to unrestricted funds and £2k (2020: £68k) to restricted funds. All of the Society income from other trading activities, £28k (2020: £308k) was to unrestricted funds.

5 Income from investments - Group and Society

	Total 2021 £000	Total 2020 £000
Listed investments	52	88
Bank interest	5	3
Rental income	518	495
	<u>575</u>	<u>586</u>

In 2021, of the total Group and Society income from investments, £543k (2020: £530k) was to unrestricted funds and £32k (2020: £56k) was to restricted funds.

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Notes to the financial statements

6 Other income

	Group 2021 £000	Group 2020 £000	Society 2021 £000	Society 2020 £000
COVID grants	208	-	180	-
Other	70	40	23	38
	278	40	203	38

In 2021, of other Group income, £206k (2020: £9k) was attributable to unrestricted income and £72k (2020: £31k) restricted. Society income, £206k (2020: £9k) was attributable to unrestricted funds and -£3k (2020: £29k) to restricted funds.

7 Expenditure on raising funds

	Group 2021 £000	Group 2020 £000	Society 2021 £000	Society 2020 £000
Costs of generating voluntary income	252	289	209	236
Costs of generating trading income	655	862	592	761
Investment and investment properties management costs	265	281	265	281
	1,172	1,432	1,066	1,278

In 2021, of Group expenditure on raising funds, £943k (2020: £1,177k) was unrestricted and £229k (2020: £255k) restricted. Society expenditure on raising funds, £943k (2020: £1,177k) was unrestricted and £123k (2020: £101k) to restricted funds.

8 Expenditure on charitable activities

Group	Activities Undertaken directly £000	Support costs £000	Total 2021 £000	Total 2020 £000
Centres of Mission	1,538	763	2,301	2,014
Fresh expressions	183	36	219	218
Other field evangelism	231	154	385	378
Homeless projects	2,226	222	2,448	2,352
Training	314	195	509	517
Dean of Community	183	100	283	347
National Operations	183	91	274	261
	4,858	1,561	6,419	6,087
2020	4,721	1,366	6,087	

Of the above costs £2,217k (2020: £1,820k) of the above costs were attributable to unrestricted funds and £4,202k (2020: £4,267k) were attributable to restricted funds.

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Notes to the financial statements

8 Expenditure on charitable activities (continued)

Society	Activities Undertaken directly £000	Support costs £000	Total 2021 £000	Total 2020 £000
Centres of Mission	1,538	763	2,301	2,014
Fresh expressions	183	36	219	218
Other field evangelism	231	154	385	378
Homeless projects	87	222	309	238
Training	314	195	509	517
Dean of Community	183	100	283	347
National Operations	183	91	274	261
	2,719	1,561	4,280	3,973
2020	2,607	1,366	3,973	

Of the above costs, and £2,217k (2020: £1,820k) of the above costs were attributable to unrestricted funds and £2,063k (2020: £2,153k) were attributable to restricted funds.

9 Allocation of support costs - Group and Society

	Total 2021 £000	Total 2020 £000
Senior management	244	182
Communications	216	180
Administration		
(finance/personnel/volunteering/IT)	802	761
Strategic development	182	130
General unrestricted costs	54	57
Welfare	21	30
Housing	42	26
Total	1,561	1,366

10 Other expenditure

	Group 2021 £000	Group 2020 £000	Society 2021 £000	Society 2020 £000
Trustee expenses	-	8	-	8
Auditor's remuneration	30	22	30	19
	30	30	30	27

In both years all the total Group and Society other expenditure was on unrestricted funds.

Notes to the financial statements

11 Net income/(expenditure) for the year

Net income/(expenditure) is stated after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets	289	252
Auditor's remuneration - audit	23	22
Auditor's remuneration - non-audit	7	4

12 Trustees' and key management personnel remuneration and expenses

All 13 (2020: 12) members of the Board who are not Church Army employees (including the Chair) provide their services free of charge, but incurred expenses totalling £nil (2020: £8,489). As permitted by the Society's Articles of Association, during the year 2 (2020: 3) members of the Board who are, or were, Church Army employees received emoluments (including benefits in kind but excluding pension contributions) of £115,592 in total (2020: £64,376). One director benefited from contributions of £9,883 (2020: £12,601 for 3 members) to a defined contribution scheme.

The total amount of employee benefits received by key management personnel is £252k (2020: £287k). The Trustees consider its key management personnel comprises of the Senior Leadership Team made up of the CEO, Chief Operating Officer, National Operations Manager, Dean of Community, and the Director of Learning and Development who are salaried employees, and Sister Sheila Easby, a non-stipendiary associate member.

Mark Russell, a former director, left Church Army during the 2019/2020 year. He received a loan from the Society of £9,750 in 2017 under the Society's car loan scheme on the same terms as are available to other employees. The loan bears interest at 4.75% per annum, and the interest charged during the year was £117 (2020: £261). The balance outstanding at 31 March 2021 was £nil (2020: £4,162).

Notes to the financial statements

13 Staff costs and employee benefits

The total staff costs and employees' benefits were as follows:	2021	2020
	£000	£000
Wages and salaries	3,877	3,658
Employer's NI	341	323
Employer's pension costs	337	358
	4,555	4,339

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000 is as follows:

	2021	2020
	Number	Number
£60,001 - £70,000	1	1
£80,001 - £90,000	1	-

Total redundancy and termination payments amount to £nil (2020: £30k).

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2021	2021	2020	2020
	Number	FTE	Number	FTE
Raising funds	31	31	28	25
Charitable activities	129	105	119	112
Support	18	18	13	12
	178	154	160	149

The above FTE numbers include 3.1 commissioned officers who are employed by the diocese in which they work but are partly or wholly funded by the Society. Part-time or part-funded staff are counted as appropriate fractions of a full-time or fully-funded post.

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14 Tangible fixed assets

Group	Land and buildings £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:				
At 1 April 2020	8,084	2,392	1,133	11,609
Additions	-	285	6	291
Revaluation	94	-	-	94
At 31 March 2021	8,178	2,677	1,139	11,994
Depreciation:				
At 1 April 2020	777	988	1,093	2,858
Charge for the year	108	150	31	289
Revaluation	(11)	-	-	(11)
At 31 March 2021	874	1,138	1,124	3,136
Net book value: At 31 March 2021	7,304	1,539	15	8,858
At 31 March 2020	7,307	1,404	40	8,751

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Notes to the financial statements

14 Tangible fixed assets (continued)

Society	Land and buildings	Freehold improvements	Other fixed assets	Total
	£000	£000	£000	£000
Cost or valuation:				
At 1 April 2020	6,742	2,292	460	9,494
Additions	-	-	-	-
Revaluation	94	-	-	94
At 31 March 2021	6,836	2,292	460	9,588
Depreciation:				
At 1 April 2020	632	988	421	2,041
Charge for the year	90	111	30	231
Revaluation	(11)	-	-	(11)
At 31 March 2021	711	1,099	451	2,261
Net book value:				
At 31 March 2021	6,125	1,193	9	7,327
At 31 March 2020	6,110	1,304	39	7,453

The net book value of land and buildings comprised:

	Group		Society	
	2021	2020	2021	2020
	£000	£000	£000	£000
Operational properties (included above)				
Freehold	6,664	6,371	5,485	5,174
Long leasehold	640	936	640	936
	7,304	7,307	6,125	6,110
Investment properties (included in investments)				
Freehold	14,300	13,739	14,300	13,739
Short leasehold	-	-	-	-
	14,300	13,739	14,300	13,739

Notes to the financial statements

14 Tangible fixed assets (continued)

The historic cost equivalent of land and buildings (including investment properties) included at valuation are as follows:

	Group		Society	
	2021	2020	2021	2020
	£000	£000	£000	£000
Cost	8,288	8,327	8,288	8,327
Depreciation	(1,893)	(1,799)	(1,893)	(1,799)
Net book value	<u>6,395</u>	<u>6,528</u>	<u>6,395</u>	<u>6,528</u>

Society land and buildings are revalued every year at the balance sheet date to reflect market value. They have been valued at open market value and on an 'existing use' basis based on publicly available data and expertise through our property consultants Bruton Knowles. A provision has then been made for anticipated 'ready for sale' costs as only external inspections have been possible for this year end. The Directors have adopted this basis of valuation.

15 Fixed asset investments

	Group		Society	
	2021	2020	2021	2020
	£000	£000	£000	£000
Cost or valuation:				
At 1 April 2020	20,743	21,715	20,743	21,715
Additions	6,112	3,766	6,112	3,766
Transfers	-	427	-	427
Disposals	(7,650)	(5,299)	(7,650)	(5,299)
Revaluation	2,150	134	2,150	134
At 31 March 2021	<u>21,355</u>	<u>20,743</u>	<u>21,355</u>	<u>20,743</u>

Investments at fair value comprise:

	Group		Society	
	2021	2020	2021	2020
	£000	£000	£000	£000
Listed investments	7,055	6,607	7,055	6,607
Investment properties	14,300	13,739	14,300	13,739
Cash within investment portfolio	-	397	-	397
	<u>21,355</u>	<u>20,743</u>	<u>21,355</u>	<u>20,743</u>

Material (over 5%) investments comprise:

Group and Society	£000
Ruffer Charity Assets Trust Acc	5,528
CCLA CBF CofE investment fund	1,357

Notes to the financial statements

15 Fixed asset investments (continued)

The cost of fixed asset investments is £11,895,709 (2020: £12,918,000).

The Society has two subsidiary companies which have been dormant since incorporation and which have no paid-up share capital.

Portman House Trust operates the Marylebone Project and Church Army is the sole Trustee. The Trust is a Registered Provider of Social Housing registered with the Tenant Services Authority and registered with the Charity Commission through Church Army (registered number 226226, subsidiary 67).

16 Debtors

	Group		Society	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	182	134	101	75
Other debtors	90	29	88	27
Prepayments and accrued income	386	599	386	599
	<u>658</u>	<u>762</u>	<u>575</u>	<u>701</u>
Amounts falling due after one year	-	5	-	5
	<u>658</u>	<u>767</u>	<u>575</u>	<u>706</u>

17 Non-current assets held for sale

	Group		Society	
	2021	2020	2021	2020
	£000	£000	£000	£000
Investment properties	-	-	-	-

There are no current assets being held for imminent sale.

Notes to the financial statements

18 Creditors: amounts falling due within one year

	Group		Society	
	2021 £000	2020 £000	2021 £000	2020 £000
Bank loan	-	131	-	131
Trade creditors	119	151	98	134
Other tax and social security	96	96	96	96
Amounts owed to subsidiary undertakings	-	-	445	653
Amount due to Church Army Pension Scheme	221	38	221	38
Other creditors	87	160	87	160
Accruals and deferred income	499	418	499	418
C of E pension scheme (note 24)	25	25	25	25
	<u>1,047</u>	<u>1,019</u>	<u>1,471</u>	<u>1,655</u>

Deferred income

	Group 2021 £000	Society 2021 £000
Opening deferred income	194	194
Resources deferred during year	218	218
Amounts released from previous years	(194)	(194)
Closing deferred income	<u>218</u>	<u>218</u>

Deferred income relates to grant income received in advance.

19 Creditors: amounts falling due after more than one year

	Group		Society	
	2021 £000	2020 £000	2021 £000	2020 £000
C of E pension scheme (note 24)	79	154	79	154
	<u>79</u>	<u>154</u>	<u>79</u>	<u>154</u>

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021**

Notes to the financial statements

20 Charity Funds - current year	1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2021 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets net of loans	8,620	-	(220)	458	-	8,858
DARE strategy	7,173	398	(901)	-	-	6,670
Total designated funds	15,793	398	(1,121)	458	-	15,528
Free reserves	7,493	2,268	(2,069)	(1,466)	1,540	7,766
Total unrestricted funds	23,286	2,666	(3,190)	(1,008)	1,540	23,294
Restricted funds						
Portman House Trust	1,996	2,288	(1,937)	(394)	85	2,038
Special trusts including linked charity:						
Discretionary Grant Fund	725	1	(23)	-	182	885
Gurney Trust	1,621	2	(3)	-	344	1,964
Ketterson	157	-	-	-	-	157
Tebbs	141	4	-	-	-	145
Other restricted funds including linked charity:						
Retirement fund	1,563	26	(63)	-	80	1,606
Greenwich Centre of Mission	29	-	-	-	-	29
Frontline activities	-	1,207	(2,609)	1,402	-	-
Other	73	154	(89)	-	-	138
CAPS pension liability	6,305	3,682	(4,724)	1,008	691	6,962
CoE pension liability	(259) (179)	- -	212 75	- -	(589) -	(636) (104)
Total restricted funds	5,867	3,682	(4,437)	1,008	102	6,222
Total funds	29,153	6,348	(7,627)	-	1,642	29,516

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021**

Notes to the financial statements

20 Charity Funds - prior year	1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2020 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets net of loans	9,026	-	(121)	(285)	-	8,620
DARE strategy	7,547	260	(634)	-	-	7,173
	16,573	260	(755)	(285)	-	15,793
Total designated funds	8,010	2,225	(2,269)	(571)	98	7,493
Free reserves						
	24,583	2,485	(3,024)	(856)	98	23,286
Total unrestricted funds						
Restricted funds						
Portman House Trust	2,188	2,079	(1,875)	(404)	8	1,996
Special trusts including linked charity:						
Discretionary Grant Fund	733	8	(34)	-	18	725
Gurney Trust	1,586	17	(11)	-	29	1,621
Ketterson	161	-	-	-	(4)	157
Tebbs	146	4	-	-	(9)	141
Other restricted funds including linked charity:						
Retirement fund	1,559	25	(24)	-	3	1,563
Greenwich Centre of Mission	60	-	-	(31)	-	29
Frontline activities	-	1,280	(2,571)	1,291	-	-
Other	48	100	(75)	-	-	73
	6,481	3,513	(4,590)	856	45	6,305
CAPS pension liability	(855)	-	(13)	-	609	(259)
CoE pension liability	(629)	-	450	-	-	(179)
Total restricted funds	4,997	3,513	(4,153)	856	654	5,867
Total funds	29,580	5,998	(7,177)	-	752	29,153

Notes to the financial statements

20 Charity Funds (continued)

Reserves	Group		Society	
	2021 £000	2020 £000	2021 £000	2020 £000
Income and expenditure account	20,345	20,187	18,307	18,192
Revaluation reserve	9,911	9,404	9,911	9,404
Pension reserve	(740)	(438)	(740)	(438)
	<u>29,516</u>	<u>29,153</u>	<u>27,478</u>	<u>27,158</u>

The designated funds comprise the amounts tied up in fixed assets (net of any related borrowing) plus an amount set aside for commitment to the DARE strategy.

Portman House Trust, a subsidiary, operates the project for homeless women at Marylebone.

The Discretionary Grants Fund is an amalgamation of various restricted funds for the welfare of current and retired officers and staff.

The Gurney Trust is for the benefit of women in need, and the income from its investments provide additional income for the Marylebone Project.

Ketterson Trust is historically linked with work in Northern Ireland.

Tebbs trust is an historic fund established to support 'general religious purposes'.

The retirement fund is to support retired officers and widows of commissioned officers, the fund is made up of properties bequeathed to Church Army or subsequent properties purchased with the proceeds, and a small cash holding.

Greenwich Centre of Mission, and Frontline activities (money given specifically for frontline activities) and other restricted funds are used to fund specific projects in accordance with the instructions of the donors, settlors or Trustees.

Transfers have been made between funds for the following:

- contribution to frontline activities from General Funds
- to agree the operational property and other fixed assets net of loans to the balance sheet figures
- to account for management charges which are eliminated on consolidation

21 Special trusts and linked charities

Over many years, Church Army has been appointed to, and continues to administer a number of special trusts, many of which have now expired, but some still exist and are managed in furtherance of the purpose under which they were established.

Within these trusts are two that are linked charities per The Charity Commission website. The Hearn Fund (included within the retirement fund) and The Patterson Holiday Fund (included within the discretionary grant fund). These linked charities and special trusts are combined within the Church Army's results and are accounted for as a component of restricted funds. Separate accounts are not maintained but are recorded so they can be isolated for monitoring and reporting purposes.

Notes to the financial statements

The activity and funds held by each linked charity are as follows:

	The Hearn Fund £000	The Patterson Holiday Fund £000
Funds at 1 April 2020	151	136
Income	-	-
Expenditure	-	-
Gains/(losses)	38	34
Funds at 31 March 2021	189	170

22 Analysis of net assets between funds

Current year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,327	1,531	8,858
Investments	16,896	4,459	21,355
Current assets	72	993	1,065
Creditors due within one year	(1,001)	(46)	(1,047)
Creditors due after more than one year	-	(79)	(79)
Defined benefit pension liability	-	(636)	(636)
Total	23,294	6,222	29,516

Prior year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,453	1,298	8,751
Investments	16,928	3,815	20,743
Current assets	(118)	1,209	1,091
Creditors due within one year	(977)	(42)	(1,019)
Creditors due after more than one year	-	(154)	(154)
Defined benefit pension liability	-	(259)	(259)
Total	23,286	5,867	29,153

Notes to the financial statements

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

Group	2021 £000	2020 £000
Net income/(expenditure) for the year	847	(1,040)
Rents received from investment properties	(518)	(495)
Income from investments	(57)	(91)
Depreciation of tangible fixed assets	289	252
(Gains)/losses on investments	(2,126)	(139)
(Profit)/loss on disposal of tangible fixed assets	5	(4)
Gain on revaluation of fixed assets	-	4
Movement in defined benefit scheme funding	(212)	13
Movement in CoE pension scheme	(75)	(450)
(Increase)/decrease in debtors	109	35
Increase/(decrease) in creditors	159	67
Net cash flow from operating activities	<u>(1,579)</u>	<u>(1,848)</u>
 Society	 2021 £000	 2020 £000
Net income/(expenditure) for the year	804	(848)
Rents received from investment properties	(518)	(495)
Income from investments	(57)	(91)
Depreciation of tangible fixed assets	231	234
(Gains)/losses on investments	(2,126)	(139)
(Profit)/loss on disposal of tangible fixed assets	5	(3)
Gain on revaluation of fixed assets	-	4
Movement in defined benefit scheme funding	(212)	13
Movement in CofE pension scheme	(75)	(450)
(Increase)/decrease in debtors	131	(216)
Increase/(decrease) in creditors	(53)	43
Net cash flow from operating activities	<u>(1,870)</u>	<u>(1,948)</u>

Analysis of changes in net debt - Group and Society

	At 1 April 2020 £000	Cash Flows £000	At 31 March 2021 £000
Short term borrowings	131	(131)	-
Total liabilities	131	(131)	-
Cash at bank	(721)	314	(407)
Total net debt	<u>(590)</u>	<u>183</u>	<u>(407)</u>

Notes to the financial statements

24 Pensions and other post-retirement benefits

Church Army Pension Scheme (CAPS)

The Society operates a final salary defined benefit scheme. Pension benefits are linked to the members' final pensionable salaries and service at retirement (or date of leaving if earlier). The triennial actuarial valuation of the CAPS scheme as at 31 March 2020 showed a deficit of 9%, a deterioration from the position in 2017. This had arisen from lower than expected investment returns and a contribution holiday by the employer (Church Army). The Pension Scheme Trustees have implemented a changed investment strategy and Church Army made a lump sum contribution of £250k into the plan from the 2021 surplus to help stabilise the fund taking the total employer contribution to this scheme during the year to £350k (2020: £100k). The Pensions Regulator is satisfied that the remediation is appropriate; the Scheme's actuarial advisers expect the scheme to return to surplus (subject to unforeseen external circumstances).

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021.

Church of England Funded Pensions Scheme (CEFPS)

Commissioned staff are members of the Church of England Funded Pensions Scheme administered by the Church of England Pensions Board which holds the assets of the schemes separately from those of the Responsible Bodies. The total contribution to this scheme during the year was £227k (2020: £242k).

Stakeholder Scheme provided by Clerical Medical

The stakeholder scheme was established to meet statutory legislation ruling at the time and provide pension provisions for new and existing employees who were not eligible to join the CEFPS or CAPS schemes. The total contribution to this scheme during the year was £19k (2020: £23k).

Auto-enrolment scheme provided by People's Pension (B&CE)

The auto-enrolment scheme was established to conform to current legislation regarding the provision of pension opportunities to all qualifying employees. The total contribution to this scheme during the year was £51k (2020: £46k).

The defined contribution expenses are allocated to activities per staff allocation and all expenses and liabilities are allocated to restricted funds.

Notes to the financial statements

24 Pensions and other post-retirement benefits - continued

Church Army Pension Scheme (CAPS)

The total cost recognised in the period was as follows:

	2021 £000	2020 £000
Current service cost	40	47
Admin costs, past introductions, changes, curtailments and settlements	94	47
Net interest (income)/expense	4	19
Recognised in net income/expenditure	138	113
Recognised in other gains/losses	589	(609)
Total cost recognised	727	(496)

Amounts recognised in the balance sheet were as follows:

	2021 £000	2020 £000
Fair value of plan assets	9,584	8,814
Present value of funded obligations	(10,220)	(9,073)
	(636)	(259)

Changes in the fair value of the pension plan assets were as follows:

	2021 £000	2020 £000
Opening plan assets	8,814	8,955
Interest income	200	201
Actual return on plan assets (excluding interest income)	771	130
Administration expenses	(94)	(47)
Contributions by charity	350	100
Contributions by scheme participants	8	9
Benefits paid	(465)	(534)
Closing plan assets	9,584	8,814

Changes in the present value of the defined benefit obligations were as follows:

	2021 £000	2020 £000
Opening defined benefit obligation	9,073	9,810
Current & past service cost	40	47
Interest expense	204	220
Contributions by scheme participants	8	9
Benefits paid	(465)	(534)
Actuarial (gains)/losses	1,360	(479)
Closing defined benefit obligation	10,220	9,073

Notes to the financial statements

24 Pensions and other post-retirement benefits - continued

Church Army Pension Scheme (CAPS) - continued

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2021 £000	2020 £000
Equity instruments	-	1,577
Bonds	813	5,998
Cash	176	915
Other assets	-	324
Pooled investment vehicle	4,680	-
Liability driven investments	1,724	-
Diversified credit funds	2,191	-
	9,584	8,814

The return on plan assets was as follows:

	2021 £000	2020 £000
Interest income	200	201
Actual return on plan assets (excluding interest income)	771	130
Total return on plan assets	971	331

The principal actuarial assumptions used were as follows:

	2021	2020
Discount rate	1.9%	2.3%
RPI inflation	3.3%	2.6%
CPI inflation	2.8%	2.1%
Expected rates of salary increases	2.6%	1.9%
Expected rates of pension increases RPI linked	3.2%	2.6%
Expected rates of pension increases CPI linked	2.8%	2.1%
Expected rates of pension increases (5% or RPI if less)	3.3%	2.6%
Expected rates of pension increases (5% or CPI if less)	2.8%	2.1%

Mortality after retirement 100% S3PMA_H/100% S3PFA_M 100% S3PMA/100% S3PFA
CMI_2020_M/F [1.25%] (yob) CMI_2019_M/F 1.25% (yob)

Mortality before retirement As per post retirement As per post retirement

Life expectancy for a current individual aged 65:

Males 19.7 (2020: 19.8)

Females 23.7 (2020: 23.7)

Life expectancy at age 65 for a current individual aged 45:

Males 21.1 (2020: 21.2)

Females 25.2 (2020: 25.2)

Notes to the financial statements

24 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS)

The total movements recognised in the period were as follows:	2021	2020
	£000	£000
Net interest income/expense	2	12
Deficit contribution paid	(83)	(90)
Re-measurement of the balance sheet liability	6	(372)
Total	<u>(75)</u>	<u>(450)</u>

Church Army participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in the year and were £310k (2020: £332k), of which £83k (2020: £90k) were towards the scheme deficit.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Notes to the financial statements

Church of England Funded Pension Scheme (CEFPS) continued

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2021 £000	2020 £000
Opening balance sheet liability	179	629
Deficit contribution paid	(83)	(90)
Interest cost (recognised in SOFA)	2	12
Remaining change to the balance sheet liability* (recognised in SOFA)	6	(372)
Closing balance sheet liability	104	179
Split of liability:	2021 £000	2020 £000
Creditors: amounts falling due within one year	(25)	(25)
Creditors: amounts falling due after more than one year	(79)	(154)
	(104)	(179)

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

Notes to the financial statements

Church of England Funded Pension Scheme (CEFPS) continued

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

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

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

25 Operating lease commitments

At 31 March 2021 the group had lease agreements in respect of various properties, for which the payments extend over a number of years. The total future minimum lease payments are as follows:

	2021 £000	2020 £000
Not later than one year	18	43
Later than one and not later than five years	13	31
Later than five years	-	-
	<u>31</u>	<u>74</u>

26 Capital commitments

There is a capital commitment of £73k for refurbishment of the drop-in centre at the Marylebone project and Sheffield premises (2020: £125k for a lift at the Marylebone project).

27 Related party transactions

Trustee and key management personnel transactions are disclosed in note 12.

Transactions with the Church Army Pension Scheme (CAPS) are disclosed in note 24. At the year end a balance is due to the scheme of £221k (2020: £38k).

Church Army acts as sole trustee to Portman House Trust and also landlord for two of the three properties which make up the project. The rent for the properties is negotiated on an arm's length basis using third party professional valuations and on a five yearly review cycle, in the year 2020/21 rent amounted to £234k (2019/20: £234k). Church Army also apportions some of its own administrative and management costs to the Portman House Trust covering services such as building management, health and safety, accounting and payroll which are calculated on a time basis as is senior management. Group incurred insurance is apportioned based on employee costs. The total of these recharges for the year was £160k (2020: £170k).