

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

	Page
Charity Reference and Administrative Details	1
Welcome from the Chief Executive	3
Trustees' Annual Report (including Directors' Report and Strategic Report)	4
Independent Auditor's Report	27
Group Statement of Financial Activities	31
Society Statement of Financial Activities	32
Balance Sheets	33
Group Statement of Cash Flows	34
Society Statement of Cash Flows	35
Notes to the Financial Statements	36

**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	<p>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</p>
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Chief Executive	<p>Des Scott (resigned 12 March 2021) The Ven Dr Peter Rouch (appointed 1 May 2021)</p>
Company Secretary	Robin Webb (appointed 26 June 2020)
Senior Leadership Team	<p>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</p>

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
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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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Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021**

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.

Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2021

- 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

Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2021

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:

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021**

- 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021

Inability to recruit & retain the right people especially for Centres of Mission	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Planned handover for outgoing CEO with new CEO
Significant investment loss impacts reserves	<ul style="list-style-type: none"> • 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.

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021**

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**

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.

Independent Auditor's Report to the Members of Church Army (The)

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

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021

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)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021

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.

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021

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.

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021

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.

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021

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
	<u>2,719</u>	<u>1,561</u>	<u>4,280</u>	<u>3,973</u>
2020	<u>2,607</u>	<u>1,366</u>	<u>3,973</u>	

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	<u>1,561</u>	<u>1,366</u>

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
	<u>30</u>	<u>30</u>	<u>30</u>	<u>27</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):

	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.

Church Army (The)
 Trustees' Annual Report (Including Directors' Report and Strategic Report)
 Year Ended 31 March 2021

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 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

Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2021

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
	<hr/>	<hr/>
Recognised in net income/expenditure	138	113
Recognised in other gains/losses	589	(609)
	<hr/>	<hr/>
Total cost recognised	727	(496)
	<hr/>	<hr/>

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)
	<hr/>	<hr/>
	(636)	(259)
	<hr/>	<hr/>

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)
	<hr/>	<hr/>
Closing plan assets	9,584	8,814
	<hr/>	<hr/>

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)
	<hr/>	<hr/>
Closing defined benefit obligation	10,220	9,073
	<hr/>	<hr/>

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	(75)	(450)

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	<u>104</u>	<u>179</u>
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)
	<u>(104)</u>	<u>(179)</u>

*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).