



# The Society for Promoting Christian Knowledge

Charity Registration Number: 231144

Consolidated Financial Statements

for the year ended 30 April 2023

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## A Message from the Chair

Welcome to SPCK's 2023 annual report.

I was delighted to join SPCK's Governing Body as Chair earlier this year. Having always valued Christian literature I have been very impressed by the quality both of the team and our publications.

I am most grateful for the work and expertise of my predecessor James Catford, who rotated off the Governing Body in November 2022. James led the Governing Body in working with the team and stakeholders to develop new vision, mission and value statements to guide us through the 2020s, and I'm grateful to have inherited such clarity.

Our **vision** is **creating conversations between Christianity and the culture**. We want to be an outward-looking Christian publisher whose titles can reach people where they are rather than where we would like them to be.

Our **mission** is **publishing great Christian books around the world**. "Good" is no longer good enough, especially if we are going to reach a global market where the number of Christians is expected to grow 35% by 2050.

Our **values** are that we want to be **significant, passionate, creative and knowledgeable**. I'm delighted that we have a fantastic team who embody these values and work hard every day. As you will read in this annual report, the team have been very busy this year laying foundations for future growth.

Whilst the financial results for the year to 30 April 2023 are very disappointing the work that has been done to refocus the publishing business should enable it to return to profitability in the current year.

It's also been a great pleasure to start to meet with SPCK's new and longstanding partners and supporters during the year. We are most grateful for your prayers, for your donations and for your partnership in mission.

Stephen East, Chair.

## A Message from the CEO

2022-23 was not the year we expected at SPCK, with three big external influences affecting our plans.

Firstly, the macroeconomic environment was very challenging. The war in Ukraine had a huge impact on costs and on consumer confidence; we were however able to publish an important insight into the link between the war and (misguided) religion in the form of *Holy Russia? Holy War* by Catherine Kalaidis. The team worked harder than ever in the inflationary environment to secure good prices for our customers and for our co-edition partners around the world.

Secondly, more closely to home, we unexpectedly found that our long-term distributor, Macmillan, no longer had space for us in their warehouse. We moved quickly to secure a new long-term partnership with John Wiley & Sons, and to move nearly a million books from Macmillan and from Marston, with our customers very complimentary about how smoothly the process has gone. In fact, being forced to make this move sooner than planned proved to be a blessing in disguise, as Marston had problems through the year and the subsequent announcement of the closure of Grantham Book Services has left a large number of publishers now scrambling around for a new distribution deal. In Wiley we have an excellent partner who are very forward-thinking on technology, with a print-on-demand facility within the warehouse itself.

Thirdly, we were faced with a large increase in our service charge from our long-term landlord at the Diocese of London which made our continued occupation at Causton Street unsustainable for us. Following an extensive search exercise, we identified a new home for SPCK at The Record Hall in Farringdon. Our new office, complete with café on the ground floor, is cheaper, buzzier and better connected than our previous location. We hope we might see you there in the coming months.

I have been delighted with how the team have stepped up to cope with these three challenges. However, with all this going on, unfortunately we fell short of our plan to return our publishing to profitability in 2022-23. With the integration of Lion Hudson's imprints and systems now fully completed, we do have in place a realistic budget to achieve this in 2023-24, underpinned by some fantastic titles from the likes of John Mark Comer, Katie Piper and Tom Wright whose new children's Bible has attracted fantastic orders from around the world.

My personal highlight was seeing the Archbishop of Canterbury's Lent Book, *Failure* by Emma Ineson, secure the number one spot on the Nielsen Bookscan Religion Chart for five weeks running. This brilliant book, backed by an innovative campaign in partnership with the Archbishop of Canterbury, has touched the lives of readers across the country and around the world, including in India where it was simultaneously published by our friends at ISPCCK.

I hope you enjoy the annual report!

Sam Richardson, Chief Executive



## Trustees' report (incorporating the Group Strategic Report)

The Society's accounts for the year ended 30 April 2023 have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP 2019 FRS 102) and Financial Reporting Standard 102 (FRS 102).

### Objectives and Activities

#### Objects

SPCK's objects are to promote Christian knowledge in any part of the world by such means, including the furtherance of education at all levels, as the Society may from time to time think fit, in accordance with the principles of the Church of England in promoting the learning, ministry, fellowship, witness and worship of that Church, or any Church or other Christian body with which the Churches of the Anglican Communion seek or may seek to co-operate.

#### Public Benefit

The trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit. The charitable purpose for the charity within the meaning of the Act is enshrined within its objects.

The Society's activities relate directly to our charitable aims and objects. Our programmes bring benefit to all parts of the world, and we do not seek to limit our activities to a narrow focus. We operate as a publisher of books and resources in both physical and digital form, providing some materials free of charge to end-users under our charitable programmes. The information we produce is aimed at a very wide spectrum of readers, recipients and consumers, including people who are only potentially interested in Christianity, as well as those on its fringes, in addition to those who are actively involved in church life. Our offerings include material for children as well as for adults.

### Trusts Managed by the Society

**Bray Funds** – SPCK manages a number of historic endowed trusts. Following an exercise with the Charity Commission, the income from all of these may now be spent in line with SPCK's general purposes. These trusts remain as sub-charities within SPCK and include Becker Trust, H. M. Bliss Trust, Clericus Fund, Crawford Trust, Bishop John Charles Jones Trust, Palmer Trust, Piercy Trust, H. C. Richards Fund, St Augustine's Fund, Bray Charity, and D'Allone Educational Foundation.

### Structure, Governance and Management

#### Governance

SPCK is administered by a Governing Body of unpaid members, acting as trustees, who serve alongside paid executives on management committees which oversee the activities of the charity under delegated authority. The Chief Executive is responsible to the Governing Body for the overall administration of the Society and for ensuring that Governing Body policy is carried out.

## Committees

The main SPCK committees during 2022-23 were:

- Board Support Group (formally Standing Committee, also acts as Governing Body Membership Committee)
- Audit Committee (also acts as Investment Sub-Committee)
- Publishing Committee

The responsibilities of the first two committees and oversight of the executive functions are defined in Standing Orders. Each committee reports to the Governing Body, which approves major decisions and has overall responsibility for all SPCK's activities.

## Trustee Selection, Appointment and Competence

The Governing Body of trustees is elected at the Annual General Meeting by members of the Society from among their number, following submission of nominations not later than 21 days in advance of the meeting. Members are elected for three-year terms of office and may be re-elected up to a maximum period of nine years. In addition to its elected members, the Governing Body may co-opt up to six of the Society's members or Vice-Presidents to serve on the Governing Body.

New trustees receive a comprehensive induction pack to acquaint them with SPCK's aims and activities, policies and practices, management and governance. Regular updates to this information pack are provided. All trustees are informed of their responsibilities under charity law, with particular reference to Charity Commission guidance publications. Trustees are also encouraged to go on relevant trustee training paid for by SPCK.

## TRUSTEES

The members of the Governing Body of SPCK who serve as trustees (including past members who served during the year), and the committees on which the current members serve, are:

*James Catford (until November 2022)* (Chair) – Board Support Group, Audit Committee, Publishing Committee

*Stephen East (from January 2023)* (Chair) – Board Support Group, Audit Committee, Publishing Committee

*Sarah Bailey* - Publishing oversight, Publishing Committee

*Dr Michael Beasley* (Vice-Chair) – Board Support Group, Audit Committee

*Paul Burrage* – Board Support Group, Chair of Audit Committee

*Matthew Cashmore (until November 2022)* – Publishing Committee



*Sue Halliday* - Chair of IVP Publishing Board

*Dr David Muir*

*Mark Nam (from November 2022)*

*Dr Sanjee Perera*

*Elizabeth Renshaw-Ames* - Audit Committee, Pensions oversight

*Eric Thompson* - Audit Committee, Staff/HR oversight

*Stephen Tudway (until November 2022)* - Legal oversight

*Matthew van Duyvenbode (from November 2022)*

## KEY MANAGEMENT PERSONNEL

The key management personnel of the charity are in charge of directing, controlling, running and operating the charity on a day-to-day basis. As such they are considered to be the following:

- Trustees
- Senior Leadership Team
  - Sam Richardson (Chief Executive)
  - Suzanne Wilson- Higgins (Deputy Chief Executive) – retired April 2023
  - Anthony Brown (Finance Director)
  - Wendy Grisham (Group Publishing Director) – Deputy Chief Executive from April 2023
  - Mark Read (Art Director)
  - Christopher Watkins (Production and Supply Chain Director)
  - Jenny Beadle (Human Resources Director)
  - Rowan Miller (Commercial Director from April 2023)

All trustees give their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Note 5 to the financial statements. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Salary levels are benchmarked in line with other similar organizations, including other Christian charities and other publishers, and benchmarking is in place within the organization.

## People

### **Patron**

Her Majesty The Queen (until September 2022)

### **President**

The Most Revd and Right Hon Archbishop of Canterbury

### **Vice-Patrons**

The Bishop of London

The Primates of Ireland, Australia and the USA

The Moderator of the Church of North India

### **Ex-Officio Vice-Presidents**

Archbishops and Bishops of the Anglican Communion who are members of the Society

### **Elected Vice-Presidents**

Mr Paul Chandler

The Ven. Dr William Jacob

Mr LE "Paddy" Linaker

The Revd Canon Michael Moore LVO

The Revd Canon Dr Nicholas Sagovsky

The Revd Sharon Swain

The Rt Revd Lord Williams of Oystermouth

### **Honorary Life Member**

Ian Ferguson



## Legal and administrative details

### Identity

The Society for Promoting Christian Knowledge (otherwise known as SPCK) is a registered charity, no. 231144, incorporated under Royal Charter in 1969, with its head office currently at Studio 101, The Record Hall, Baldwins Gardens, London, EC1N 7RJ. In January 2005, the Privy Council approved amendments to the Royal Charter Bye-laws to reflect the structural and operating changes which had taken place within the Society during the previous 35 years. Further amendments were made in November 2011 to provide greater flexibility to respond to future changes in ways of working. SPCK is a membership organization, founded on 8 March 1698 to promote Christian knowledge through publishing, lending libraries and schools. The Society has been a publisher and distributor of Christian literature since its inception, and helps to resource theological education and ministry on a worldwide basis. The number of members at 30 April 2023 was 147 (2022: 145).

## PRINCIPAL PROFESSIONAL ADVISERS

<b>Auditors</b>	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
<b>Bankers</b>	Barclays Bank PLC Floor 27 1 Churchill Place London E14 5HP
<b>Insurance Brokers</b>	Scrutton Bland Fitzroy House, Crown Street, Ipswich, Suffolk, IP1 3LG
<b>Investment Managers</b>	Sarasin & Partners LLP Juxon House St Paul's Churchyard London EC4M 8BU  Cazenove 1 London Wall Place London EC2Y 5AU
<b>Pension Administrators</b>	The Church of England Pensions Board 29 Great Smith Street London SW1P 3PS  Nest Nene Hall Lynch Wood Business Park Peterborough PE2 6FY

## Solicitors

Wedlake Bell LLP  
71 Queen Victoria Street  
London EC4V 4AY

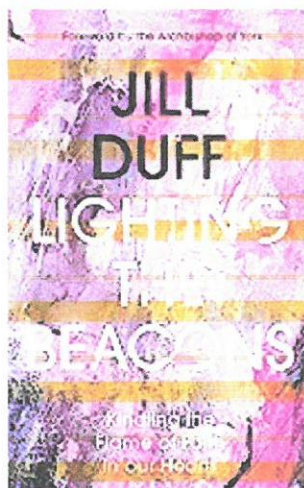
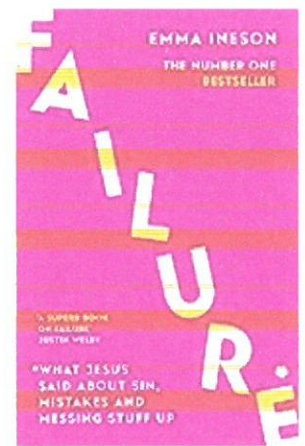
## Achievements and performance

Following the completion of the integration of Lion Hudson, SPCK operates three main business units (Adult, Kids and IVP) in addition to its charitable projects.

### **Adult division – Supporting the Church, Engaging with Culture**

SPCK aims to promote Christian knowledge in two ways: by publishing books and resources that support people who are actively pursuing the Christian life, and by publishing books that engage with people whose interest in Christianity, for whatever reason, may need some stimulation and encouragement.

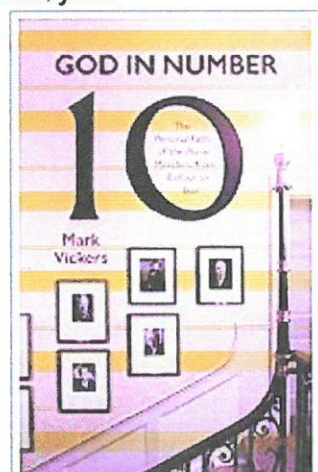
Our programme last year included a wide range of books that fulfil our first aim – from books for church leaders to books for individuals and groups looking to explore aspects of the faith and develop a deeper appreciation of the gospel and how it relates to life in the 21<sup>st</sup> century.



In that respect the stand-out book of the year was Bishop Emma Ineson's *Failure – What Jesus said about Sin, Mistakes and Messing Stuff Up*, which for five weeks held the number 1 position in Nielsen's nationwide religious books chart.

Other notable books supporting the Church include Jill Duff's *Lighting the Beacons – Kindling the Flame of Faith in our Hearts*, Carrie and David Grant's *The first 30 Days of Walking With Jesus*, John McGinley's *The Church of Tomorrow – Being a Christ-centred People in a Changing World*, and Richard Reddie's *Race for Justice – The Struggle for Equality and Inclusion in British and Irish Churches*.

SPCK's vision is to create conversations between Christianity and culture, and with that in mind we published several books last year that aim to do just that – among them Lily-Jo's *Talking to Children About Mental Health*, Katherine Kelaidis' *Holy Russia? Holy War?*, Cathy Madavan's *Why Less Means More*, Mark Vickers' *God in Number 10* and Rowan Williams' *A Century of Poetry*.

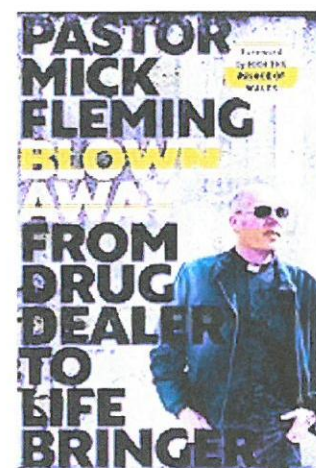
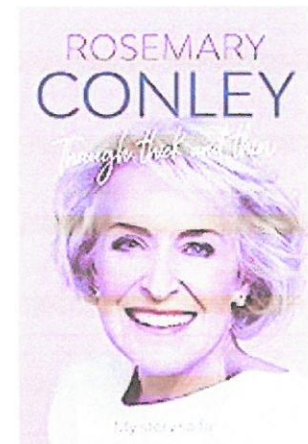




Biography offers a highly effective way of engaging with contemporary culture and last year we published two very different memoirs. One is by a woman who became one of the most popular and successful diet and fitness experts the world has seen: *Through Thick and Thin* by Rosemary Conley. The other is by a man who tells of his incredible journey from life as a hardened criminal to helping others and saving lives through serving those in poverty: *Blown Away – From Drug Dealer to Life Bringer*, by Pastor Mick Fleming.

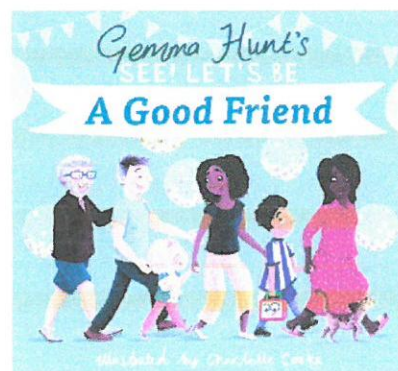
Both books attracted huge national media interest, with extracts and features in all the major daily papers and TV and radio coverage on programmes such as BBC Breakfast, Good Morning Britain, Sunday Morning Live, Loose Women, Steph's Packed Lunch, Sky News, Radio 2's Jeremy Vine Show, Radio 4's Saturday Live, Radio 5 Live and Radio 2's Good Morning Sunday.

Rosemary Conley's autobiography was also featured extensively in national women's and lifestyle magazines, including the cover for *S Magazine* and interviews in *Hello*, *OK!*, *Prima*, *Good Housekeeping* and *My Weekly*. A major interview also appeared in the *Sunday Times Magazine*. A forthcoming drama series based on Pastor Mick's life was announced by *Variety* in December 2022, and the publisher of the French edition of *Blown Away* is hosting him on a 3-day publicity tour. A German edition of the book is also forthcoming.

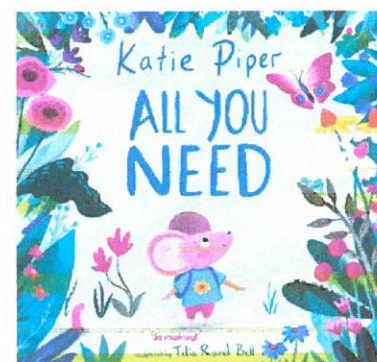


## **Kids – Innovation and Classics**

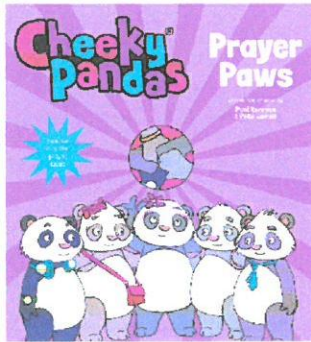
In 2022-2023, the Children's list of publications included the launch of two tv presenters' first children's books. Katie Piper's *All You Need* was her first children's picture book featuring the adorable and relatable Teeny Mouse who goes on an adventure, boosting confidence in young children. Katie



was seen promoting her book in magazines and on tv, such as Good Morning Sunday. Gemma Hunt's *See! Let's Be A Good Friend* includes five stories about qualities of friendship encouraging young children to learn from imitative behaviour and modern retellings of Bible stories. Gemma promoted her book on radio, newspapers and interviews, enthusing about the diversity of the family representation within the book.

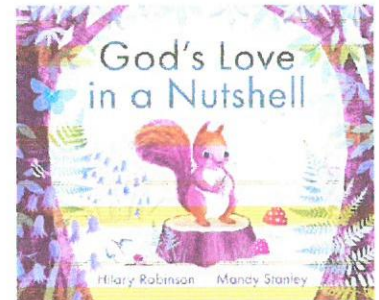






We also launched the Cheeky Pandas range of storybooks, which are based on their online animation videos about the Fruit of the Spirit, and expanded the range with an activity book and an interactive creative prayer book. The Cheeky Pandas – CJ, Lulu, Milo, Benji, Rory and Milo – delight children with their fun, action packed everyday adventures at their treehouse music studio and fill a room of children and their families at events throughout the year.

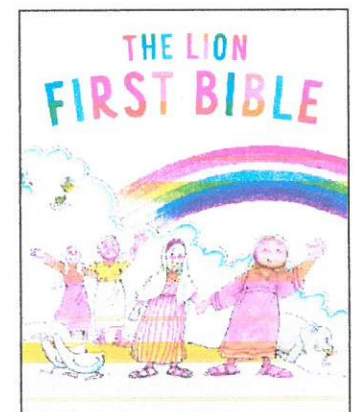
The Rights team sealed deals with international publishers on a number of our backlist and frontlist children's titles, including Hilary Robinson's *God's Love in a Nutshell* – a delightful picture book that helps young children know the depths of God's love for them - and Antonia Woodward's *Special Bible Stories* – a collection of ten Bible stories which are a perfect length for sharing with young children.



In liaison with Spring Harvest and Essential Christian, we published the first *Big Start Annual*, which was a great opportunity to raise awareness of our children's titles. Tying in with the 2023 theme –Flipped! The Upside-down Kingdom – the annual featured extracts from a range of our Children's Bibles, picture books, and activity books by authors such as Bob Hartman, Gemma Hunt, Paul Kerensa, and new author Martha Shrimpton, and included the Cheeky Pandas, Friends and Heroes Bible and the Candle Activity Fun range.

We were delighted to see that the US publisher Eerdman's version of *Prayers Around the World* titled *A World of Praise* was given the Christianity Today magazine's Book Award in the Children's category. "There's beauty in this book, not only in its captivating pictures, but in its affection for the places and people that span God's world."

First published in 1997, *The Lion First Bible* by Pat Alexander is an established ongoing success with over 1.25 million copies sold worldwide and so in 2022 we published a 3rd edition with a fresh-looking cover and updated insides for a new generation of readers. Another classic and long-lasting title, *The Tale of Three Trees* by Angela Hunt, which has been a very strong seasonal title since first publication in 1989 also received a fresh new looking cover and typesetting treatment for its continued success and appeal.



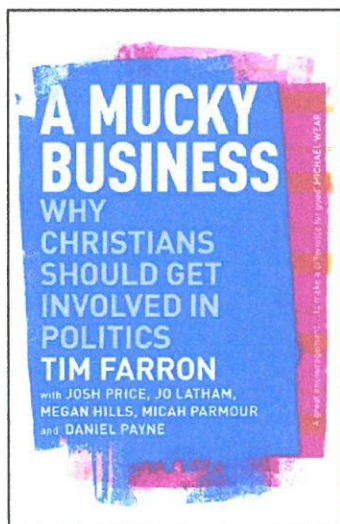
The year ended with the launch of the first book in a new coming-of-age fiction series for 10+ years *Antigone Kingsley: About Last Summer* by Marina Magdalena. This is the perfect companion for tweens and teenagers going through the highs and lows of growing up. Marina has been interviewed for tv, radio and newspapers talking about the representation of neurodivergent characters, providing children living with ADHD with a relatable character through Antigone (Tig). Through



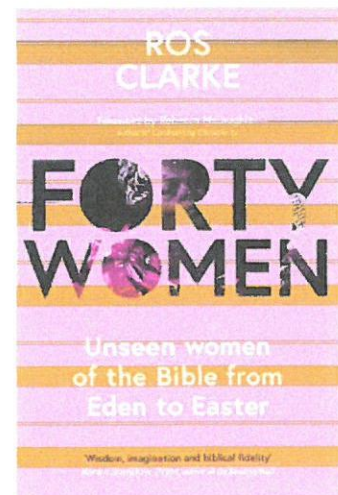
Marina's connections, this series also provides us with first steps into the home-schooling markets.

## IVP – a year of growth and change

2022-23 was a year of growth and change for IVP. The publication of Ros Clarke's *Forty Women* as a Lent book led to strong sales at the start of the year, supported by excellent work from teams across the SPCK Group, supporting this debut author in a space that IVP hasn't published in historically. Bringing evangelical thought to wider attention was Tim Farron et al's *A Mucky Business*, a call to Christians to be politically involved, which

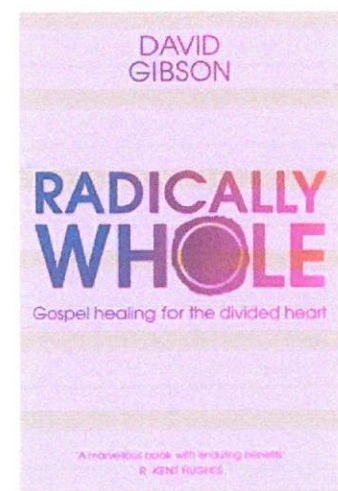


featured interviews with politicians and leaders including Kate Forbes, whose SNP Leadership campaign coincided with the book's launch, and the author being invited on *Sunday Morning Live* (an opportunity also



afforded to contributor Esther Prior and editor Thomas Creedy, around the Anglican-focused edited collection *God's Church for God's World!*). David Gibson's second book with IVP, *Radically Whole*, won an ECPA award, which we celebrated with our copublishers and partners at Crossway. Also receiving secular recognition was *John Stott on Creation Care* – which was 'Highly Commended' at the British Book Design Awards.

IVP's series continue to generate solid income, increasingly via digital platforms such as Logos, with whom the team is building a strong relationship. The NSBT series gained a new series editor in Benjamin L. Gladd, Professor of New Testament at RTS Jackson, and the Apollos Old Testament Commentary saw two new volumes published, *Proverbs* by Paul Overland and *Obadiah, Jonah and Micah* by Elaine Phillips. With the wider SPCK Group's backing, IVP has signed initial contracts for a new full-bible commentary, tentatively titled 'Hearing God's Voice', which should launch in 2025.



The IVP team said goodbye to Publishing Director Caleb Woodbridge – who ably stewarded IVP's publishing through the pandemic, and commissioned key titles like Andrew Fellowes *Smuggling Jesus back into Church* and Ally Gordon's *Why Art Matters*. The commissioning team continues to develop, with Thomas Creedy being promoted to Editorial Director, Joshua Wells continuing as Senior Commissioning Editor, and Wendy Grisham serving as Acting IVP Publishing Director in addition to her role as Group Publishing Director and Deputy CEO. Supported by the IVP Publishing Board, and John Mansfield (IVP's, and now SPCK's, longest serving employee!) the editorial team is excited about the future, with increased

digital agility and awareness, re-establishing links with UCCF with a planned Publishing Relay Worker, and growing connections and partnerships in the United States and around the world.

## **Programmes**

The **Catholic Bible School** team completed their audio recording of the English Standard Version – Catholic Edition, which will be published in the new ESV-CE app later in the year. There was also a gradual increase in interest in in-person events such as Bible weekends, as parishes and schools started to get back on their feet.

The **Assemblies** website continues to be in great demand, and generous support during the year from the Farmington Institute has enabled us to keep the work going.

The **Home Groups** website continues to improve in the search engine rankings, and the material around the Archbishop of Canterbury's Lent Book on *Failure* was very well received.

The **Diffusion** prison fiction programme remains in high demand, with over 8,000 specially commissioned books sent into prisons over the past year. Over 100 prisons have now taken part in the scheme.

The **Africa Theological Network Press** has taught us much about how challenging it can be to publish without the infrastructure we take for granted in the UK. The project was always visionary and high-risk, and following publication of a small number of well-received volumes, the ATNP Board took the difficult decision to disband the project.

In partnership with the Confraternity of the Blessed Sacrament, we successfully launched **Bread of Life**, a new course based around the Eucharist. Initial response from parishes, who first used the course in Lent 2023, has been extremely positive.

## **Financial review**

The consolidated result shown on page 24 shows a significant drop in income, from £8,405,000 in 2021-22 to £6,341,000 in 2022-23. The two main factors here were investment income down from £1,813,000 to £704,000 which returned to its underlying level following an exceptional distribution from William Leech (Investments) Ltd in the previous year; and publishing income, which was disappointing across the board with issues including low trade sales in the Autumn and cost pressure on co-edition partners.

As it became clear during the year that sales were going to fall short of expectations, we took steps to rein in costs and cashflow accordingly. The SOFA suggests that overall we received more income than we spent. However, the expenditure figure is flattered by a goodwill recalculation – if this is stripped out from the publishing costs the publishing business lost £1,102,000 during the course of the year.



Such losses in publishing are not sustainable, but we enter 2023-24 with a much-reduced cost base and a strong publishing list, so that we are able to budget for a small surplus from publishing. In addition, we expect a revaluation of the pension deficit, the process for which is currently underway, will materially reduce our liabilities, strengthen our cash flow, and balance sheet.

However, we also enter 2023-24 with a reduced asset base. We saw a reduction in value of our investments of £1,622,000, primarily driven by a reduction in the value of our shares in William Leech (Investments) Ltd. The WLI investment is held for the long-term and so variations such as this are expected from time to time, and we remain most grateful for the efforts of the Leech board in managing this investment.

During the year we restructured and simplified our investments. We consolidated our investments with Newton, CCLA and M&G into a single new asset manager, Cazenove from whom we also took out a loan. The balance sheet still however shows a shift from cash towards debtors, driven by the fact that our new distributor Wiley pays us more slowly than our previous distributor Macmillan.

### Investment policy and performance

The value of the Society's investments at 30 April 2023 was £14,861,000 (2022: £16,483,000). Of this amount, £9,529,000 (2022: £10,791,000) represented the value of shares and cash waiting investment in William Leech (Investments) Ltd, £210,000 (2022: £245,000) in investment property and £5,122,000 (2022: £5,447,000) the value of other listed investment. Overall, the SPCK portfolio showed a net loss of £1,881,000 for the year (2022: Loss of £1,753,000). At the start of the year, the Society's investments other than those in William Leech (Investments) Ltd were invested in four separate common investment funds operated by four separate fund managers; this was reduced to two by the end of the year. The Society's investment portfolio is managed by the trustees, with authority delegated to the Board Support Group if urgent decisions are needed between the scheduled trustee meetings. The trustees review the portfolio periodically, seeking a balance between capital growth and income, setting benchmarks as they consider appropriate, and following the Church of England's ethical investment guidelines.

Over the past year, the market value of the Society's Common Investment Funds decreased by 6% (2022: 1% increase) during the same period the FTSE All-Share index increased by 2.4% (2022: 5.1% increase). The income yield for the year from those investments, which excludes William Leech, was 3.43% (2022: 3.53%), which is within the target range set of between 3% and 3.5%.

The Society owns 20% of the issued share capital of William Leech (Investments) Limited, an investment company which was established for the benefit of five Christian charities. The directors of this company have invested their funds in marketable securities. The trustees of SPCK periodically review the return on assets of the company and associated trusts and

consider that the investment is in accordance with the Society's investment strategy and that the diversity of its investment is enough in the context of its risk assessment. In practice, SPCK is not able to influence the investment policy of William Leech (Investments) Limited.

The Society holds such investments to generate a return and has made no social investments. However, these investments are made ethically in line with the Society's Investment Management Policy as set by the Governing Body. The Governing Body has adopted the terms of the Ethical Investment Policy of the Church of England's Ethical Investment Advisory Group as may be revised from time to time.

The Society holds 100% investment in its subsidiary undertaking IVP Ltd whose accounts are consolidated with SPCK Group accounts. For the year ending 30 April 2023 IVP Ltd accounts shows a net deficit in reserves of £1,933,000 (2022: £1,579,000). With the transfer of the company to SPCK, there is an on-going commitment from SPCK to support IVP Ltd aims and objectives and to underwrite the current deficit in the reserves.

The trustees also recognise that IVP Ltd reported a deficit of £354,000 (2022: £464,000) for the year ended 30 April 2023 but are aware that plans are underway to improve profitability of the whole organisation (including IVP).

## Reserves

The total funds held by the Society at the end of the reporting period were £9,924,000 (2022: £11,358,000). We have made a provision of £4,224,000 (2022: £5,014,000) for deficit contributions due to the Church Workers' Pension Fund. Many of these funds are endowed or restricted, and therefore the unrestricted funds available to the Society at the end of the reporting period were £2,597,000 (2022: £3,172,000). Much of the unrestricted funds are held by William Leech (Investments) Ltd and would be difficult for the Society to access at short notice. Therefore, the Society defines its freely available reserves as the charity's unrestricted funds that are freely available to spend on any of the charity's purposes. On this basis, the Society has available reserves of £396,000 at the end of the current period (2022: £1,879,000 *adjusted*). The reserves level is below the target range of £1,300,000 to £2,000,000, calculated on the basis of 6-9 months staff costs. The trustees have determined that a prudent level of reserves of approximately 6-9 months of expenditure: this level would be required in the event of an orderly winding down the charity. These costs would cover commitments for intellectual property already contracted, not yet delivered or books already in the pipeline of production, such that it could fulfil its contractual obligations to authors, suppliers and staff (in the event of redundancy). Although the balance sheet shows a net current liability, and the free reserves position is below the range of the agreed reserves policy of 6-9 months committed publishing and staff costs, the underlying strength of the balances sheet is £14.3m of which £5.1m can be made available to improve cash reserves. The charity is taking action to improve its cash position, and we continue to monitor our performance closely in the expectation of returning to the target reserves policy range.



## Risk Management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to manage those risks. The trustees have formalized their risk assessment and risk management process to include a quarterly review of the risk register compiled and updated in consultation with executive staff. We keep under active review the adequacy of the systems which are in place in the light of changing circumstances. As a result of the significant size of the charity, the trustees delegate responsibility for day-to-day management to staff, using committees, planning and budgeting procedures, and hierarchical authorization.

The major risk categories, the level of acceptable risk (from *averse*, through *minimalist*, *cautious* and *open*, to *hungry*, and the mitigation systems are captured in the Risk Register as follows:

- Governance risks, on which we have a *cautious* risk appetite. Risks in this category are mitigated by trustee training, trustee skills audits, use of professional advisers, regular meetings of board and committees, and register of disclosed interests.
- Operational risks, on which we have a *cautious* risk appetite. These risks are mitigated by Business Continuity Planning, identifying and risk-managing key strategic relationships, emergency action plans relating to IT issues, active steps to prevent cyber-fraud, notice periods, succession planning and insurance.
- Financial risks, on which we accept have an *averse* risk appetite. These risks are mitigated by financial controls, budgeting, reporting, investment management policy, reserves policy, credit control, and engagement with Church of England Pensions Board supported by professional legal, actuarial and financial advice.
- Legal risks, on which we have an *averse* risk appetite. These risks are mitigated by HR and legal advice, staff handbook with regular review, and work with solicitors.
- Reputational risk, on which we have a *cautious* risk appetite. These risks are mitigated by editorial review process, media training and communications planning.
- Data risks, technological and compliance risks, on which we have a *minimalist* risk appetite. These risks are mitigated by following best practice in IT and by ensuring staff are fully trained in areas of compliance including GDPR and AML.

The trustees are of the view that it is financial risks that have the most potential to have a negative impact on the charity, and the trustees and Audit Committee have noted the following specific risks and mitigations.

- Sales not performing to expectations, resulting in lack of profitability and ultimately cashflow crisis. Mitigations: Annual budget process, with review against progress in monthly KPIs (shared with the board) and weekly internal meeting; book sales are diversified across a large range of titles, authors and territories (more so following the merger with Lion Hudson); 80% of publishing income is from existing rather than new titles; cashflow KPI shared monthly with Governing Body and backup plans in place including overdraft and release of investments.
- Cost base being too high, resulting in lack of profitability and ultimately cashflow crisis. Mitigations: a significant program of cost savings was made following the Lion Hudson

merger, including redundancies, reduction of office footprint and consolidation of systems. Further steps have been taken in 2022-23 to reduce the cost base, including the move to a new single office location, the ending of duplicated IT contracts from the merger, and the non-replacement of some leavers.

- Risk from poor cost controls, resulting in cashflow crisis. Mitigations: a new purchase order system implemented in 2022-23, and a new series of cost controls implemented in June 2023.
- Inability to meet contributions to historic pension liabilities. Mitigations: a new plan agreed with the Church of England Pensions Board (CEPB) in spring 2021, based on the valuation dated 31 December 2020, is affordable to us based on our forecasts; we continue to work hard to engage with CEPB and to use professional advisers to assist us with this and with developing our pensions strategy. We understand that the pension deficit has decreased significantly at the latest valuation but no firm figure has been received which can be included in these accounts.
- Macro-economic environment, in particular Brexit and Covid-19, could have an impact on SPCK's investments, pension or income. Mitigations: SPCK regularly reviews its investment management policy (most recently in summer 2022) and currently spreads its investments across two different investment managers, all of whom have instructions to keep a portfolio with a spread across both geography and asset types; encourage measures to reduce volatility in the pension deficit; SPCK is taking significant steps to increase the international scope of its work so that we are less reliant on the UK economy.

Any of the aforementioned could have a potential impact on SPCK's reserves. Currently the Society's freely available reserves (defined as the charity's unrestricted funds that are freely available to spend on any of the charity's purposes) of £396,000 (2022: £1,879,000 *adjusted*) which is below the target range of £1,300,000 to £2,000,000. Notwithstanding, we continue to monitor our performance closely in the expectation of maintaining within or above the targeted reserves policy range

### Fundraising Disclosures

During 2022-23 SPCK employed one part-time fundraiser, a member of the Institute of Fundraising. The bulk of voluntary income came from charitable trusts and legacies. However, SPCK also has subscribing members and a number of regular and one-off donors.

SPCK is registered with the Fundraising Regulator and Fundraising Preference Service. We aim to abide by the Code of Fundraising Practice. SPCK has received no complaints directly or via the Regulator, nor any opt-outs via the Fundraising Preference Service. Further details of how we use personal data can be found in our privacy statement [www.spck.org.uk/privacy-and-cookies-policy](http://www.spck.org.uk/privacy-and-cookies-policy).



We are not aware of any community fundraising that is undertaken by third parties in our name but were we to become so we would ensure that it follows the Code of Fundraising Practice. Our fundraising complaints procedure can also be found on our website.

### Statement of Trustee Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The trustees' report for the year ended 30 April 2023 was approved by the trustees on 21 September 2023 and signed on their behalf by



Stephen East, Chair of the Governing Body

The Society for Promoting Christian Knowledge, Studio 101, The Record Hall, Baldwins Gardens, London, EC1N 7RJ

## Independent Auditor's Report to the Trustees of SPCK

### Opinion

We have audited the financial statements of the Society for Promoting Christian Knowledge (the "Charity") and its subsidiary (the group) for the year ended 30 April 2023 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheets, the consolidated 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 of the Charity's affairs as at 30 April 2023 and of the group's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent Charity 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 and Charity's ability to continue as a going concern for a period of at least 12 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 annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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.

#### *Matters on which We are Required to Report by Exception*

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- Sufficient accounting records have not been kept;
- The financial statements are not in agreement with the accounting records; or
- We have not obtained all the information and explanations necessary for the purposes of our audit.

#### *Responsibilities of the Trustees*

As explained more fully in the trustees' responsibilities statement, the trustees 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 they 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 the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or Charity 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 151 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items, and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates including the pension provision discount rate and valuation of stock and work in progress, agreeing financial statement disclosures to underlying supporting documentation, evaluating the internal controls, reviewing trustees' minutes and identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would



become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### *Use of Our Report*

This report is made solely to the Group's and Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Group's and Charity's 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 Group and Charity and their trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Jacob, Cavenagh + Skeet*

for and on behalf of Jacob, Cavenagh & Skeet

Chartered Accountants  
Statutory Auditor  
5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

Dated: *29 September 2023*

Jacob, Cavenagh & Skeet is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2023

Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
<b>Income and endowments from:</b>								
<b>Donations and legacies</b>								
Donations	70	-	-	70	249	4	-	253
Legacies	58	-	-	58	39	-	-	39
Grants Receivable	2 190	75	257	522	174	20	232	426
<b>Investments</b>	3 704	-	-	704	1,813	-	-	1,813
<b>Charitable activities</b>								
Publishing	4,987	-	-	4,987	5,874	-	-	5,874
<b>Total income</b>	<b>6,009</b>	<b>75</b>	<b>257</b>	<b>6,341</b>	<b>8,149</b>	<b>24</b>	<b>232</b>	<b>8,405</b>
<b>Expenditure on:</b>								
Raising Funds	4 22	-	-	22	31	-	-	31
Charitable activities	4 5,647	32	-	5,679	7,788	30	-	7,818
Charitable activities - reorganisational costs	4 193	-	-	193	254	-	-	254
<b>Total expenditure</b>	<b>5,862</b>	<b>32</b>	<b>-</b>	<b>5,894</b>	<b>8,073</b>	<b>30</b>	<b>-</b>	<b>8,103</b>
<b>Income Less Expenditure</b>	<b>147</b>	<b>43</b>	<b>257</b>	<b>447</b>	<b>76</b>	<b>(6)</b>	<b>232</b>	<b>302</b>
(Losses)/Gains on Investments	(722)	-	(1,159)	(1,881)	(537)	-	(1,216)	(1,753)
<b>Net (Expenditure)/Income</b>	<b>(575)</b>	<b>43</b>	<b>(902)</b>	<b>(1,434)</b>	<b>(461)</b>	<b>(6)</b>	<b>(984)</b>	<b>(1,451)</b>
Transfers between funds	-	-	-	-	-	-	-	-
<b>Net movements in funds</b>	<b>(575)</b>	<b>43</b>	<b>(902)</b>	<b>(1,434)</b>	<b>(461)</b>	<b>(6)</b>	<b>(984)</b>	<b>(1,451)</b>
<b>Reconciliation of funds</b>								
Funds brought forward	3,172	76	8,110	11,358	3,633	82	9,094	12,809
<b>Funds carried forward</b>	<b>2,597</b>	<b>119</b>	<b>7,208</b>	<b>9,924</b>	<b>3,172</b>	<b>76</b>	<b>8,110</b>	<b>11,358</b>

The notes on pages 27 to 48 form part of these accounts.

## BALANCE SHEETS

As at 30 April 2023

		Group 2023	Charity 2023	Group 2022	Charity 2022
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible	6	-	-	-	-
Intangible assets	7	(138)	(138)	50	50
Investments	8	14,861	14,861	16,483	16,483
		<b>14,723</b>	<b>14,723</b>	<b>16,533</b>	<b>16,533</b>
<b>Current assets</b>					
Stocks		1,228	1,000	1,313	959
Debtors	9	1,767	1,669	1,437	3,123
Cash at bank and in hand		49	37	414	361
<b>Total Current Assets</b>		<b>3,044</b>	<b>2,707</b>	<b>3,164</b>	<b>4,443</b>
<b>Current liabilities</b>					
Amounts falling due within one year	10	(3,405)	(3,067)	(2,162)	(1,862)
<b>Net current assets/(liabilities)</b>		<b>(361)</b>	<b>(360)</b>	<b>1,002</b>	<b>2,581</b>
<b>Total Assets Less Current Liabilities</b>		<b>14,362</b>	<b>14,363</b>	<b>17,535</b>	<b>19,114</b>
<b>Creditors: amounts falling due &gt;1yr</b>	11	(148)	(148)	(333)	(333)
Provisions for liabilities	13	(4,291)	(4,291)	(5,844)	(5,844)
<b>Net assets</b>		<b>9,924</b>	<b>9,924</b>	<b>11,358</b>	<b>12,937</b>
<b>The funding of the charity</b>					
Endowment funds	14	7,208	7,208	8,110	8,110
<b>Income funds</b>					
Restricted funds	15	119	119	76	76
<b>Unrestricted funds</b>					
Leech fund		3,960	3,960	4,387	4,387
General and Designated funds		(1,363)	(1,363)	(1,215)	364
	16	<b>2,597</b>	<b>2,597</b>	<b>3,172</b>	<b>4,751</b>
<b>Total charity funds</b>	17	<b>9,924</b>	<b>9,924</b>	<b>11,358</b>	<b>12,937</b>

The net deficit of the charity during the year was £3,013,000 (2022: £987,000). Approved by the Governing Body and authorised for issue on September 2023 and signed on its behalf by



**Stephen East**, Chair of the Governing Body.

The notes on pages 27 to 48 form part of these accounts.



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 April 2023

	2023 £000	2022 £000
<b>Cash used in Operating Activities</b>	<b>(1,152)</b>	<b>(1,955)</b>
<b>Cash Flows from Investing Activities</b>		
Investment Income Received	704	1,813
Proceeds from sale of Investments	3,545	-
Purchase of Fixed Asset Investments	(3,802)	(232)
<b>Net Cash Inflow</b>	<b>447</b>	<b>1,581</b>
<b>Cash Flows From Financing Activities</b>		
New Loan	750	-
Repayment on Loans	(388)	(370)
Interest Paid on Loans	(21)	(29)
	341	(399)
<b>Net Cash (Outflow)/Inflow</b>	<b>(364)</b>	<b>(773)</b>
<b>Cash and Cash Equivalents Brought Forward</b>	<b>414</b>	<b>1,175</b>
Bank gifted from CBS	-	12
<b>Cash and Cash Equivalents Carried Forward</b>	<b>50</b>	<b>414</b>

<b>Cash Flow from Operating Activities</b>		
Net (Expenditure)	(1,434)	(1,451)
Investment Income Received	(704)	(1,813)
Gift of CBS assets	-	(193)
Amortisation of Goodwill	(587)	28
Interest Paid on Loans	21	29
Unrealised Losses on Investments	1,881	1,753
(Increase)/Decrease in Stock	85	55
(Increase)/Decrease in Debtors	(330)	184
Increase/(Decrease) in Creditors	695	(59)
Decrease in Provisions	(779)	(488)
<b>Net Cash Used in Operating Activities</b>	<b>(1,152)</b>	<b>(1,955)</b>

<b>Analysis of Changes in Net Debt</b>	<b>At 1 May 2022</b>	<b>Cash flows</b>	<b>At 30 April 2023</b>
Cash	414	(364)	50
Bank Loans Falling Due Within One Year	(373)	(878)	(1,251)
Bank Loans Falling Due In More Than One Year	(333)	185	(148)
Other Loans	(30)	30	0
<b>Total</b>	<b>(322)</b>	<b>(1,027)</b>	<b>(1,349)</b>

The notes on pages 27 to 48 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation

These accounts have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP FRS 102) and Financial Reporting Standard 102 (FRS 102). They are drawn up on the historical cost accounting basis except that investments are carried at fair value.

The financial statements are presented in sterling and figures are rounded to the nearest thousand.

The Society for Promoting Christian Knowledge meets the definition of a public benefit entity under FRS 102.

The Society for Promoting Christian Knowledge is incorporated by Royal Charter in England, with its head office at 36 Causton Street, London SW1P 4ST.

#### b) Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Although the balance sheet shows a net current liabilities, and the free reserves position is below the range of the agreed reserves policy of six to nine month's committed publishing and staff costs, the underlying strength of the balances sheet is £14.3m of which £5.1m can be made available to improve cash reserves. On this basis the trustees believe that the going concern basis of accounting continues to be appropriate in preparing the annual financial statements.

#### c) Consolidation

The group financial statements combine the results of the company and its subsidiary undertaking, Inter-Varsity Press (which also produces and distributes Christian books and materials). A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Charities SORP FRS 102.

#### d) Income

##### i. Turnover

Trading turnover represents the value of sales made during the year, excluding VAT and amounts due to Joint Publishers.



ii. *Donations, legacies and grants receivable*

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received, and the amount of income receivable can be reliably measured.

Grants received from the William Leech Trusts are credited for the period in which they arise. Income from William Leech (Investments) Limited is credited to the Statement of Financial Activities in the period in which the income is received.

iii. *Other income*

Other income comprises Publishing income from co-editions, royalty advances, rights, permissions and sales commission and is accounted for on the accruals basis.

e) *Expenditure*

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer- term liabilities. Charitable expenditure includes all operating costs relating to SPCK's Publishing and Worldwide activities.

i. *Promotional costs*

Promotional costs comprise direct fundraising costs and the costs associated with the Society's website.

ii. *Grants payable and project funding*

Grants payable are taken to the Statement of Financial Activities in the year they are approved and any grants not paid within two years are cancelled unless a continuing need is identified.

iii. *Governance costs*

Governance costs are those associated with charity governance requirements and which relate to the general running of the Society. These have been allocated between expenditure on raising funds and charitable activities according to staff time.

iv. *Support costs*

Support costs include the central office functions of general management, information technology, human resources, office management, accommodation and finance. Costs are allocated to activities on a basis consistent with the use of the resources.

v. *Operating leases*

Rental charges under operating leases are charged on a straight-line basis over the life of the lease.

vi. *Staff pensions*

The Society participates in three pension arrangements. Two are part of the Church Workers' Pension Fund and the third is the UK Government NEST scheme.

### **The Church Workers' Pension Fund**

SPCK participates in both sections of the CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
  - a. a deferred annuity section known as Pension Builder Classic, and,
  - b. a cash balance section known as Pension Builder 2014.

#### **Defined Benefits Scheme**

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. This does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are the interest cost and changes in balance sheet liability 2023: credit of £349,000 (2022: credit of £62,000) and management charge of £32,400 (2022: £32,400).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board having taken advice from the Actuary.

A valuation of DBS is carried out once every three years. The most recently finalised valuation



was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £32,400 per year. In addition deficit payments of £385,842 per year increasing by 3.2% every subsequent 1 April were agreed for 13.00 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognized as a liability in the financial statements (see note 12).

### **Pension Builder Scheme**

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

**Pension Builder Classic** provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

**Pension Builder 2014** is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable of £145,000 (2022: £190,000)

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, SPCK could become responsible for paying a share of the failed employer's pension liabilities.

## UK Government NEST

With effect from 1<sup>st</sup> March 2019 all new employees will be enrolled in the UK Government NEST defined contribution scheme. The assets of this Scheme are held separately from those of SPCK in an independently administered fund and are charged to the SOFA as they become payable in accordance with the Rules of the Scheme.

### f) Tangible fixed assets

Tangible fixed assets costing more than £5,000 are stated in the balance sheet at cost less depreciation. These items are depreciated on a straight-line basis to write off their cost over their estimated useful lives. These rates are currently as follows:

Fixtures and fittings	5 years
Computer systems	3 years

In view of the administrative costs involved, the effect of inflation on costs and the underlying nature of our charitable purpose, the trustees have adopted a policy that only substantial assets which have a long-term on-going value should be capitalised.

### g) Intangible fixed assets

In 2017 the Society purchased the Children's bibles and study guides from the Scripture Union and regards this as an intangible asset – the outright purchase has been initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the SOFA using the straight-line method over 5 years, which is the shorter of their estimated useful lives and periods of contractual rights.

In 2022 the Society acquired Lion Hudson giving rise to goodwill on acquisition amortised over the 5 years in line with contractual arrangements agreed as part of the acquisition.

### h) Investment assets

Quoted investments are stated at mid-market value at the balance sheet date. Investment property is initially recognised at fair value at the date of acquisition. Subsequently it is measured at fair value at the reporting date.

Purchases and sales include transaction fees charged by the investment managers. Other investment securities are valued by reference to underlying assets. Any gain or loss on revaluation or disposal is taken to the Statement of Financial Activities.

### i) Stocks

Stocks are valued at the lower of cost and net realisable value.



- j) **Debtors**  
Trade receivables and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.
- k) **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 opening of the deposit.
- l) **Creditors and provisions**  
Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount. Concessionary loans are included at historic cost.
- m) **Financial instruments**  
The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- n) **Restricted funds**  
Restricted funds are accounted for in accordance with the particular terms of trust arising from the express or implied wishes of donors in so far as these are intended to be binding on the trustees.
- o) **Endowment funds**  
Endowment funds are those where the capital is maintained and used to generate income. Income is used for the purpose for which the fund was originally created.
- p) **Designated funds**  
Designated funds are monies set aside from the general fund by trustees for a specific purpose. These funds are 'ring-fenced' and no longer form part of the unrestricted general funds
- q) **Foreign exchange**  
Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in income or expenditure. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

r) **Accounting estimates and key judgements**

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the next financial year are:

Estimated Pension provision - As disclosed in note 12, the charity is a participating employer of the Church Workers Pension Fund. The provision for deficit contributions due to the Fund has been discounted at 4.8% to reflect the time value of money. The discount rate is selected by reference to corporate bond rates. For each 0.1% change in the discount rate, the carrying amount of the provision would change by an estimated £20,000.

**2. Grants Receivable**

Grants are received from the two charitable trusts administered by the William Leech Foundation Limited. SPCK holds one of the five shares in the William Leech Foundation Limited, which was established to support charitable institutions or trusts in the United Kingdom. William Leech Foundation Limited also acts as a trustee to the two charitable trusts known as the Foundation Trust and the Charity Trust. No capital may be distributed from either trust.

The income of the Foundation Trust is distributed in equal proportions to SPCK and four other charities. The income of the Charity Trust is distributed for charitable purposes at the discretion of the trustee, which has, since 1973, adopted the policy of giving most of the income to the same five charities. This policy is reviewed by the Board of the company each year.

Following a resolution of the Board of Directors of the William Leech Foundation Limited on 15 October 1996, the grants are paid out to the five charities on condition that 57% is invested in shares in William Leech (Investments) Limited at par and treated as an addition to the recipient charity's capital funds. The effects of this condition have been reflected in these accounts by showing the grants re-invested in the Leech Fund (see Notes 8 and 14). This company invests its assets in listed securities.

In addition, grants were received from other trusts in the year of £75,000 (2022: £20,000) used to fund various charitable projects of the Society.



### 3. Investment income

The trustees recognise the need for support for the mission of promoting Christian knowledge through the publication and sale of Christian books and resources. Investment income has therefore been used to support this mission.

	2023	2022
	£000	£000
William Leech	517	1,636
Other Investment Income	187	177
	<b>704</b>	<b>1,813</b>

### 4. Analysis of total expenditure

	Direct Costs	Staff Costs	Overhead Costs	Support Costs	2023 Total Costs	2022 Total Costs
	£000	£000	£000	£000	£000	£000
Raising Funds	-	22	-	-	22	31
<b>Charitable Expenditure</b>						
Publishing	1,440	2,064	1,303	1,156	5,963	7,713
Other UK Projects	-	-	32	-	32	124
Grants	-	-	-	-	-	11
DBS Pension Scheme	-	(316)	-	-	(316)	(30)
	<b>1,440</b>	<b>1,748</b>	<b>1,335</b>	<b>1,156</b>	<b>5,679</b>	<b>7,818</b>
Reorganisational Costs	-	-	193	-	193	254
<b>Total</b>	<b>1,440</b>	<b>1,770</b>	<b>1,528</b>	<b>1,156</b>	<b>5,894</b>	<b>8,103</b>

	2023	2022
	£000	£000
<b>Support and Governance</b>		
Staff Costs	458	1,032
Accommodation	205	308
Finance	15	59
IT	336	334
<b>Governance Costs</b>		
Auditor's Fees	19	18
Legal and professional Fees	60	63
Costs of AGM and trustee travel	30	13
Staff and Support Costs	33	19
	<b>1,156</b>	<b>1,846</b>

#### Reorganisational costs

During the year the company incurred restructure costs of £193,000.

## 5. Trustees, employees and related parties

Except as stated below, the trustees and persons connected with them have not received or obtained any remuneration or other financial benefits for the year directly or indirectly from the charity's funds:

The aggregate amount of expenses reimbursed to 7 (2022: 8) trustees to cover travel and subsistence expenditure in attending meetings during the year was £2,177 (2022: £724).

The total employee benefits of the other key management personnel of the charity were £632,000 (2022: £660,920). A family member of a key management personnel was paid £nil (2022: £nil) for working on Diffusion projects.

Transactions with IVP are disclosed in Note 18.

	2023	2022
<b>Staff Costs</b>	<b>£000</b>	<b>£000</b>
Wages and salaries	2,152	2,565
Social security costs	230	233
Pension scheme contributions:		
PBS (current scheme)	145	190
DBS (closed scheme): Note 12	(316)	(30)
	<b>2,211</b>	<b>2,958</b>

	2023	2022
<b>The average number of employees was:</b>	<b>Number</b>	<b>Number</b>
Publishing	48	53
Worldwide and Projects	0	1
Management and administration	3	3
Fundraising	1	1
	<b>52</b>	<b>58</b>



The number of employees whose emoluments exceeded £60,000 fell within the following ranges:

	2023	2022
£60,000 - £70,000	1	1
£70,001 - £80,000	-	2
£80,001 - £90,000	3	3
£90,001 - £100,000	1	-
£120,001 - £130,000	-	1

During the year, contributions were paid into the Pension Builder Scheme (PBS) for three higher-paid employees (2022: 3); the amounts totalled £25,123 (2021: £23,246).

## 6. Tangible Fixed Assets

### Tangible fixed assets: CHARITY AND GROUP

	Fixtures, Fittings and Computers	Total
Cost or valuation	£'000	£'000
Balance at 1 May 2022	411	411
<b>Balance at 30 April 2023</b>	<b>411</b>	<b>411</b>
<b>Accumulated depreciation</b>		
Balance at 1 May 2022	411	411
Charge for the year	-	-
<b>Balance at 30 April 2023</b>	<b>411</b>	<b>411</b>
<b>Net book value at 30 April 2023</b>	<b>-</b>	<b>-</b>
<b>Net book value at 30 April 2022</b>	<b>-</b>	<b>-</b>

## 7. Intangible fixed assets: Group and Charity

The intangible asset of Goodwill arose from the purchase of the Children's Bibles, Study Guides from Scripture Union and the acquisition of Lion Hudson. Goodwill revalued during the year relates to revisions required to the assets and liabilities values on the acquisition of Lion Hudson

	Group £'000	Charity £'000
<b>Goodwill</b>		
<b>Cost or valuation</b>		
Balance at 1 May 2022	138	78
Acquisition in year	-	-
Revaluation	(247)	(247)
<b>Balance at 30 April 2023</b>	<b>(109)</b>	<b>(169)</b>
<b>Amortisation</b>		
Balance at 1 May 2022	88	28
Provision for the year	(46)	(46)
Change on revaluation	(13)	(13)
<b>Balance at 30 April 2023</b>	<b>29</b>	<b>(31)</b>
<b>Net book value at 30 April 2023</b>	<b>(138)</b>	<b>(138)</b>
<b>Net book value at 30 April 2022</b>	<b>50</b>	<b>50</b>



## 8. Investments: Group and Charity

	Endowment Funds £'000	Other Funds £'000	Investment Properties £'000	2023 Total £'000	2022 Total £'000
At 1 May 2022	8,110	8,128	245	16,483	17,759
Additions	1,930	1,872	-	3,802	477
Disposals	(1,705)	(2,036)	-	(3,741)	-
Unrealised (losses)/gains	(1,127)	(521)	(35)	(1,683)	(1,753)
At 30 April 2023	7,208	7,443	210	14,861	16,483
Total net unrealised gains/(losses)	456	1,848	(35)	2,269	5,353
Historical Cost 30 April	6,752	5,595	245	12,592	11,130

	£'000	
William Leech (Investments) Limited (unlisted)	9,465	63.7%
Cazenove Fund	3,472	23.4%
Sarasin & Partners LLP – 'Alpha' Common Investment Fund (listed)	1,650	11.1%
Investment Properties	210	1.4%
Cash awaiting investment in William Leech (Investments) Limited	64	0.4%
	<b>14,861</b>	<b>100%</b>

All investments are held in the UK.

At the prior year-end, the investments, excluding those held in William Leech (Investments) Limited, were held in four Common Investment Funds managed on behalf of the Society by its investment advisers, Newton Investment Management Ltd, M&G Securities Ltd, Sarasin & Partners LLP and CCLA.

During the year we restructured and simplified our investments. We consolidated our investments with Newton, CCLA and M&G into a single new asset manager, Cazenove from whom we also took out a loan.

The investments are financial assets measured at fair value through the Statement of Financial Activities.

Investment property relates to Catholic Bible School premises which was revalued as at the balance sheet date by Flude Property Consultants.

	2023 Total £'000	2022 Total £'000
<b>a) Unrestricted Funds</b>		
<b>William Leech (Investments) Limited</b>		
Ordinary shares at market value	3,960	4,387
<b>Listed Investments At Market Value</b>	3,482	3,741
	<b>7,442</b>	<b>8,128</b>
<b>b) Endowment Funds</b>		
<b>William Leech (Investments) Limited</b>		
Ordinary shares at market value	5,504	6,346
Cash awaiting investment in William Leech (Investments) Limited	64	58
	<b>5,568</b>	<b>6,404</b>
Trust funds held by the Society		
<b>Van Vryhoven Bequest</b>		
Listed market securities at market value	495	517
<b>Other Trust Funds</b>		
Listed market securities at market value	1,145	1,189
	<b>7,208</b>	<b>8,110</b>

### c) William Leech (Investments) Limited

The investments in the Leech Fund and the Leech Capital Fund are represented by shares held in William Leech (Investments) Limited. The Society holds 20% of the company's ordinary share capital. The Society has no controlling influence over the management of William Leech (Investments) Limited. As there is no market in these shares, the deemed market value of this investment is assessed as 20% of the net assets based on the company's audited accounts as at 31 March 2023, as follows:

	2023 £'000	2022 £'000
Aggregate capital and reserves	47,323	53,665
Turnover (property and investment income)	34	80
Net profit/(loss) for the year	(5,038)	(2,012)

The investment in William Leech (Investments) Limited has been used as security to guarantee the Society's liability for additional pension contributions to the Church of England Defined Benefits Scheme (DBS). This guarantee is restricted to those shares held at 30 April 2009.



#### d) Inter-Varsity Press

The results for the year 30 April 2023 and balance sheet for the subsidiary, Inter-Varsity Press, are as follows:

	2023 Total £'000	2022 Total £'000
Net expenditure	(354)	(464)
Current Assets	507	526
Creditors: Amount falling due within one year	(2,440)	(2,105)
Net (Liabilities)	(1,933)	(1,579)

#### 9. Debtors: amounts falling due within one year

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
Trade Debtors	1,015	851	584	570
Amount owed by Subsidiary	-	169	-	1,805
Other Debtors	387	284	455	350
Prepayments	365	365	398	398
	<u>1,767</u>	<u>1,669</u>	<u>1,437</u>	<u>3,123</u>

#### Legacies and life interests

During the year charity was notified of six legacies (2022: 6). Where the value of the legacy can be determined with a reasonable degree of accuracy, the income has been recognised. In the past, SPCK has been bequeathed shares of a freehold property, which is subject to life tenancies. The conditions for recognition of this income have not been met and therefore this legacy is not included as income in the accounts. The estimated value of the legacy is unknown at present.

## 10. Creditors: Amounts falling due within one year

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
Bank Loans and overdrafts	1,251	1,251	373	373
Trade Creditors	651	579	391	355
Tax and Social Security	55	55	75	75
Other Creditors	1,135	869	1,021	762
Accruals	313	313	302	297
	<b>3,405</b>	<b>3,067</b>	<b>2,162</b>	<b>1,862</b>

## 11. Creditors: Amounts falling due over one year

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
Bank Loans	148	148	333	333
	<b>148</b>	<b>148</b>	<b>333</b>	<b>333</b>

During the year ended 30 April 2023 the charity took out a loan with Cazenove of £750,000 secured on investment assets held by Cazenove, repayable on demand and charged at base rate + 2%.

The charity also had the following borrowings, secured on the Sarasin investment by a fixed and floating charge:

1. CBILS loan of £66,000 charged at base + 2.99%, repayable over 3 years.
2. Barclays Bank loan of £265,000 charged at 3.63% fixed rate, repayable over 4 years.
3. An overdraft of £318,000 charged at base + 3.25%



At 30 April 2023, the bank loans are repayable as follows:

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
Within one year	1,251	1,251	373	373
In 1 - 2 years	148	148	169	169
In 2 - 5 years	-	-	164	164
	<u>1,399</u>	<u>1,399</u>	<u>706</u>	<u>706</u>

The total financial liabilities measured at amortised cost are £1,399,000 (2022: £706,000).

## 12. Pension provision: Group and Charity

	2023 £'000	2022 £'000
<b>Pension</b>		
At 1 May 2022	5,014	5,502
Paid in year	(441)	(426)
Interest cost and change in balance sheet deficit liability	(349)	(62)
At 30 April 2023	<u>4,224</u>	<u>5,014</u>
 Charitable expenditure		
Interest cost and change in balance sheet deficit liability	(349)	(62)
Management charge	32	32
	<u>(317)</u>	<u>(30)</u>

A provision has been made for deficit contributions due to the Church Workers' Pension Fund (see Note 1 e) vi., Staff Pensions). The provision has been calculated from this information and then discounted at 4.8% (2022: 2.6%). Payments are being made monthly up to July 2033. The triennial valuation to the end of December 2022 is still in progress.

## Other Provisions

	2023 Group	2023 Charity	2022 Group	2022 Charity
Provisions	67	67	830	830
	<u>67</u>	<u>67</u>	<u>830</u>	<u>830</u>

There is an overage clause on the Catholic Bible School property. If it is sold before 2030, a share of the profits are due to Diocese AB. The % due to Diocese AB currently decreases each year with a carrying balance of £45,000. The trustees currently have no plans to dispose of this property.

As part of the acquisition of Lion Hudson into SPCK Group the company is required to share future operating profits generated over the next 3 years with the previous owners of Lion Hudson. The current projection of profits due amount to £22,000.

## 13. Other financial commitments and guarantees

As at 30 April 2023, the outstanding commitments for non-cancellable operating leases fall due as follows:

	2023 Group £'000	2022 Group £'000
Operating leases due		
Within one year	2	3
2-5 years	3	1
	<u>5</u>	<u>4</u>

The lease payments recognised as an expense during the year were £10,000 (2022: £10,000).



## 14. Endowment Funds: Group and Charity

Income from the Leech Capital Fund is expendable for the Society's general purposes at the discretion of the trustees. Income from the other endowment trust funds is restricted in accordance with the terms of the relevant trusts. Further details on the endowment trust funds are available from SPCK's office.

	Balance at 1 May 2022 £'000	Income £'000	Gains/(Loss) £'000	Balance at 30 April 2023 £'000
Leech Capital Fund	6,404	257	(1,093)	5,568
Van Vryhouven Bequest	517	-	(22)	495
Other Trust Funds				
Bray Endowed Capital	993	-	(41)	952
Bray Charity	64	-	2	66
D'Allone Charity	132	-	(5)	127
	1,189	-	(44)	1,145
	8,110	257	(1,159)	7,208

	Balance at 1 May 2021 £'000	Income £'000	Losses £'000	Balance at 30 April 2022 £'000
Leech Capital Fund	7,423	232	(1,251)	6,404
Van Vryhouven Bequest	506	-	11	517
Other Trust Funds				
Bray Endowed Capital	972	-	21	993
Bray Charity	63	-	1	64
D'Allone Charity	130	-	2	132
	1,165	-	24	1,189
	9,094	232	(1,216)	8,110

## 15. Restricted Funds: Group and Charity

	Balance at 1 May 22 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 30 April 2023 £'000
Other UK Projects	76	75	(32)	-	119
	76	75	(32)	-	119

	Balance at 1 May 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 30 April 2022 £'000
Other UK Projects	82	24	(30)	-	76
	82	24	(30)	-	76

Restricted funds represent amounts that were donated to support specific projects such as Theological Network Press, Assemblies, Bread of Life and Ordinands.



## 16. Unrestricted Funds

Group	Balance at 1 May 22	Income	Expenditure	Transfers	Gains	Balance at 30 April 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Leech Fund	4,387	-	-	-	(427)	3,960
Designated funds 1	400	-	-	200	-	600
Designated funds 2	22	-	-	7	-	29
Other charitable funds	(1,637)	6,009	(5,862)	(207)	(295)	(1,992)
<b>Total</b>	<b>3,172</b>	<b>6,009</b>	<b>(5,862)</b>	<b>-</b>	<b>(722)</b>	<b>2,597</b>

Charity	Balance at 1 May 22	Income	Expenditure	Transfers	Gains	Balance at 30 April 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Leech fund	4,387	-	-	-	(427)	3,960
Designated funds 1	400	-	-	200	-	600
Designated funds 2	22	-	-	7	-	29
Other charitable funds	(58)	4,907	(6,339)	(207)	(295)	(1,992)
<b>Total</b>	<b>4,751</b>	<b>4,907</b>	<b>(6,339)</b>	<b>-</b>	<b>(722)</b>	<b>2,597</b>

Group	Balance at 1 May 2021	Income	Expenditure	Transfers	Gains	Balance at 30 April 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Leech Fund	4,931	-	-	-	(544)	4,387
Designated funds 1	200	-	-	200	-	400
Designated funds 2	200	-	-	(178)	-	22
Other charitable funds	(1,698)	8,149	(8,073)	(22)	7	(1,637)
<b>Total</b>	<b>3,633</b>	<b>8,149</b>	<b>(8,073)</b>	<b>0</b>	<b>(537)</b>	<b>3,172</b>

Charity	Balance at 1 May 2021	Income	Expenditure	Transfers	Gains	Balance at 30 April 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Leech Fund	4,931	-	-	-	(544)	4,387
Designated funds 1	200	-	-	200	-	400
Designated funds 2	200	-	-	(178)	-	22
Other charitable funds	(583)	6,907	(6,367)	(22)	7	(58)
<b>Total</b>	<b>4,748</b>	<b>6,907</b>	<b>(6,367)</b>	<b>-</b>	<b>(537)</b>	<b>4,751</b>

In a Governing Body meeting 4 July 2020 it was agreed to set up designated funds for any additional payments received from William Leech (Investments) Ltd. Designated Fund 1 to set aside the first £200,000 each year which might be required to make additional pension payment contributions under the terms of the Individual Payment Plan agreed with the Church of England Pensions Board; and Designated Fund 2 for the next £200,000 each year, to be set aside for strategic opportunities.

## 17. Analysis of the Society's net assets by Fund

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fund balances at 30 April 2023 are represented by:				
Intangible fixed assets	(138)	-	-	(138)
Investments	6,003	-	7,208	13,211
Sarasin	1,650	-	-	1,650
Stock	1,228	-	-	1,228
Other current assets	1,698	119	-	1,817
Current liabilities	(3,405)	-	-	(3,405)
Long-term liabilities	(148)	-	-	(148)
Pension Provision	(4,291)	-	-	(4,291)
Total net assets	2,597	119	7,208	9,924

Freely available reserves are defined as Unrestricted Funds that are freely available to spend on any of the charity's purposes. On this basis, the Society has available reserves of £396,000 at the end of the current period (2022: £1,879,000 adjusted).

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fund balances at 30 April 2022 are represented by:				
Intangible fixed assets	50	-	-	50
Investments	6,667	-	8,110	14,777
Sarasin	1,706	-	-	1,706
Stock	1,313	-	-	1,313
Other current assets	1,717	76	-	1,793
Current liabilities	(2,104)	-	-	(2,104)
Long-term liabilities	(333)	-	-	(333)
Pension Provision	(5,844)	-	-	(5,844)
Total net assets	3,172	76	8,110	11,358

## 18. Transactions with IVP

During the year, the following transactions took place with IVP:

	2023 £'000	2022 £'000
Management charge to IVP	685	869
At the year end the amount owed to SPCK was:	2,102	1,805