

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

(Limited by guarantee)

**Annual report and financial statements
for the year ended 31 March 2021**

Company registered number 166825
Charity registered number 248505

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Financial Statements for the year ended 31 March 2021

Contents

	Page
Legal and Administrative Information	1
Council Members' Report	2-9
Independent Auditor's Report	10-12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes forming part of the financial statements	16-25

The following pages do not form part of the statutory financial statements

Detailed Statement of Financial Activities	26-27
Bookshop Trading and Profit and Loss Account	28

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Legal and administrative information

Council Members

The following individuals served as Council Members during the year:

The Rt Rev D F Stockford ThC DipSW DipHE (Chairman)

Mr D R L Boyd MA BA

The Rt Rev E J Malcolm

Mr K McGrane BSc Dipl Eng CEng MIET MIEEE

The Rev D Patterson

The Rev W L Smith

Chairman

The Rt Rev D F Stockford ThC DipSW DipHE

Secretary

Mr G R Rae

Registered office

184 Fleet Street
London EC4A 2HJ

Auditors

Geary Partnership
Chartered Accountants
159A Chase Side
Enfield
Middlesex EN2 0PW

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Bank of Scotland
38 Threadneedle Street
London EC2P 2EH

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London EC1Y 8YZ

Council Members' Report for the year ended 31 March 2021

The Council Members are pleased to present their report together with the financial statements of the Society for the year ended 31 March 2021.

Legal and administrative information set out on page 1 forms part of this report.

Structure, governance and management

The Society is a company limited by guarantee, and a registered charity. It is governed by its Memorandum and Articles of Association dated 14 March 1955, as amended.

Governance is exercised by its Council Members, who are directors of the Society under company law and trustees of the Society under charity law.

The following individuals served as Council Members during the year:

The Rt Rev D F Stockford ThC DipSW DipHE (Chairman)

Mr D R L Boyd MA BA

The Rt Rev E J Malcolm

Mr K McGrane BSc Dipl Eng MIET MIEEE

The Rev D Patterson (appointed 9 November 2020)

The Rev W L Smith

The Council meets bi-monthly from September to July (inclusive) to discuss the running of the Society and to make necessary decisions about its operations. Council Members are appointed by existing Council Members during the year and elected by members at the AGM. One third of the Council Members retire at each AGM.

The Society works in close co-operation with the Kensit Memorial Trust, but acts independently.

Objectives and strategies

The main object of the Society continues to be the maintenance of the Protestant Heritage and Faith of the country. The activities undertaken to meet this objective are as follows:

- The operation of a Christian bookshop displaying Bible-based literature with a Protestant and Reformed emphasis;
- The employment of Wickliffe Preachers to proclaim and propagate Biblical Protestantism, including in which work is the evangelisation of Roman Catholics;
- The circulation of the Protestant Truth magazine;
- The publication of books, booklets, and leaflets and other ancillary activities;
- The publication of a Protestant website to promote Biblical Truth and refute error;
- Keeping supporters and others informed of proposed changes to legislation or regulations that may affect freedom of Christian speech and/or our nations' present constitution.

In consideration of these objects and activities the Council has due regard to the Charity Commission's guidance on public benefit and in particular the specific guidance on charities for the advancement of religion.

Council Members' Report for the year ended 31 March 2021 (continued)

Achievements and performance

Introduction

During the year ended 31 March 2021 the Lord's blessing enabled the Protestant Truth Society to continue discharging the duties, responsibilities and tasks it holds under God. All this despite the significant changes in society around us, caused by the Covid-19 virus and the subsequent government response. There continue to be changes in the way the Society receives financial support. The ongoing significant drop in legacies and gifts is clearly now to be expected. As a Council we seek to ameliorate this change in the short term, and to replace this income in the longer term. Full financial details can be viewed in detail elsewhere in the Annual Report. The ongoing annual deficit remains under review by the Council. Discussion about how to deal with it takes up considerable time, and has led to some changes in how we minister. In all this we must not forget the responsibility we have towards our employees. There has been a further decrease in the size of the deficit. However, looking after the finances remains a painstaking task, and the events of the financial year 2020–2021 have not helped us to meet this responsibility. New ideas that had been planned to make better use of our capital and of our buildings were put into abeyance due to the change in the way the City of London is now operating.

The hoped-for alterations to the PTS HQ at 184 Fleet Street, which would have brought an income from some of the property as well as providing us with a good quality meeting room to use for our own purposes, as well as for renting out, are now on hold, simply because people are not coming into central London to meet, and so the demand is not there. We currently have no idea whether there is any point in making such changes in the future.

National Situation

A G Fuller was clear in his sermon on Proverbs 14:14 - "The backslider in heart shall be filled with his own ways: and a good man shall be satisfied from himself" - that "this text is not intended to deny that external circumstances have considerable influence over our happiness." They also, of course, have considerable effect on what we can do, whatever our intentions and desires. Peace of mind and heart in Christ Jesus are internal, and have a superiority over external circumstances. However, our ministry is external, to the world, in the world, and the actions of that world can have a significant effect on our ministry – as we have found in 2020–21.

Personnel

Council Members' responsibilities have not altered much over the last year, and we should bear in mind that they are an addition to their various responsibilities elsewhere. We therefore continue to be most grateful to those who take on the tasks of the PTS that they perform without remuneration, for the love of God. Modern technology continues to be a blessing in this matter – especially in the area of printing and advertising – and the Pepper Collective design team continue to assist in this, not to forget the way that technology has also changed the face of printing.

Therefore we continue to be abundantly grateful to the Council Members who take on specific tasks. During the last year the magazine has been the significant uninterrupted ministry we have been able to perform, and we thank the Rt Rev Edward Malcolm for holding and effecting the editorship. Mr Kevin McGrane has continued the organisation of the PTS website which has also remained available during the confusion of 2020–21. Duncan Boyd, with other Council Members and Mr George Rae, keep up their work in letting and maintaining our properties, in conjunction with the relevant professional bodies. George Rae produces the finance sheets, with all the communication that involves, as well as the monthly and end of year financial reports.

Council Members' Report for the year ended 31 March 2021 (continued)

Achievements and performance, continued

Our sole employed Wickliffe Preacher, the Rev Stephen Holland, has kept up his regular contributions to the magazine. Under the oversight of the chairman and the editor his input to our magazine has remained valuable. Although he would have desired to carry on Lord's Day visits to congregations across the whole of the UK, as well as midweek talks, and other events, we all know that this was made impossible – as a result of government interference in the church affairs, as well as because of individual church responses to events. The Rev Regan King continues as our only associate Wickliffe Preacher. His geographical position in London made any such outreach very difficult. Being directly under the eyes of government authorities it has been most challenging for London churches to continue ministry for much of 2020–21. We thank God for his witness in remaining open as a congregation, and we thank God for His grace in supporting that opening when a challenge to it came.

Please note, Wickliffe Preachers are always open to visit new venues. With thought and care it may be possible for churches to put on a day when talks on Protestantism can be given by one of the Wickliffe Preachers. The list of available subjects is well able to fill such a booking.

The other uninterrupted ministry during the past year has been the Time Travellers' Club, which as always, continues its excellent work under the hand of Mr Paul Austen. I cannot express my gratitude clearly enough for how very grateful the Council is for his quiet persistence in this important ministry. There remain about 200 children across the country who are members – a gradually changing group. The Journal, published on a bi-monthly basis throughout the year, always seeks to be historically topical, and is sent out by post. The core number of children who complete and return the puzzle pages remains steady, though we would like to see this increase (as with everything). We are thinking about how the website may be used for the benefit of the TTC. Others continue to have the journal passed on to them. We can send this out in PDF format, which ought to add to its readership in these hi-tech days, and we therefore ask and encourage members to let families with children know of this helpful step forward.

The staff at the PTS Headquarters and bookshop, 184 Fleet Street, continue. Despite all that we have endured in the relevant 12 months George and Sarah Rae retained the welcoming feel to the shop, and have still managed to make use of opportunities presented to offer valued Christian fellowship, and Christian teaching. Using ways and means available, a sensible understanding of the situation that prevailed during the year, and a good relationship with the local constabulary, combined with their personal determination, have all meant that there has been some form of witness available in Fleet Street across the year.

The Saturday lecture series was a casualty of the times. However, the customary excellent work of the Raes in all the issues that are involved with the day to day running of the Society and its practical business has continued. Bookshop sales remain reasonably steadily, even during compelled closure – which is to their credit. Sales of the PTS diary (put together by Stephen Holland and Edward Malcolm) through the shop are still down and continuing to drop. But it has not yet seemed time to cease this work – those who benefit in the UK and much further abroad still value it, even if in lesser numbers than has been the case.

The Tuesday lunchtime meetings came to a halt for much of the time in question, but we remain grateful to, and thankful for, the input given on the few occasions they were able to take place. Attendees frequently live some distance from a sound congregation (London is not replete with such, and Lord's Day travel can be difficult), and so the fellowship and teaching is of great benefit to them. We will not apologise for presenting talks which challenge the intellect as well as the soul, and we will do all we can to keep them going, external circumstances permitting.

I remind you of the words of A G Fuller, external circumstances have considerable influence.

Council Members' Report for the year ended 31 March 2021 (continued)

Achievements and performance, continued

We thank also Mr William Smith, who has not been able to join us for meetings during the year because of the ill health of his wife. We know that he continues to support our work with prayer, and we have sought to support him in his difficult personal circumstances through the same means.

In this work, and all that we do, we seek to encourage Christians to make the efforts required of them in Scripture to build themselves up in the faith. This last year we have made a special effort, carefully and thoughtfully, in trying to encourage and support Christians in their gathering together, as we are exhorted to do in Scripture (Hebrews 10:25). The purpose and essence of our foundation is to stand up for that which is right and proper theologically, as well as continuing to champion the cause of Protestantism, which must have a direct effect on the work we do. And it must also have a direct effect on the way in which we are prepared to stand up in the face of tyranny or opposition to the Gospel and its ministry. Without being rash, or foolish, we will continue to do what we can to support the freedom to preach, and to gather for worship. We have been able to offer support to some of the letters sent regarding Christian freedoms, and have place before the Lord in prayer the situations that have arisen, the attacks upon Christ's church, during 2020–21.

Events

As has been stated, many of the regular events that the PTS puts on have not kept going as normal. And our gratitude is due to those responsible for putting in the effort and giving the time to make those events that did occur successful. In this area, as in many others, more responsibility for a greater number of things continues to fall upon fewer faithful people.

In May the annual Bury St Edmunds Martyrs Memorial Service, held in The Great Churchyard, could not take place. And in July the Ipswich Martyrs memorial service, at the Martyr's Memorial in Christchurch Park, Ipswich, was impossible. Though previously numbers for both remain low, we still desire that the events and the witness should continue in the future.

The PTS Annual Cambridge Lecture was also a casualty of national and international events.

Last year I reported that the start of 2020 had brought stories and narratives of a virus from China, and by the end of the time about which this report is concerned the effects of this had arrived in society, the government response to the perceived threat had become strong enough to bring to an end to almost all witness efforts.

Although we may have a very different view from government, authorities, and the majority of the population to the facts of such events, and although we may have a different outlook on life because of the faith we have in Christ, there was no practical way to withstand the pressures from authorities and from society to 'be careful' in the extreme manner that was being imposed.

However, public proclamation of the gospel is valuable, and we desire to continue to stand up for it, and for those who do it, whilst it is still possible to do so. It is heartening that many individual congregations have been ready to stand up and risk the strife and the trouble promised by Jesus for those who do so (Mark 10:29–30). We give thanks to God that the congregations of our brothers, David Patterson and Regan King, have both been vindicated, eventually, in their stand for public worship. We also give thanks that others we know were never put under such pressure, despite being open for people to join them. The faithful church must prepare itself for greater persecution ahead, and this Society also needs to consider how it can prepare itself to maintain its ministry despite the troubles for Christians that seem to come ever closer.

This matter requires prayer as we look ahead to what will now face us – I repeat the words from Scripture that I quoted in this report last year:

Council Members' Report for the year ended 31 March 2021 (continued)

Achievements and performance, continued

"And Jesus answered and said, Verily I say unto you, There is no man that hath left house, or brethren, or sisters, or father, or mother, or wife, or children, or lands, for my sake, and the gospel's, But he shall receive an hundredfold now in this time, houses, and brethren, and sisters, and mothers, and children, and lands, with persecutions; and in the world to come eternal life."

The article written by the Chairman as these events began to unfold, 'Counting the Cost', is still available on the website, and still expounds the challenge faced by all Christians, both now and throughout the unknown coming days, weeks, or months – as do other helpful thoughts. However, it is time that we move from simply thinking to taking practical steps as we look to the future and our ongoing ministry.

Magazine

Edward Malcolm has continued to edit the magazine, and with great effort has managed to fill it with inspiring and encouraging articles. Pepper Collective put the various pieces together for us. Our recognisable cover format keeps it looking consistent and up to date. Please encourage people to take this magazine. The content available in it, ranging from book reviews through to general articles referring to relevant theological topics, is unique.

The Meetings page remains; now we have two Wickliffe Preachers operating we would hope that there are more engagements to take note of, clearly during the last year this has not been possible. But now things are more open our supporters can see where our Wickliffe Preachers are due, can pray for the meetings, (please) pray that there might be more meetings, and we would hope they can even try to attend if they are near a venue. The back cover advertisement for the PTS shop, with a selection of available books pictured, has been a constant encouragement to Christians to make use of what we offer, and of what some excellent authors and publishers have in God's grace produced, so that they may grow in their faith and witness.

Although it may not have sales as large as we would like, it gets to many people and many churches. Copies are passed on from one reader to another, and we get occasional responses (positive and negative!) from readers – so we know it is being read. Do encourage people to take it up.

Publications

The production of the Society's own publications has remained quieter across the year. The Council have been aware both of the issue of not producing too many (always a temptation), but also of producing what is really significant. The Time Travellers workbooks are still sold, and though they are far more popular when heavily discounted, sales have proceeded slowly. Copies of earlier issues of many of the Society's own booklets remain available, and are valuable sources of information and teaching.

Great successes of previous years still sell, and we receive small but regular orders from Edinburgh for our John Knox booklet, "The Man who changed a Nation." The other titles in that series (a reprint of J C Ryle's "What do we owe to the Reformation?"; and Dr Garry Williams's "Why Protestant Truth Still Matters") continue to be significant and valuable, but require the help of members and readers to bring them to the attention of a deserved, wider, audience. The Society Diary has been mentioned. We thank Stephen Holland and Edward Malcom for their work on this. However, the changing methods for keeping diary dates and other information in Western Europe precipitates a downturn in demand, and therefore requires further consideration of how we proceed.

Council Members' Report for the year ended 31 March 2021 (continued)

Achievements and performance, continued

A regular prayer diary is produced by the PTS office which is sent by email, and is available to anyone who contacts the office. It helps direct the prayers of members and supporters in directions which are relevant to our Society, and to events within society which have a significant Christian relevance.

Website

Our modern age has replaced much of its information gathering with online browsing – sadly, books are a thing of the past for many people. Therefore we take our website seriously. It has been well protected against malicious endeavours, and is reliably available for view.

Given the vast amount of information and resources available on the website it cannot be seen as anything but a significant plank in the work of the PTS. The calendar has meeting dates displayed clearly, so that the relevant information is easily obtainable for anyone interested in attending them. The heading relating to meetings of other Societies and events widens its appeal. Some past magazine content is made available to encourage new subscriptions, and further articles and comment are added on a regular basis. On occasion, members of Council or the Chairman have had comments and encouragements to prayer about recent events put on the site. Resources include Audio files from several of the Cambridge lectures, Study Day Conferences, and other talks, and are available for download.

In short, this is a valuable tool which under the hand of Mr Kevin McGrane continues to make a significant contribution to the work of the Society.

Financial review

Overall income for the year was £150,459 compared to £179,124 the previous year. The reduction was largely due to the effect of the Covid lockdowns on our bookshop sales and a reduction in rental income following vacation of tenants from one of the Society's rental properties preparatory to its being sold in May 2021. We were encouraged by a slight increase in the value of donations and legacies received over the previous year.

Expenditure continues to be kept under close review. We are pleased to report that overall expenditure for the year was £201,282 compared to £217,595 in the previous year.

The net deficit for the year, before the effect of the investment revaluations referred to in the following paragraph, was £50,823, compared to £38,471 in the previous year. Of this deficit, £17,006 (2019 - £16,221) was a depreciation charge, a book entry which does not affect the Society's cash balances or its ability to operate.

Property values in London, where the Society has its five investment properties, have held up during the pandemic, and have risen sharply since the end of the financial year. The Society's portfolio of shares has recovered the whole of the value lost when the pandemic broke in March 2020. We are required to show the investment properties and shares at their market values at the balance sheet date in the Society's accounts. We have been able to include in the accounts a revaluation gain of £25,402 on the company's listed investments, which brings our overall result for the year from a deficit of £50,823 down to a deficit of £25,421. The values of properties and listed investments are not matters that are in our hands and we look to the Lord to guide our affairs for His glory alone. Following the revaluations, our reserves stood at £3,196,765 at 31 March 2021. Cash and bank balances and readily realisable investments remain relatively healthy and we do not presently have liquidity concerns.

Council Members' Report for the year ended 31 March 2021 (continued)

Financial review, continued

Financial Risks

Cash flow risk

The Society does not experience much volatility in the level of its income. Donations, bookshop sales, and rents receivable from properties are fairly constant and enable the Council to approach expenditure decisions with an awareness of cash flow expectations. Interest earnings on deposits have continued at low levels. The view of Council not to place any expectation on legacies going forward remains in place. The cash flow risk has been significantly reduced with decisions already taken and the Council continues to examine other options.

Credit risk

The Council has no current plans or need to seek additional bank loans. A healthier position on income versus expenditure would improve the options in refinancing or paying down the existing loans. The Society has a strong balance sheet and is able to engage in a straightforward way with its suppliers and providers.

Liquidity risk

The Society continues to hold a significant sum at the bank and has an investment portfolio of quoted securities. Given the Society's overall finances, Council considers that the liquidity risk remains low.

Directors' indemnities

No indemnity policies have been taken out by the Society for the Council Members.

Political contributions

The Protestant Truth Society does not contribute to or support any political party.

Plans for future periods

The Council once again proclaims its determination to continue its Protestant Ministry for as long as the Lord equips and enables us. To that end careful consideration is given to any further areas where an increase in income or cost savings may be made so that the Society remains a going concern. We pray especially that God may not cease to pour out His grace upon us as a Society, that we may remain faithful to the Gospel, and that we may be enabled to pursue our ministry even as darkness descends in our nation.

"Arise, shine; for thy light is come, and the glory of the LORD is risen upon thee. For, behold, the darkness shall cover the earth, and gross darkness the people: but the LORD shall arise upon thee, and his glory shall be seen upon thee. And the Gentiles shall come to thy light, and kings to the brightness of thy rising. Lift up thine eyes round about, and see: all they gather themselves together, they come to thee: thy sons shall come from far, and thy daughters shall be nursed at thy side." (Isaiah 60:1–4)

Council Members' Report for the year ended 31 March 2021 (continued)

Council Members' responsibilities in relation to the financial statements

The Council Members, who are directors of The Protestant Truth Society (Incorporated) for the purposes of company law, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and the law applicable to charities in England and Wales requires the Council Members to prepare financial statements for each financial year. The Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources, including income and expenditure, for that year. In preparing those financial statements, the Council Members are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in operation.

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

Disclosure of information to the auditors

To the knowledge and belief of the Council Members, there is no relevant information that the Society's auditors are not aware of, and the Council Members have taken all steps necessary to ensure the Council Members are aware of any relevant information and to establish that the Society's auditors are aware of the information.

This report was prepared in accordance with the small charities regime and was approved by the Council Members on 13/9/21 and signed on its behalf by:



The Rt Rev D F Stockford
Chairman

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Independent Auditor's Report to the members of The Protestant Truth Society (Incorporated)

Opinion

We have audited the financial statements of The Protestant Truth Society (Incorporated) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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 Society's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK)(ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 22 to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Council Members' Report, other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Independent Auditor's Report to the members of The Protestant Truth Society (Incorporated), continued

Other information, continued

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Council Members' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Council Members' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Council Members' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council Members' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the Council Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of Council Members

As explained more fully in the statement of Council Members' Responsibilities set out on pages 8 and 9, the Council Members (who are trustees of the charity for the purposes of charity law and directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Council Members 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 Council Members are responsible for assessing the Society'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 Council Members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Independent Auditor's Report to the members of The Protestant Truth Society (Incorporated), continued

Auditor's responsibilities for the audit of the financial statements

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

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



Andrew Geary BSc FCA
Senior Statutory Auditor

for and on behalf of:
Geary Partnership
Statutory Auditor and Chartered Accountants
159a Chase Side
Enfield
EN2 0PW

Date: 13 September 2021

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Statement of Financial Activities for the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 £	2020 £
Income						
Donations and legacies		22,462	374	-	22,836	21,434
Charitable activities:						
Bookshop		20,771	-	-	20,771	38,792
Magazine		3,126	-	-	3,126	4,633
Investments	2	103,726	-	-	103,726	114,265
Total income		150,085	374	-	150,459	179,124
Expenditure						
Raising funds	3	54,592	-	-	54,592	50,141
Charitable activities	4	145,527	1,163	-	146,690	167,454
Total expenditure		200,119	1,163	-	201,282	217,595
Net income/(expenditure) before net gains/(losses) on investments		(50,034)	(789)	-	(50,823)	(38,471)
Net gains/(losses) on investments	11	25,402	-	-	25,402	115,075
Net income/(expenditure)		(24,632)	(789)	-	(25,421)	76,604
Other recognised gains/(losses)		-	-	-	-	-
Net movement in funds		(24,632)	(789)	-	(25,421)	76,604
Total funds brought forward		3,200,482	14,204	7,500	3,222,186	3,145,582
Total funds carried forward		3,175,850	13,415	7,500	3,196,765	3,222,186

All of the results relate to continuing activities.

The notes on pages 16 to 25 form part of these financial statements.

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Balance Sheet as at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	9	1,348,517	1,361,586
Investments	10	2,222,759	2,215,517
		<u>3,571,276</u>	<u>3,577,103</u>
Current assets			
Stock		50,301	51,314
Debtors	12	7,448	11,253
Investments		8,670	8,548
Cash at bank and in hand		31,872	39,818
		<u>98,291</u>	<u>110,933</u>
Current liabilities			
Creditors: Amounts falling due within one year	13	(32,939)	(30,305)
Net current assets		<u>65,352</u>	<u>80,628</u>
Total assets less current liabilities		3,636,628	3,657,731
Creditors: Amounts falling due after more than one year	14	(439,863)	(435,545)
Total net assets		<u>3,196,765</u>	<u>3,222,186</u>
Funds			
Unrestricted funds	15	3,175,850	3,200,482
Restricted funds	16	13,415	14,204
Endowment funds	17	7,500	7,500
Total funds carried forward	18	<u>3,196,765</u>	<u>3,222,186</u>

The notes on pages 16 to 25 form part of these financial statements.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Council on 13/9/21



The Rt Rev D F Stockford

and signed on its behalf by:



The Rt Rev E J Malcolm

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Statement of Cash Flows for the year ended 31 March 2021

	Notes	2021 £	2020 £
Net cash (utilised in) operating activities	21	(130,091)	(134,582)
Cash flows from investing activities			
Interest received		100	58
Dividends received		3,910	4,443
Rental income		99,716	109,764
(Purchase) of tangible fixed assets		(3,937)	-
Sale/(purchase) of listed investments		18,160	(100)
Net cash flows from investing activities		117,949	114,165
Cash flows from financing activities			
Bank loans raised		4,318	-
Net cash flows from financing activities		4,318	-
Net (decrease) in cash and cash equivalents		(7,824)	(20,417)
Cash and cash equivalents at beginning of year		48,366	68,783
Cash and cash equivalents at end of year		40,542	48,366
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		31,872	39,818
Cash equivalents		8,670	8,548
Cash and cash equivalents		40,542	48,366

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and are in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice' (Charities SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

b) Income

Donations are credited when received. Legacies are credited when the conditions of certainty, measurement and entitlement have been met. Investment income, gift aid tax reclaims and rents are credited when receivable. Rents received in advance are deferred to the appropriate accounting period.

c) Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any irrecoverable VAT.

Allocation of expenditure

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across categories on the basis of an estimate of the proportion of time spent by staff on those activities.

d) Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at cost or, in the case of land and buildings, at a revaluation as shown in note 9. The aggregate surplus or deficit arising from revaluations of land and buildings is reflected through the statement of financial activities and transferred to the revaluation reserve as shown in note 15.

Depreciation is provided on tangible fixed assets at rates calculated to write them down to their estimated residual values on a straight line basis over their estimated useful lives. The principal rates in use are:

Leasehold property at Fleet Street – over 100 years
Equipment, fixtures and fittings – 20 to 25% straight line

Notes to the financial statements for the year ended 31 March 2021 (continued)

1. Accounting policies (continued)

e) Fixed asset investments

Investment properties are included in the balance sheet at market value as shown in note 10(a). The aggregate surplus or deficit arising from revaluations at the balance sheet date is reflected through the statement of financial activities and transferred to the fair value reserve as shown in note 15. No depreciation is provided on the investment properties as the values are reviewed annually. This represents a departure from the provisions of the Companies Act 2006 and is required for the accounts to give a true and fair view. The amount of depreciation which might otherwise have been shown is £20,800 (2019 - £19,500).

Listed investments are included at market value at the balance sheet date as shown in note 10(b). Gains or losses on revaluation during the year are reflected through the statement of financial activities and the fair value reserve.

f) Stock

Stock comprises books and other products sold through the Society's book-shop. Stock is valued at the lower of cost and estimated net realisable value.

g) VAT

The Society is partially exempt for VAT purposes.

h) Fund accounting

The funds held by the Society are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Council Members.

Designated funds – these are funds set aside by Council Members out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Society. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds – these are funds the income from which can be used for the general work of the Society. The capital is a permanent endowment.

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Notes to the financial statements for the year ended 31 March 2021 (continued)

2. Investment income

	2021 £	2020 £
Rental income	99,716	109,764
Dividend income	3,910	4,443
Interest receivable	100	58
	<u>103,726</u>	<u>114,265</u>

3. Cost of raising funds

	Direct Costs £	Support costs £	2021 £	2020 £
Cost of raising funds	<u>44,506</u>	<u>10,086</u>	<u>54,592</u>	<u>50,141</u>

4. Charitable activities

	Activities undertaken directly £	Support costs £	2021 £	2020 £
Bookshop	14,707	72,581	87,288	102,686
Publications	11,149	17,095	28,244	30,975
Wickliffe Preachers	17,879	11,529	29,408	32,504
Other including advertising and conferences	<u>1,750</u>	<u>-</u>	<u>1,750</u>	<u>1,289</u>
	<u>45,485</u>	<u>101,205</u>	<u>146,690</u>	<u>167,454</u>

Support costs are estimated on the basis of the amount of time spent by staff on each activity. Depreciation of the Fleet Street premises is allocated to publications (12.5%) and the bookshop (87.5%).

5. Support costs

	Charitable activities £	Raising funds £	2021 £	2020 £
Staff costs	63,257	7,029	70,286	70,920
Property costs	6,052	-	6,052	17,667
Office running	4,032	327	4,359	3,467
Governance costs	4,882	396	5,278	5,440
Other	<u>22,982</u>	<u>2,334</u>	<u>25,316</u>	<u>25,411</u>
	<u>101,205</u>	<u>10,086</u>	<u>111,291</u>	<u>122,905</u>

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Notes to the financial statements for the year ended 31 March 2021 (continued)

6. Governance costs

The major components of governance costs are:

	2021	2020
	£	£
Legal and professional fees		-
Audit fees	3,787	3,694
Non-audit remuneration paid to auditors:		
Accountancy fees	874	854
Other costs	617	892
	<u>5,278</u>	<u>5,440</u>

7. Staff numbers and costs

	2021	2020
	£	£
Wages and salaries	76,740	75,792
Employer's national insurance costs	2,235	3,185
Pension costs	7,196	7,389
	<u>86,171</u>	<u>86,366</u>

The average monthly number of employees was:

	2021	2020
	Number	Number
Administration and bookshop	2	2
Wickliffe Preachers and Time Travellers Club	2	2
	<u>4</u>	<u>4</u>

There were no employees with emoluments above £60,000.

8. Taxation

The Society is exempt from corporation tax on its charitable activities.

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Notes to the financial statements for the year ended 31 March 2021 (continued)

9. Tangible fixed assets

	Land and buildings	Equipment fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2020	1,425,000	1,050	1,426,050
Additions	-	3,937	3,937
Disposals	-	-	-
At 31 March 2021	1,425,000	4,987	1,429,987
Depreciation			
At 1 April 2020	64,044	420	64,464
Charge for the year	16,011	995	17,006
On disposals	-	-	-
At 31 March 2021	80,055	1,415	81,470
Net book value			
At 31 March 2021	1,344,945	3,572	1,348,517
At 31 March 2020	1,360,956	630	1,361,586

The net book value of land and buildings at 31 March 2021 is made up as follows:

	2021 £	2020 £
Long-term leasehold premises	1,344,945	1,360,956

The leasehold property in Fleet Street was valued by Sneller Commercial, Chartered Surveyors, at £1,425,000 on 6 May 2016. The historical cost of the leasehold property at the balance sheet date was £39,787 (2020 - £39,787) and the carrying amount stated on a historical cost basis would have been £37,552 (2020 - £37,999).

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Notes to the financial statements for the year ended 31 March 2021 (continued)

10. Fixed asset investments

a) Investment properties

	2021 £	2020 £
Market value at 1 April 2020	2,080,000	1,950,000
Additions, at cost	-	-
Disposals, at opening market value	-	-
Net gain on revaluation	-	130,000
Market value at 31 March 2021	2,080,000	2,080,000

The Society's investment properties were valued by the Council Members at 31 March 2021 based upon their knowledge of the properties and market information available on public websites. The historical cost of the investment properties at 31 March 2021 was £1,710,519 (2020 - £1,710,519).

b) Listed investments

	2021 £	2020 £
Market value at 1 April 2020	135,517	150,342
Additions, at cost	-	100
Disposals, at opening market value	(12,696)	-
Net gain/(loss) on revaluation	19,938	(14,925)
Market value at 31 March 2021	142,759	135,517
Historical cost at 31 March 2021	125,216	145,697
Total fixed asset investments, at market value	2,222,759	2,215,517

11. Gains and losses on revaluations and disposals of investment assets

	2021 £	2020 £
Net gain/(loss) on revaluation of investment properties (note 10a)	-	130,000
Net gain/(loss) on revaluation of listed investments (note 10b)	19,938	(14,925)
Net gain on disposal of listed investments	5,464	-
	25,402	115,075

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Notes to the financial statements for the year ended 31 March 2021 (continued)

12. Debtors

	2021 £	2020 £
Trade debtors	221	204
Prepayments and accrued income	1,887	2,244
Other debtors	5,340	8,805
	<u>7,448</u>	<u>11,253</u>

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,387	6,198
Accruals and deferred income	27,710	24,107
Other creditors	2,423	-
Taxation and social security	1,419	-
	<u>32,939</u>	<u>30,305</u>

14. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	<u>439,863</u>	<u>435,545</u>

The bank loans are repayable in full by 2026. The variable rate of interest commenced with a reduced rate until 2018 and then increased to a revised rate set above bank's base rate. The bank loans are secured against two of the investment properties.

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Notes to the financial statements for the year ended 31 March 2021 (continued)

15. Unrestricted funds

	Balance at 1 Apr 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 2021 £
Revaluation reserve (land and buildings)	1,322,957	-	-	(15,564)	1,307,393
Fair value reserve (investments)	359,300	19,938	-	7,785	387,023
General fund	1,518,225	155,549	(200,119)	7,779	1,481,434
	<u>3,200,482</u>	<u>175,487</u>	<u>(200,119)</u>	<u>-</u>	<u>3,175,850</u>

16. Restricted funds

	Balance at 1 Apr 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 2021 £
Ladies' Union of Workers	13,997	214	(1,163)	-	13,048
Time Travellers Club	207	160	-	-	367
	<u>14,204</u>	<u>374</u>	<u>(1,163)</u>	<u>-</u>	<u>13,415</u>

The Ladies' Union of Workers fund is to be used for the work of the Wickliffe Preachers.
The Time Travellers' Club fund is to be used in the Club's work run by the Society.

17. Endowment funds

	Balance at 1 Apr 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 2021 £
Bishop Thompson Memorial Reserve	7,500	-	-	-	7,500

The interest from this fund is available to fund the general work of the Society.
The capital is a permanent endowment.

Notes to the financial statements for the year ended 31 March 2021 (continued)

18. Analysis of net assets among funds

	Endowment funds	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:					
Tangible fixed assets	-	1,348,517	-	1,348,517	1,361,586
Fixed asset investments	-	2,222,759	-	2,222,759	2,215,517
Net current assets	7,500	44,437	13,415	65,352	80,628
Creditors beyond one year	-	(439,863)	-	(439,863)	(435,545)
	7,500	3,175,850	13,415	3,196,765	3,222,186

19. Related party transactions

During the year, the following related party transactions took place:

The Society recharged Kensit Memorial Trust £631 (2020: £467) for pension and life insurance payments. The Rt Rev E J Malcolm is a Trustee and Director of the Kensit Memorial Trust.

No Council Members received any remuneration.

Travel costs of £403 were reimbursed to 3 Council Members (2020: £893 to 3 Council Members).

20. Pension commitments and other post- retirement benefits

Defined Contribution Scheme

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The pension cost and charge represents contributions payable by the Society to the fund or to separate schemes in which employees are members and amounted to £7,196 (2020: £7,389).

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Notes to the financial statements for the year ended 31 March 2021 (continued)

21. Statement of cash flows: Reconciliation of operating deficit to cash utilised in the Society's activities

	2021 £	2020 £
Net income/(expenditure)	(25,421)	76,604
Adjustment for:		
Investment income	(103,726)	(114,265)
Net gains/(losses) on investments	(25,402)	(115,075)
	-----	-----
Deficit on Society's charitable activities	(154,549)	(152,736)
Adjustment for:		
Depreciation	17,006	16,221
	-----	-----
Operating deficit before movement in working capital	(137,543)	(136,515)
Decrease in stock	1,013	2,162
Decrease in debtors	3,805	6,420
Increase/(decrease) in creditors	2,634	(6,649)
	-----	-----
Cash (utilised in) charitable operations	(130,091)	(134,582)
	-----	-----

22. Preparation of accounts

In common with many charities of our size and nature, we use our auditors to assist with the preparation of the accounts, as allowed under the APB Ethical Standard 'Provisions Available for Audits of Small Entities'.