

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

(Limited by guarantee)

**Annual report and financial statements
for the year ended 31 March 2022**

Company registered number 166825
Charity registered number 248505

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Financial Statements for the year ended 31 March 2022

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 2022

The Council Members are pleased to present their report together with the financial statements of the Society for the year ended 31 March 2022.

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
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 2022 (continued)

Achievements and performance

Introduction

During the year ended 31 March 2021 we reported that the Lord's blessing had enabled the Protestant Truth Society to continue discharging the duties, responsibilities and tasks it holds under God. This has continued to be the case in the time since then. However, the significant changes in society around us, caused by the Covid-19 virus and the subsequent government response, continue to be realized in practical ways. Many Christian congregations have for instance sadly continued to offer 'online' worship, and there is a concurrent dissociation of many individuals from the body of Christ's church.

Although the Society continues to receive financial support, and although there has been a drop in legacies, we did receive one substantial gift during 2021-22. The Council continues to find ways in which to ameliorate this change, with the hope that income from donations may rise again in the longer term. Full financial details can be viewed in detail elsewhere in the Annual Report.

The ongoing annual deficit is a regular topic of discussion within Council meetings. Dealing with it has led to changes in how we operate our ministry. One matter for constant vigilance is the responsibility we have towards our employees. However, looking after the finances remains a painstaking task, and the events of the financial year 2020–2021 did not help us to meet this responsibility, and slow recovery continues to affect matters. Although there are a few signs of hope there are still notably less people on the streets in Central London than before 2020, affecting shop income.

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, have been mothballed. Numbers of people working from home continue to stay high, consequently Central London has no significant demand for additional meeting space at the moment.

National Situation

We find that the situation within the UK, spiritually speaking, remains bleak. Although there are many faithful individuals, and still a significant number of faithful congregations, attendance numbers have dropped and the secular assault on Christianity continues with an even greater ferocity than before. Most of the mainstream denominations are now, far from being faithful to Scripture, following the way of the world instead. Some may even say that they are institutionally apostate. Many of the various evangelical church groupings have also moved, noticeably, from firm Protestant positions. Though there are some which remain faithful, it seems that they are exceptions to the rule.

Personnel

Council members' responsibilities have only changed a little over the last year, and we must remember that they offer their time voluntarily, and what they do is in addition to their various Christian and family 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 and for the spread of His truth. Modern technology continues to be a blessing in this matter – especially in the area of printing and advertising – and the Pepper Collective design team continues to assist in this.

We give thanks to the Lord that Council Members have been able to continue to take on specific tasks. The Protestant Truth magazine continues to be a significant uninterrupted ministry which has wide outreach across the nation. And we thank the Rt Rev Edward Malcolm for holding and effecting the editorship. This

Council Members' Report for the year ended 31 March 2022 (continued)

Achievements and performance, continued

baton has now been passed on to Mr Paul Austen. We thank him for taking it up, and thank Rt Rev Edward Malcolm for continuing to be available to advise him.

Mr Kevin McGrane has completed the re-organisation of the PTS website. In its up-to-date form we hope and pray that it will assist the ministry. 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. Rev David Patterson's input has been a great help, and his knowledge of the situation in Northern Ireland is especially valuable.

We thank also Mr William Smith, who has not been able to join us for several meetings during the year because of the ill health of his wife, who has now gone to be with her Lord. He did not forget us, continued to support our work with prayer, and has now been able to rejoin us for meetings.

Our sole employed Wickliffe Preacher, the Rev Stephen Holland, has kept up his regular contributions to the magazine. He has also put in his sterling work for the Annual Diary. His recent change of ministry will have an effect on what he is able to do in the future, and we pray that it will be positive for both PTS and for himself. His input to our magazine has remained valuable.

The Rev Regan King continues as our only associate Wickliffe Preacher, though we hope to appoint another soon. His geographical position in London made outreach very difficult during the previous year. Now restrictions have lifted there are opportunities, but the changing face of London, and the reticence of many congregations to be boldly Protestant, make outreach difficult. His own pastoral responsibilities and growing family mean that he has less time available. We are grateful to him for his help in our witness outside New Scotland Yard, to once again support street preachers.

It is important to note that Wickliffe Preachers are always open to visit new venues, and to encourage your minister to seek such opportunity. It may well be possible for churches to put on a day when talks on Protestant subjects can be given by one of the Wickliffe Preachers. A list of available subjects has grown up that are helpful in speaking to such a booking.

The Time Travellers 'Club, 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. Please encourage parents you know - The Journal, published on a bi-monthly basis throughout the year, always seeks to be historically topical, and is sent out by post. All necessary information can be found on our website. We know some continue to have the journal passed on to them, we ask that others be encouraged to sign up. The Journal can be sent out in PDF format by email, and we 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 in their faithful and persistent work. George and Sarah Rae retain the welcome offered to those who come to the shop, even those who are less interested in the Christian aspect of the ministry we offer. Christian fellowship, support, encouragement and Christian teaching are offered from 184. Using all sorts of means, speakers, videos, general encouragement and sensible book-buying advice, combined with their persistence, have continued the Christian witness available in Fleet Street.

Council Members' Report for the year ended 31 March 2022 (continued)

Achievements and performance, continued

However, the customary excellent work of the Raes in all the issues involved with the day to day running of the Society and its practical business continues. Bookshop sales have recovered somewhat, though not being as strong as one might hope. Sales of the PTS diary (put together by Stephen Holland and Edward Malcolm) through the shop are less than at its height of popularity, but it still seems reasonable to continue this work – as there are those who benefit in the UK and much further abroad who still value it.

Meetings and events

The Tuesday lunchtime meetings at PTS resumed as soon as was possible, and we are grateful to those who have taken time to speak. Attendees can travel some distance to attend and the fellowship and teaching is of great benefit to them, as well as for those who work in central London and find a haven of calm and Biblical sense when they attend. We must continue to do what we can to challenge the intellect as well as the soul, and it is good to see them taking place once again.

The Saturday lecture series has also resumed, and changed slightly, with the March 2022 event taking place at Kensit Memorial Church, “Atonement and Victory” being the title of the talk given on that occasion by Keith Ferdinando. Earlier, in July 2021, the Annual Summer Day Conference had taken place at Kensit Memorial Church, with Benedict Bird speaking ably on the subject of “Contending for the Truth.” Later in the year, in December 2021, the PTS Annual Cambridge Lecture once again took place; with The Rev Dr Harrison Perkins speaking on “The Protestant Prelate: James Ussher’s polemical use of history.”

A PTS Study Day Conference – Covid and the Churches - took place at St Mary’s Castle St, Reading, by the kind agreement of those in the congregation, in November 2021. The attendance was heartening, given the contentious nature of the subject and the continuing concern of many created by health propaganda. Talks were presented by Rt Rev Dominic Stockford (David and Goliath, an exposition of God’s wondrous provision), Rev Regan King (Pastoring on the front line in a hostile climate), Mr Kevin McGrane (Facts about the current situation, thoughts about the future), and Michael Phillips from Christian Concern (The legal situation regarding congregations and worship). Many who attended attested to the encouragement it had been for them.

Martyrs Memorial services, such as that at the Martyrs Memorial, Christchurch Park, Ipswich, or the Martyrs Memorial, Abbey Precincts, Bury St Edmunds, have once again taken place. Although the numbers present are few, the witness is significant, and we are grateful to those who attend, and to Rev Stephen Holland for his efforts in arranging them.

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 as less are ready to commit themselves openly to Christ’s cause, and to Protestant Truth.

Publications

The production of the Society’s own publications remains quiet. We have sought a suitable author for another Time Travellers workbook, this time on Selina, Countess of Huntingdon, and though we may have found one they are unable to begin work on it as yet. Other workbooks are still sold, though always more popular when heavily discounted, and so 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.

Council Members' Report for the year ended 31 March 2022 (continued)

Achievements and performance, continued

Great successes of previous years still sell, and we receive small but regular orders 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, and still require the help of members and readers to bring them to the attention of a deserved, wider, audience.

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

Website

Resources on the website include Audio files from several of the Cambridge lectures, Study Day Conferences, and other talks, and are available for download, and to stream. Do point these out to people – I know of several people who have benefited from them once they have been made aware.

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

Overall

In all that we do we seek to encourage Christians to make those efforts required of them in Scripture to build themselves and their fellow Christians up in the faith. We should continue to make special effort to encourage and support Christians in their gathering together, as we are exhorted to do in Scripture (Hebrews 10:25). There will inevitably be further attacks on our ability to do this, and we must be ready to stand for God's truth, and encourage faithful worship.

The purpose and essence of our foundation is to stand up for that which is theologically and biblically correct, opposing error and proclaiming the truth. We believe the Gospel, and so also protest the cause of Protestantism, and this should have a direct and visible effect on the work we do. We are called to stand up in the face of tyranny and of opposition to the Gospel and its ministry, whether we do so by opposing Christ's enemies, or by proclaiming God's glory. We do not need to be rash, or deliberately provocative, but we must seek to do what we can to support the freedom to preach Christ's saving Gospel, and to gather for worship.

Financial review

Overall income for the year was £199,465 compared to £150,459 the previous year. The increase was largely due a gradual recovery of our bookshop sales following the COVID lockdowns and a very generous donation received in the year.

Expenditure continues to be kept under close review. Overall expenditure for the year was £200,453 compared to £201,282 in the previous year.

The net deficit for the year, before the effect of the revaluations referred to in the following paragraph, was £988, compared to £50,823 in the previous year. Of this deficit, £998 (2020 - £17,006) was a depreciation charge, a book entry which does not affect the Society's cash balances or its ability to operate.

Council Members' Report for the year ended 31 March 2022 (continued)

Financial review, continued

We are required to show the Society's investment properties and shares at their market values in the accounts at the balance sheet date. Where values are rising, this increases our reported surplus. Property values in London, where the Society has its four remaining investment properties (one was sold during the year), have held up during the pandemic and have begun to rise since the restrictions were removed. Their collective value rose by approximately £100,000 during the financial year. The value of the Society's portfolio of shares, on the other hand, has suffered on account of the instability caused by Russia's invasion of Ukraine. Their value has fallen by £16,096. The net resultant gain in the value of the Society's investments enables us to report a net surplus of £75,748 for the year compared with a deficit of £25,421 in the previous year.

We have also taken the opportunity to restate the Society's Fleet Street premises at their 31 March 2022 value of approximately £1,685,000, an adjustment necessary because the current value has risen materially above the last professional valuation of £1,425,000 in 2016.

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 £3,612,568 at 31 March 2022. Cash and bank balances have been replenished by the sale of one of the Society's investment properties during the year and we do not presently have liquidity concerns.

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.

Council Members' Report for the year ended 31 March 2022 (continued)

Plans for future periods

The Council continues in its determination to continue 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' 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.

Council Members' Report for the year ended 31 March 2022 (continued)

This report was prepared in accordance with the small charities regime and was approved by the Council Members on 12 September 2022 and signed on its behalf by:

The Rt Rev D F Stockford
Chairman

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 2022 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 2022 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 Society 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 Council Members' 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 Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council Members 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 Council Members' Report, other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information contained within the Council Members' 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, to 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 there is a material misstatement in the financial statements themselves.

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

Other information, continued

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 Society 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 page 8, the Council Members (who are trustees of the Society for the purposes of charity law and directors of the Society for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Society's Council Members, 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 Society's Council Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's Council Members as a body, for our audit work, for this report, or for the opinions we have formed.

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: 12 September 2022

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Statement of Financial Activities for the year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 £	2021 £
Income						
Donations and legacies		66,988	331	-	67,319	22,836
Charitable activities:						
Bookshop		33,393	-	-	33,393	20,771
Magazine		3,807	-	-	3,807	3,126
Investments	2	94,946	-	-	94,946	103,726
Total income		199,134	331	-	199,465	150,459
Expenditure						
Raising funds	3	49,177	-	-	49,177	54,592
Charitable activities	4	149,460	1,816	-	151,276	146,690
Total expenditure		198,637	1,816	-	200,453	201,282
Net income/(expenditure) before net gains/(losses) on investments		497	(1,485)	-	(988)	(50,823)
Net gains/(losses) on investments	11	76,736	-	-	76,736	25,402
Net income/(expenditure)		77,233	(1,485)	-	75,748	(25,421)
Other recognised gains/(losses)						
Gains on revaluation of fixed assets	9	340,055	-	-	340,055	-
Net movement in funds		417,288	(1,485)	-	415,803	(25,421)
Total funds brought forward		3,175,850	13,415	7,500	3,196,765	3,222,186
Total funds carried forward		3,593,138	11,930	7,500	3,612,568	3,196,765

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 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	9	1,687,574	1,348,517
Investments	10	1,956,386	2,222,759
		<u>3,643,960</u>	<u>3,571,276</u>
Current assets			
Stock		49,147	50,301
Debtors	12	11,761	7,448
Investments		124,049	8,670
Cash at bank and in hand		258,894	31,872
		<u>443,851</u>	<u>98,291</u>
Current liabilities			
Creditors: Amounts falling due within one year	13	(35,380)	(32,939)
Net current assets		<u>408,471</u>	<u>65,352</u>
Total assets less current liabilities		4,052,431	3,636,628
Creditors: Amounts falling due after more than one year	14	(439,863)	(439,863)
Total net assets		<u>3,612,568</u>	<u>3,196,765</u>
Funds			
Unrestricted funds	15	3,593,138	3,175,850
Restricted funds	16	11,930	13,415
Endowment funds	17	7,500	7,500
Total funds carried forward	18	<u>3,612,568</u>	<u>3,196,765</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 12 September 2022 and signed on its behalf by:

The Rt Rev D F Stockford

The Rt Rev E J Malcolm

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 £	2021 £
Net cash (utilised in) operating activities	21	(95,654)	(130,091)
Cash flows from investing activities			
Interest received		3	100
Dividends received		5,916	3,910
Rental income		89,027	99,716
(Purchase) of tangible fixed assets		-	(3,937)
(Purchase) of listed investments		(99,723)	-
Sale of investment properties		442,832	-
Sale/(purchase) of listed investments		-	18,160
Net cash flows from investing activities		438,055	117,949
Cash flows from financing activities			
Bank loans raised		-	4,318
Net cash flows from financing activities		-	4,318
Net increase/(decrease) in cash and cash equivalents		342,401	(7,824)
Cash and cash equivalents at beginning of year		40,542	48,366
Cash and cash equivalents at end of year		382,943	40,542
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		258,894	31,872
Cash equivalents		124,049	8,670
Cash and cash equivalents		382,943	40,542

Notes to the financial statements for the year ended 31 March 2022

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 probability, 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 2022 (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 £17,300 (2021 - £20,800).

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.

Notes to the financial statements for the year ended 31 March 2022 (continued)

2. Investment income

	2022 £	2021 £
Rental income	89,027	99,716
Dividend income	5,916	3,910
Interest receivable	3	100
	94,946	103,726

3. Cost of raising funds

	Direct Costs £	Support costs £	2022 £	2021 £
Cost of raising funds	39,425	9,752	49,177	54,592

4. Charitable activities

	Activities undertaken directly £	Support costs £	2022 £	2021 £
Bookshop	19,944	64,316	84,260	87,288
Publications	12,928	17,508	30,436	28,244
Wickliffe Preachers	21,678	13,414	35,092	29,408
Other including advertising and conferences	1,488	-	1,488	1,750
	56,038	95,238	151,276	146,690

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 £	2022 £	2021 £
Staff costs	63,665	7,074	70,739	70,286
Property costs	14,848	-	14,848	6,052
Office running	5,661	459	6,120	4,359
Governance costs	5,593	454	6,047	5,278
Other	5,471	1,765	7,236	25,316
	95,238	9,752	104,990	111,291

Notes to the financial statements for the year ended 31 March 2022 (continued)

6. Governance costs

The major components of governance costs are:

	2022	2021
	£	£
Audit fees	3,911	3,787
Non-audit remuneration paid to auditors:		
Accountancy fees	913	874
Other costs	1,223	617
	<hr/> 6,047	<hr/> 5,278

7. Staff numbers and costs

	2022	2021
	£	£
Wages and salaries	78,264	76,740
Employer's national insurance costs	2,284	2,235
Pension costs	7,200	7,196
	<hr/> 87,748	<hr/> 86,171

The average monthly number of employees was:

	2022	2021
	Number	Number
Administration and bookshop	2	2
Wickliffe Preachers and Time Travellers Club	2	2
	<hr/> 4	<hr/> 4

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

8. Taxation

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

Notes to the financial statements for the year ended 31 March 2022 (continued)

9. Tangible fixed assets

	Land and buildings £	Equipment fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2021	1,425,000	4,987	1,429,987
Additions	-	-	-
Disposals	-	-	-
Uplift on revaluation at 31 March 2022	260,000	-	260,000
At 31 March 2022	1,685,000	4,987	1,689,987
Depreciation			
At 1 April 2021	80,055	1,415	81,470
Charge for the year	-	998	998
On disposals	-	-	-
Released on revaluation at 31 March 2022	(80,055)	-	(80,055)
At 31 March 2022	-	2,413	2,413
Net book value			
At 31 March 2022	1,685,000	2,574	1,687,574
At 31 March 2021	1,344,945	3,572	1,348,517

The net book value of land and buildings at 31 March 2022 is made up as follows:

	2022 £	2021 £
Long-term leasehold premises	1,685,000	1,344,945

The Society's leasehold property in Fleet Street was valued by the Council Members at £1,685,000 at 31 March 2022. The net surplus of £340,055 on revaluation has been taken to the revaluation reserve. The property was last valued professionally 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 (2021 - £39,787) and the carrying amount stated on a historical cost basis would have been £37,105 (2021 - £37,552).

Notes to the financial statements for the year ended 31 March 2022 (continued)

10. Fixed asset investments

a) Investment properties

	2022 £	2021 £
Market value at 1 April 2021	2,080,000	2,080,000
Additions, at cost	-	-
Disposals, at opening market value	(450,000)	-
Net gain on revaluation	100,000	-
Market value at 31 March 2022	1,730,000	2,080,000

The Society's investment properties were valued by the Council Members at 31 March 2022 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

	2022 £	2021 £
Market value at 1 April 2021	142,759	135,517
Additions, at cost	99,723	-
Disposals, at opening market value	-	(12,696)
Net (loss)/gain on revaluation	(16,096)	19,938
Market value at 31 March 2022	226,386	142,759
Historical cost at 31 March 2022	224,939	125,216
Total fixed asset investments, at market value	1,956,386	2,222,759

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

	2022 £	2021 £
Net gain on revaluation of investment properties (note 10a)	100,000	-
Net (loss)/gain on revaluation of listed investments (note 10b)	(16,096)	19,938
Net gain on disposal of investments	-	5,464
Net (loss) on disposal of investment properties	(7,168)	-
	76,736	25,402

Notes to the financial statements for the year ended 31 March 2022 (continued)

12. Debtors

	2022	2021
	£	£
Trade debtors	221	221
Prepayments and accrued income	1,791	1,887
Other debtors	9,749	5,340
	<hr/>	<hr/>
	11,761	7,448
	<hr/>	<hr/>

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	4,138	1,387
Accruals and deferred income	28,819	27,710
Other creditors	2,423	2,423
Taxation and social security	-	1,419
	<hr/>	<hr/>
	35,380	32,939
	<hr/>	<hr/>

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

	2022	2021
	£	£
Bank loans	439,863	439,863
	<hr/>	<hr/>

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 2022 (continued)

15. Unrestricted funds

	Balance at 1 Apr 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 2022 £
Revaluation reserve (land and buildings)	1,307,393	337,820	-	-	1,645,213
Fair value reserve (investments)	387,023	100,000	(196,060)	-	290,963
General fund	1,481,434	374,165	(198,637)	-	1,656,962
	<u>3,175,850</u>	<u>811,985</u>	<u>(394,697)</u>	<u>-</u>	<u>3,593,138</u>

16. Restricted funds

	Balance at 1 Apr 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 2021 £
Ladies' Union of Workers	13,048	256	(1,816)	-	11,488
Time Travellers Club	367	75	-	-	442
	<u>13,415</u>	<u>331</u>	<u>(1,816)</u>	<u>-</u>	<u>11,930</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 2022 (continued)

18. Analysis of net assets among funds

	Endowment funds £	Unrestricted funds £	Restricted funds £	2022 £	2021 £
Fund balances at 31 March 2022 are represented by:					
Tangible fixed assets	-	1,687,574	-	1,687,574	1,348,517
Fixed asset investments	-	1,956,386	-	1,956,386	2,222,759
Net current assets	7,500	389,041	11,930	408,471	65,352
Creditors beyond one year	-	(439,863)	-	(439,863)	(439,863)
	7,500	3,593,138	11,930	3,612,568	3,196,765

19. Related party transactions

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

The Society recharged Kensit Memorial Trust £723 (2021: £631) 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 £950 were reimbursed to 3 Council Members (2021: £403 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 £7,200 (2021: £7,196).

Notes to the financial statements for the year ended 31 March 2022 (continued)

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

	2022 £	2021 £
Net income/(expenditure)	75,748	(25,421)
Adjustment for:		
Investment income	(94,946)	(103,726)
Net (losses) on investments	(76,736)	(25,402)
	-----	-----
Deficit on Society's charitable activities	(95,934)	(154,549)
Adjustment for:		
Depreciation	998	17,006
	-----	-----
Operating deficit before movement in working capital	(94,936)	(137,543)
Decrease in stock	1,154	1,013
(Increase)/decrease in debtors	(4,313)	3,805
Increase in creditors	2,441	2,634
	-----	-----
Cash (utilised in) charitable operations	(95,654)	(130,091)
	-----	-----

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 FRC Ethical Standard 'Provisions Available for Audits of Small Entities'.

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Detailed Statement of Financial Activities for the year ended 31 March 2022

	2022		2021	
	£	£	£	£
INCOME				
Donations and gifts				
Covenants and donations	66,107		20,462	
Contributions at meetings	881		-	
Contributions from Ladies' Union of Workers	256		214	
Contributions from Time Travellers Club	75		160	
	-----		-----	
		67,319		20,836
Legacies		-		2,000
Investment income				
Rental income	89,027		99,716	
Dividend income	5,916		3,910	
Interest receivable	3		100	
	-----		-----	
		94,946		103,726
Magazine		3,807		3,126
Net (loss) on bookshop		(19,697)		(27,541)
		-----		-----
Total income		146,375		102,147
		-----		-----
EXPENDITURE				
Protestant Truth Magazine				
Printing	5,524		5,232	
Postage and carriage	4,296		4,117	
Other	3,108		1,800	
	-----		-----	
		12,928		11,149
Wickliffe Preachers				
Salaries and fees	16,602		14,155	
Pensions	1,734		1,730	
Travelling	718		526	
Motor expenses	1,098		637	
TTC expenses	1,525		831	
	-----		-----	
		21,677		17,879
		-----		-----
Expenditure carried forward		34,605		29,028

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

**Detailed Statement of Financial Activities for the year ended 31 March 2022
(continued)**

	2022		2021	
	£	£	£	£
Expenditure brought forward		34,605		29,028
Other				
Speakers fees	447		-	
Conference expenses	-		-	
Gifts to other charities	-		1,500	
Other	-		250	
		447		1,750
Support costs				
Salaries	65,274		64,820	
Pensions and life insurance	5,466		5,466	
Property running costs	13,961		6,052	
Office running costs	4,180		3,680	
Depreciation	998		17,006	
Other	9,835		7,384	
Less: Charged to bookshop	(33,000)		(32,000)	
		66,714		72,408
Cost of raising funds				
Investment management	9,961		11,627	
Investment property costs	15,346		18,774	
Bank interest and fees payable	14,123		13,990	
Fund-raising printing	120		115	
		39,550		44,506
Other expenditure				
Auditor's remuneration	3,911		3,787	
Legal and professional fees	913		874	
Council meetings	1,223		617	
		6,047		5,278
Total expenditure		147,363		152,970
Net (outgoing) resources		(988)		(50,823)
Other recognised gains and losses				
Realised (loss)/gain on investments	(7,168)		5,464	
Unrealised gain on investments	83,904		19,938	
Surplus on revaluation of Society's premises	340,055		-	
		416,791		25,402
Net movement in funds		415,803		(25,421)

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Bookshop Trading and Profit and Loss Account for the year ended 31 March 2022

	2022		2021	
	£	£	£	£
Sales				
Bookshop sales		33,393		20,771
Cost of sales				
Opening stock	50,301		51,314	
Purchases – PTS	1,239		1,198	
Purchases – outside	16,358		12,496	
	-----		-----	
	67,898		65,008	
Less: Closing stock	49,147		50,301	
	-----		-----	
		18,751		14,707
		-----		-----
Gross profit		14,642		6,064
Overheads				
Postage and carriage	403		266	
Sundries	134		-	
Card merchant charge	802		1,339	
Support costs (notional)	33,000		32,000	
	-----		-----	
		34,339		33,605
		-----		-----
Net (loss) for the year		(19,697)		(27,541)
		-----		-----