

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

(Limited by guarantee)

**Annual report and financial statements
for the year ended 31 March 2023**

Company registered number 166825
Charity registered number 248505

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Financial Statements for the year ended 31 March 2023

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Legal and administrative information

Council Members

The following individuals served as Council Members during the year and up to the date of approval of these financial statements:

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
Mr P Mehrshahi (appointed 15 May 2023)
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
London Chief Office
PO Box 1000
BX2 1LB

Solicitors

Trowers & Hamblins LLP
3 Bunhill Row
London EC1Y 8YZ

Council Members' Report for the year ended 31 March 2023

The Council Members are pleased to present their report together with the financial statements of the Society for the year ended 31 March 2023. 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 and up to the date of approval of these financial statements:

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

Mr P Mehrshahi (appointed 15 May 2023)

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 objective of the Society continues to be the maintenance of the Protestant Heritage and Faith of the country and to actively oppose all Romanising influences in Church and State. 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, included 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;
- Weekly Bite-size School of Theology (BSST) lunchtime meetings and Spring, Summer and Autumn Saturday study days;
- 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 this objective 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 2023 (continued)

Achievements and performance

Introduction

As has previously been reported, we continue to receive the Lord's blessing, enabling the Protestant Truth Society to continue discharging the duties, responsibilities and tasks it holds under God. The significant changes in society around us of which we are all well aware, continue to cause practical challenges to that work – as for all faithful Christian Societies. Many Christian congregations still continue to offer 'online' worship, and the dissociation of many individuals from the body of Christ's church shows no sign of altering.

The change in property values continues to balance financial matters, and the Council continues to seek a way forward which means work can be continued without funds becoming rapidly exhausted. Full financial details can be viewed in detail elsewhere in the Annual Report.

The effective deficit is a regular topic of discussion within Council meetings. And a matter that remains of the utmost importance is the responsibility we have towards our employees. However, looking after the finances remains a painstaking task, and the slow recovery of the national economy continues to affect matters. Although the number of people now returning to Central London is noticeably increased, there are still less people on the streets in Central London than before 2020, inevitably affecting shop income.

National situation

Nothing has changed for the better in the national spiritual health of the UK. This remains bleak. The Church of England continues its race away from the truths of the Gospel, and seems to be run by pragmatists and financiers, not by Christians. Though we know ourselves that there are still many faithful individuals, attendance numbers have dropped and the secular assault on Christianity is if anything increasing in its intensity. Those church groupings which remain faithful to Scripture are constantly chided, criticised, and attacked for so doing. Even what were until recently faithful evangelical church groupings have noticeably moved from firm Biblical positions. Those who remain faithful are fighting against a tide of self-absorbed humanity.

Personnel

Council Members' responsibilities have continued as before, and in remembering that they offer their time voluntarily, that what they do is in addition to their various Christian and family responsibilities elsewhere, we should be grateful to God that they have been able to continue. We are also grateful to any who may take on the tasks for the PTS, for most are performed without remuneration, simply for the love of God and for the spread of the Gospel of Christ. Every year I have noted that modern technology continues to be a blessing in this matter – especially in the area of printing and advertising – this continues to be the case.

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. Mr Paul Austen has taken this work forward over the last year, and despite the vagaries of spam folders (which seem intended to lose important information) has managed to keep it on track. It is a most valuable resource for Christians in this nation.

Mr Kevin McGrane continues to look after the PTS website, as well as offering other advice from his experience and knowledge. 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. Our Secretary, George Rae, produces the finance sheets, with all the communication that involves – also the

Council Members' Report for the year ended 31 March 2023 (continued)

Achievements and performance, continued

monthly and end of year financial reports. Rev David Patterson's input to meetings has been a great help, and his knowledge of the situation in Northern Ireland is especially valuable. Mr William Smith attends meetings and provides helpful and wise insights into the work we do, and the some aspects of church life across London.

Remaining our sole employed Wickliffe Preacher, the Rev Stephen Holland has kept up his regular contributions to the magazine. The death of his good friend was a blow to him, but we are grateful for his renewed commitment to our work. His recent change of circumstances has of course had an effect on what he has been able to do, and we pray the Lord will continue to guide him in decisions he has to make, and in the work he can do for us.

The Rev Regan King continued as our only associate Wickliffe Preacher during 2022-3, however the difficult situation in London, and his busier personal circumstances, prevented him from being able to speak on our behalf. We have also now appointed The Rev Paul Dowling as associate Wickliffe Preacher in Northern Ireland. Though things have been slow to pick up, he is now beginning to get invitations to speak on behalf of the Society.

Once again I will note, for those reading this report, that Wickliffe Preachers are always open to visit new venues, and would urge you to encourage your minister to make something of this opportunity. Wickliffe Preachers can give talks on a variety of subjects regarding Protestant doctrine and history, and can therefore assist in the building up of the faith. Several churches across the country have benefited from the Wickliffe Preachers across the past year.

The Time Travellers' Club continues its excellent work under the hand of Mr Paul Austen. The Council remains grateful for his quiet persistence in this important ministry. Please encourage parents to take up this opportunity - 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 or by ringing the shop. The Journal can now be sent out in PDF format by email, so we encourage members to let families with children know of this helpful step forward.

Our staff at the PTS Headquarters and bookshop, 184 Fleet Street, persist in their faithful and persistent work. The welcome offered by George and Sarah to those who come to the shop, and to the events held there, provides a valuable ministry. The Christian witness in Fleet Street continues, and we pray that more people will make more use of it.

Furthermore, the customary excellent work of George and Sarah in the day to day running of the Society and its practical business continues. Bookshop sales continue to recover, though we could always wish them to increase! Sales of the PTS diary drop, as the use of diaries drops. At the moment it still seems reasonable to continue this work – and it may well be that a return to paper is on the cards.

Meetings

Tuesday lunchtime meetings at PTS continue unabated. Many people attend, and we are most grateful to the speakers for the effort that they put in. Some who attend travel some distance to attend, though the prime intention is to provide spiritual food for those who work in central London. We pray that they will continue to find a haven of calm and of Biblical sense when they attend. It is in the remit of the Society to challenge the intellect about faith, as well as feeding the soul. These meetings achieve this.

Council Members' Report for the year ended 31 March 2023 (continued)

Achievements and performance, continued

In July the Society held its Summer Study Day, focussing on the Christian and the State. After devotions led by the chairman, David Patterson presented "The Christian and obedience to the state: a Biblical perspective", followed in the afternoon by Kevin McGrane speaking on "The duties of subjects and rulers: all things lawful." A good number attended, the talks were most encouraging, and the fellowship was uplifting.

An autumn study day ('A Fruitful Reformation') took place at PTS HQ on October 22nd, with talks from Roland Burrows (former Council member), and Edward Malcolm. On April 1st the Spring Study Day really did take place at PTS HQ, with Dr Jim Winter speaking on "Preaching the Cross: divine salvation." Attendance at these study days fills the shop, and booking in for them is therefore essential. Given that people have to travel into central London for these talks, on Saturdays, the level of interest is heartening and encouraging.

The Bury St Edmunds Martyrs Memorial Service was led in Great Churchyard, by the Rev Stephen Holland in May, and he also led the Ipswich Martyrs Memorial service in July, in Christchurch Park. We would encourage those living in that area to make the effort to attend further such events. They are an opportunity to remind people of the benefits and blessings of the spiritual reformation which this country enjoyed. The Annual Cambridge Lecture took place in December, the subject being "The Protestant Faith in Britain after Brexit", and the speaker being The Rev. the Hon Kyle Paisley. We continue to seek to find ways to encourage a higher attendance at this events, but remain grateful to God that we are still able to put them on untroubled.

Our gratitude is due to those who gave their effort and their time to prepare and lead these events. In this area, as in many others in the Protestant world, more responsibility falls upon fewer faithful people. It continues to be sad to report that so few are ready to commit themselves openly to Christ's cause, and to Protestant Truth, even amongst those who should be proud to be Protestant.

Publications

The Jubilee of the Queen's Accession to the throne, and her death, followed by the coronation of King Charles III, did not go unnoticed in our publications. As well as what was produced for the magazine, the PTS had produced a 12 page full colour A5 booklet to commemorate the Queen's Platinum Jubilee. Although take-up was a little disappointing, the booklet was excellent and thanks must go to those who put it together. It is not too much to claim that it will continue to have value throughout the next few years.

Besides the royal publication, there are both tentative and firm plans for a number of publications. Time Travellers workbooks are still sold, though become more popular when heavily discounted, but sales have proceeded. Copies of earlier issues of many of the Society's own booklets remain available, and are valuable sources of information and teaching.

For instance, the PTS has copies available of "The Man who changed a Nation", about John Knox. And 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. As well as, for example, J. A. Kensit's "Britain's fight for civil and religious liberties." A full list of these can be found on the Society website.

A regular prayer diary regarding the work of the PTS, and those involved with it, is produced by the PTS office, and is sent by email. It can be made available to anyone who contacts the office. It remains a helpful tool in directing the prayers of members and supporters in directions which are relevant to our Society, as well as to the events within wider society which have a significant Christian relevance.

Council Members' Report for the year ended 31 March 2023 (continued)

Achievements and performance, continued

Website

The website has a veritable cornucopia of delights and references – as well as audio files from several of the Cambridge lectures, Study Day Conferences, and other talks, there are lists of books, a calendar of events, and contact details. What is available there continues to increase. Simply put, this is a valuable part of the overall work of the Society which under the hand of Mr Kevin McGrane continues to make a significant contribution to the work of the Society.

Overall

I repeat, unabashed, the words with which I concluded last year's report. Namely, that in all we do we seek to encourage Christians to make the efforts required of them in Scripture to build themselves and their fellow Christians up in the faith. We simply must 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, or difficulties placed in our way – such as the imposition of ULEZ in London and elsewhere. We must also 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 £165,273 compared to £199,465 the previous year. The apparent reduction was largely due to a very generous donation being received in the previous year.

Expenditure continues to be kept under close review. Overall expenditure for the year was £233,616 compared to £200,453 in the previous year. A large part of the apparent increase in expenditure arose from the resumption of a depreciation charge (£16,850) on our Fleet Street premises, which was not charged in the previous year because of a revaluation of the property.

The net deficit for the year, before the effect of the revaluations referred to in the following paragraph, was £68,343, compared to £988 in the previous year.

We are required to show the Society's investment properties and listed investments at their market values in the accounts at the balance sheet date. Where values are rising, this increases our reported surplus, sometimes dramatically. Where values are falling, our reported deficit increases. Property values in London, where the Society has its four investment properties, have levelled out in the past year, and we have therefore maintained the value of the properties at an aggregate value of £1,755,000 in our balance sheet. The value of the Society's portfolio of shares has continued to be affected detrimentally by the cost-of-living crisis and the instability caused by Russia's invasion of Ukraine. Their value has fallen by £44,128 over the year. The resultant reduction in the value of the Society's investments requires us to report a net deficit for the year of £112,471 compared with a surplus of £440,803 in the previous year.

Council Members' Report for the year ended 31 March 2023 (continued)

Financial review, continued

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 £3,525,097 at 31 March 2023. Cash and bank balances remain healthy 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 are at last increasing. 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 continues in its determination to continue Protestant Ministry for as long as the Lord equips and enables us. To that end careful consideration will be given to any further areas where an increase in income or cost savings may be made so that the Society remains a going concern, sharing the Gospel of 'Christ alone' for as long as possible. We pray especially that God will continue 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 spiritual darkness continues to fall over 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 2023 (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 18 September 2023 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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 March 2023 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

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

Other information, continued

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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. Procedures capable of detecting such irregularities performed during our audit included:

- tests to ensure all bank transactions have been accounted for;
- examination of agents' rental statements and investment managers' statements, till records and donor correspondence to ensure that income is fully recorded;
- verification of legitimacy of expenditure by reference to invoices and statements;
- examination of title records and attendance at stock-take to ensure assets have not been misappropriated;
- tests of analysis to satisfy ourselves that ledger balances are reasonable and in line with expectations.

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: 18 September 2023

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Statement of Financial Activities for the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 £	2022 £
Income						
Donations and legacies		26,591	517	-	27,108	67,319
Charitable activities:						
Bookshop		33,684	-	-	33,684	33,393
Magazine		3,499	-	-	3,499	3,807
Investments	2	100,982	-	-	100,982	94,946
Total income		164,756	517	-	165,273	199,465
Expenditure						
Raising funds	3	57,252	-	-	57,252	49,177
Charitable activities	4	175,393	971	-	176,364	151,276
Total expenditure		232,645	971	-	233,616	200,453
Net income/(expenditure) before net gains/(losses) on investments		(67,889)	(454)	-	(68,343)	(988)
Net gains/(losses) on investments	11	(44,128)	-	-	(44,128)	101,736
Net income/(expenditure)		(112,017)	(454)	-	(112,471)	100,748
Other recognised gains/(losses)						
Gains on revaluation of fixed assets	9	-	-	-	-	340,055
Net movement in funds		(112,017)	(454)	-	(112,471)	440,803
Total funds brought forward		3,618,138	11,930	7,500	3,637,568	3,196,765
Total funds carried forward		3,506,121	11,476	7,500	3,525,097	3,637,568

All of the results relate to continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

THE PROTESTANT TRUTH SOCIETY (INCORPORATED)

Balance Sheet as at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	9	1,669,882	1,687,574
Investments	10	2,011,467	1,981,386
		3,681,349	3,668,960
Current assets			
Stock		45,783	49,147
Debtors	12	13,940	11,761
Investments		58,109	124,049
Cash at bank and in hand		205,965	258,894
		323,797	443,851
Current liabilities			
Creditors: Amounts falling due within one year	13	(37,911)	(35,380)
Net current assets		285,886	408,471
Total assets less current liabilities		3,967,235	4,077,431
Creditors: Amounts falling due after more than one year	14	(442,138)	(439,863)
Total net assets		3,525,097	3,637,568
Funds			
Unrestricted funds	15	3,506,121	3,618,138
Restricted funds	16	11,476	11,930
Endowment funds	17	7,500	7,500
Total funds carried forward	18	3,525,097	3,637,568

The notes on pages 15 to 24 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 18 September 2023 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 2023

	Notes	2023 £	2022 £
Net cash (utilised in) operating activities	21	(147,723)	(95,654)
Cash flows from investing activities			
Interest received		240	3
Dividends received		7,682	5,916
Rental income		93,060	89,027
(Purchase) of tangible fixed assets		(194)	-
(Purchase) of listed investments		(74,209)	(99,723)
Sale of investment properties		-	442,832
Net cash flows from investing activities		26,579	438,055
Cash flows from financing activities			
Bank loans raised		2,275	-
Net cash flows from financing activities		2,275	-
Net (decrease)/increase in cash and cash equivalents		(118,869)	342,401
Cash and cash equivalents at beginning of year		382,943	40,542
Cash and cash equivalents at end of year		264,074	382,943
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		205,965	258,894
Cash equivalents		58,109	124,049
Cash and cash equivalents		264,074	382,943

Notes to the financial statements for the year ended 31 March 2023

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 in compliance 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 2023 (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 £14,405 (2022 - £17,300).

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 as shown in note 15.

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 2023 (continued)

2. Investment income

	2023 £	2022 £
Rental income	93,060	89,027
Dividend income	7,682	5,916
Interest receivable	240	3
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	100,982	94,946
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3. Cost of raising funds

	Direct Costs £	Support costs £	2023 £	2022 £
Cost of raising funds	47,526	9,726	57,252	49,177
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4. Charitable activities

	Activities undertaken directly £	Support costs £	2023 £	2022 £
Bookshop	27,368	80,652	108,020	84,260
Publications	12,795	20,038	32,833	30,436
Wickliffe Preachers	20,563	13,824	34,387	35,092
Other including advertising and conferences	1,124	-	1,124	1,488
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	61,850	114,514	176,364	151,276
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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 £	2023 £	2022 £
Staff costs	64,582	7,176	71,758	70,739
Property costs	17,548	-	17,548	14,848
Office running	3,923	318	4,241	6,120
Governance costs	6,203	503	6,706	6,047
Other	22,257	1,729	23,986	7,236
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	114,513	9,726	124,239	104,990
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Notes to the financial statements for the year ended 31 March 2023 (continued)

6. Governance costs

The major components of governance costs are:

	2023	2022
	£	£
Audit fees	3,911	3,911
Non-audit remuneration paid to auditors:		
Accountancy fees	903	913
Other costs	1,892	1,223
	<hr/> 6,706	<hr/> 6,047

7. Staff numbers and costs

	2023	2022
	£	£
Wages and salaries	81,762	78,264
Employer's national insurance costs	1,778	2,284
Pension costs	7,264	7,200
	<hr/> 90,804	<hr/> 87,748

The average monthly number of employees was:

	2023	2022
	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 2023 (continued)

9. Tangible fixed assets

	Land and buildings £	Equipment fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2022	1,685,000	4,987	1,689,987
Additions	-	194	194
Disposals	-	-	-
At 31 March 2023	1,685,000	5,181	1,690,181
Depreciation			
At 1 April 2022	-	2,413	2,413
Charge for the year	16,850	1,036	17,886
On disposals	-	-	-
At 31 March 2023	16,850	3,449	20,299
Net book value			
At 31 March 2023	1,668,150	1,732	1,669,882
At 31 March 2022	1,685,000	2,574	1,687,574

The net book value of land and buildings at 31 March 2023 is made up as follows:

	2023 £	2022 £
Long-term leasehold premises	1,668,150	1,685,000

The Society's leasehold property in Fleet Street was valued by the Council Members at £1,685,000 as at 31 March 2022. The net surplus of £340,055 on revaluation was 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 (2022 - £39,787) and the carrying amount stated on a historical cost basis would have been £36,658 (2022 - £37,105).

Notes to the financial statements for the year ended 31 March 2023 (continued)

10. Fixed asset investments

a) Investment properties

	2023 £	2022 £
Market value at beginning of year	1,755,000	2,080,000
Additions, at cost	-	-
Disposals, at opening market value	-	(450,000)
Net gain on revaluation	-	125,000
Market value at end of year	1,755,000	1,755,000

The Society's investment properties were valued by the Council Members as at 31 March 2023 based upon their knowledge of the properties and market information available on public websites. The historical cost of the investment properties at 31 March 2023 was £1,440,483 (2022 - £1,440,483).

b) Listed investments

	2023 £	2022 £
Market value at beginning of year	226,386	142,759
Additions, at cost	74,209	99,723
Disposals, at opening market value	-	-
Net (loss) on revaluation	(44,128)	(16,096)
Market value at end of year	256,467	226,386
Historical cost at 31 March 2023	299,149	224,939
Total fixed asset investments, at market value	2,011,467	1,981,386

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

	2023 £	2022 £
Net gain on revaluation of investment properties (note 10a)	-	125,000
Net (loss) on revaluation of listed investments (note 10b)	(44,128)	(16,096)
Net (loss) on disposal of investment properties	-	(7,168)
	(44,128)	101,736

Notes to the financial statements for the year ended 31 March 2023 (continued)

12. Debtors

	2023	2022
	£	£
Trade debtors	-	221
Prepayments and accrued income	1,480	1,791
Other debtors	12,460	9,749
	<u>13,940</u>	<u>11,761</u>

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	6,880	4,138
Accruals and deferred income	28,608	28,819
Other creditors	2,423	2,423
	<u>37,911</u>	<u>35,380</u>

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

	2023	2022
	£	£
Bank loans	<u>442,138</u>	<u>439,863</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 the 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 2023 (continued)

15. Unrestricted funds

	Balance at 1 Apr 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 2023 £
Revaluation reserve (land and buildings)	1,645,213	-	-	(16,452)	1,628,761
Fair value reserve (investments)	315,963	(44,128)	-	-	271,835
General fund	1,656,962	164,756	(232,645)	16,452	1,605,525
	<u>3,618,138</u>	<u>120,628</u>	<u>(232,645)</u>	<u>-</u>	<u>3,506,121</u>

16. Restricted funds

	Balance at 1 Apr 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 2023 £
Ladies' Union of Workers	11,488	317	(971)	-	10,834
Time Travellers Club	442	200	-	-	642
	<u>11,930</u>	<u>517</u>	<u>(971)</u>	<u>-</u>	<u>11,476</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 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 2023 £
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 2023 (continued)

18. Analysis of net assets among funds

	Endowment funds £	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Fund balances at 31 March 2023 are represented by:					
Tangible fixed assets	-	1,669,882	-	1,669,882	1,687,574
Fixed asset investments	-	2,011,467	-	2,011,467	1,981,386
Net current assets	7,500	266,910	11,476	285,886	408,471
Creditors beyond one year	-	(442,138)	-	(442,138)	(439,863)
	7,500	3,506,121	11,476	3,525,097	3,637,568

19. Related party transactions

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

The Society recharged Kensit Memorial Trust £880 (2022: £723) 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 £1,299 were reimbursed to 5 Council Members (2022: £950 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 £7,264 (2022: £7,200).

Notes to the financial statements for the year ended 31 March 2023 (continued)

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

	2023 £	2022 £
Net (expenditure)/income	(112,471)	100,748
Adjustment for:		
Investment income	(100,982)	(94,946)
Net losses/(gains) on investments	44,128	(101,736)
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(Deficit) on Society's charitable activities	(169,325)	(95,934)
Adjustment for:		
Depreciation	17,886	998
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Operating (deficit) before movement in working capital	(151,439)	(94,936)
Decrease in stock	3,364	1,154
(Increase) in debtors	(2,179)	(4,313)
Increase in creditors	2,531	2,441
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Cash (utilised in) charitable operations	(147,723)	(95,654)
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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'.